

Appendix A: Waste Transformation Project Update

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1. Background

On 4 April 2012 Cabinet approved the “Waste Collections for the Future”, which includes a number of initiatives to transform the way waste is collected in Barnet. The recommendations in the report, which were agreed by Cabinet were:

- Implementation of targeted communication work, enforcement of waste requirements (except when certain criteria are met) and provision of internal containers, with this work to start in 2012/13 once a communication plan has been agreed by the Cabinet Member for Environment.
- Implementation of the provision of 240 litre wheeled bins to households for the collection of mixed dry recycling on a weekly basis, to replace the current black and blue boxes. The provision of internal and external kitchen caddies to households for the separate collection of kitchen waste on a weekly basis and the provision of a fortnightly garden waste collection using the current green 240 litre wheeled bins, with the changes to take place from the end of the May Gurney Recycling Contract on or after 4 October 2013.
- Agreements that the mixed dry recycling will be:
 - consigned to the North London Waste Authority for processing from the end of the May Gurney Recycling Contract on or after 4 October 2013, provided that menu pricing is in place; or,
 - In the event that menu pricing is not in place, consigned to NLWA from the date that menu pricing is in place.
- Agreement that kitchen waste will be consigned to the North London Waste Authority for processing from the end of the May Gurney Recycling Contract on or after 4 October 2013.
- Agreement that garden waste will be consigned to the North London Waste Authority for processing from the end of the May Gurney Recycling Contract on or after 4 October 2013 provided that garden waste is charged for at the market rate for an outdoor facility.

The One Barnet Wave 2 Waste and Street Scene project assessed the preferred future delivery option for the Street Scene service. Cabinet Resources Committee, in November 2012, approved the Outline Business Case, including Options Appraisal, which recommended that the service should be retained in-house and undergo internal transformation with stretch (to ‘stretch’ transformation to a level beyond the existing initiatives within the Medium Term Financial Strategy (MTFS)).

The Council has initiated the Street Scene Internal Transformation Programme to bring together the delivery of these changes under one governance structure under the One Barnet Programme.

The Waste Transformation Project is one of the projects within this programme with responsibility for:

- Implementation of “Waste Collections of the Future”

- Management of the end of the May Gurney Recycling contract

2. Programme of work

2.1. Project Structure

The project was divided into three workstreams as follows.

1. May Gurney Contract end

This workstream was to deliver all the activity required to bring the May Gurney contract back in-house. It was therefore concerned with all legal activity required to end the contract, managing the transition of physical assets to the council and managing the TUPE transfer of staff from May Gurney to the Council. This workstream was not concerned with transforming service delivery.

2. New Waste Offer Implementation

This workstream was concerned with all activity to deliver a re-modelled waste and recycling service as agreed by Cabinet in April 2012. This workstream also aimed to enable the realisation of (financial and non-financial) benefits through reducing the operating costs of the service, increasing income from recyclates and reducing the costs from disposal of residual waste.

Key to this workstream was procurement activity, to ensure that all of the necessary items are available to support the implementation of the new waste offer, and communications activity to ensure that residents know about and are able to make use of the new opportunities for recycling.

3. Household Waste and Recycling Centre Re-modelling

This workstream was concerned with ensuring that the Household Waste and Recycling Centre could operate as an in-house service delivered by the council at the end of the May Gurney contract. Key components of the workstream were therefore concerned with ensuring that the necessary Health and Safety and legislative requirements are met with appropriately trained and qualified staff, reviewing the operational model and working practices to ensure they are as efficient as possible and are compliant with council policies and procuring/purchasing all required equipment to operate the site.

2.2. Achievement of Critical Success Factors

The Project as a whole has the following critical success factors.

Critical Success Factor	Achieved?	Comment
New waste offer (co-mingled dry recycling, new kitchen waste collection) goes live on 14 October 2013	Achieved	New model went live as planned on 14 October 2013.
New operating models deliver financial benefits to support the programme's benefit targets	Expected	See section 3.
Effective communications activity supports uptake by residents of the new recycling services and therefore enables the expected financial and non-financial benefits around reduction of residual waste and increase of recycling	Achieved / Expected	Communication activity has delivered successful uptake for the first month of the scheme and the initial indications are positive that the expected benefits will be delivered.
The number of missed collections per 100,000 collections across each individual waste service to remain below 50 in the following two months after the implementation of the new waste offer	Not achieved	Missed bins in the first month of new collections were 88 per 100,000. Plans are in place to enable a return to expected performance by month four of the new service (mid-January 2014)
The number of missed collections per 100,000 collections across each individual waste service to remain below 20 in the months leading up to the transfer of services, and in the months after implementation of the new waste offer (excluding the first two months)	Achieved / unlikely	Performance was maintained up until the point of change. It is not yet possible to assess the performance in month three (starting 14/12/13); however given the issues in the first month of operation it is anticipated that this performance will not be achieved until month 4.

Each of the workstreams also had its' own individual Critical Success Factors defined:

1. May Gurney Contract End

Critical Success Factor	Achieved?	Comment
Transition of service (kerbside recycling and HWRC) from May Gurney to the Council occurs seamlessly, with no disruption to service (except that specifically agreed and planned for) and accordance with the council's legislative obligations	Achieved	
All physical assets required by the council transfer to council ownership at the end of the May Gurney contract	Achieved	
All risks associated with transferring staff are mitigated so there is sufficient workforce with the right skills and qualifications when the May Gurney contract end	Achieved	
All required council governance processes will be completed to enable the transfer of staff from May Gurney to the council	Achieved	
May Gurney will have exited council premises in accordance with the agreed timescales	Achieved	

2. New Waste Offer Implementation

Critical Success Factor	Achieved?	Comment
All bins are procured in time to enable distribution to households by 4 October 2013	Achieved	This critical success factor was defined when one of the key risks to the project's success was the procurement and manufacturing timeline of new bins. As such this critical success factor was achieved; however it should be noted that the bin delivery was delayed (due to factors beyond the procurement process)
Fleet is procured/ordered in time to be delivered and operational by 8 October 2013	Achieved	All required new fleet was operational for 8 October except three vehicles for which short term hire arrangements were put in place pending the delivery of these vehicles by the end of 2013.
All procurement processes are compliant	Achieved	
New operating model delivers financial benefits to support the programme's benefit targets	Expected	See section 3
Communications activity ensures residents are informed about and make use of the new opportunities for recycling	Achieved	The collection data from the first month of the new operation and insight from Doorstepping shows that residents have understood and are using the new opportunities for recycling

Critical Success Factor	Achieved?	Comment
Changes to staffing are managed in accordance with the council's Managing Organisational Change policy	Not applicable	The initial project plan involved restructuring activity, which it was decided during the project would occur later, and therefore be managed by business as usual once the project was complete.
Re-modelling reduces routes and improves efficiency	Achieved	There are less routes with the new model for collection and these are anticipated to provide efficiencies (see section 3)
Implementation of Muniround enables more effective communication with residents online and through the Contact Centre	Delayed	Complexities and the volume of change for operational staff resulted in a decision to delay the implementation until January 2014. This is an outstanding activity which will be the Service's responsibility to introduce.

3. Household Waste and Recycling Centre re-modelling

Critical Success Factor	Achieved?	Comment
To provide the seamless transfer of the HWRC at the end of the May Gurney contract to an in-house provision	Achieved	
All required Health and Safety and legislative requirements are maintained at the HWRC	Achieved	

Critical Success Factor	Achieved?	Comment
New model for the HWRC is efficient and operates good practice	Achieved	

2.3. Delivery of project plan

The high-level milestones for the project as set out in the PID, with their actual delivery data and an assessment of their delivery is discussed in the table below.

Deliverable	Baseline	Date delivered	Comments
New fleet business case complete	22/3/13	22/3/13	
New Model for Waste services complete	1/4/13	4/7/13	New operating model emerged as the project progressed
Communications Programme start	1/4/13	1/4/13	
Formal notice of contract end served to May Gurney	8/4/13	8/4/13	
HR meetings (TUs, May Gurney, NSCSO) start	1/5/13	1/5/13	
Fleet procurement complete (order placed)	2/5/13	3/5/13	
New Recycling Containers procurement complete (orders placed)	24/5/13	24/5/13	
Outlets for Recyclates procurement complete (contract in place)	19/7/13	24/9/13	Arrangement was made with NLWA following unsuccessful procurement process

Deliverable	Baseline	Date delivered	Comments
General Functions Committee – approval to TUPE May Gurney staff	22/7/13	22/7/13	
Review of May Gurney’s Right to Work process complete	9/8/13	9/8/13	
Final Measures Letter sent	6/9/13	6/9/13	
Pensions Committee – impact of transfer of May Gurney staff	9/9/13	9/9/13	
New Recycling Containers roll-out start	9/9/13	9/9/13	
New staffing model for Waste Services implemented	30/9/13	Delayed	The initial project plan involved restructuring activity, however it was decided during the project, this would occur later, and therefore be managed by business as usual once the project was complete.
New Recycling Containers roll-out complete	4/10/13	18/10/13	This critical milestone was missed, which had a significant impact on the first fortnight of the new waste collection service.
Kerbside contract with May Gurney end	5/10/13	5/10/13	
Kerbside staff first day as LBB employees	7/10/13	7/10/13	
HWRC contract with May Gurney ends	8/10/13	8/10/13	
HWRC staff first day as LBB employees	9/10/13	9/10/13	

Deliverable	Baseline	Date delivered	Comments
HWRC delivered by Barnet reopens	11/10/13	11/10/13	
New household waste collection model go live	14/10/13	14/10/13	
Barnet kerbside collection restarts	14/10/13	14/10/13	

3. Achievement of Expected Benefits

Ref	Benefit Type	Benefit Description	Benefit owner	RAG	Comment	Saving
SIT-B01	Financial	Reduction in baseline cost of Service 2013/14 - £333,000 2014/15 - £723,000 2015/16 - £213,000 Total £1,269,000 baseline reduction by 2015/16.	Lynn Bishop	G	The Board agreed the following as the latest iteration of a layered model of benefits: 2013/14 - £333,000 2014/15 - £668,357 2015/16 - £460,609 n.b. presented here are the savings that are expected to be delivered. Further savings may be delivered as the service embeds.	Baseline reduction - £1,461,966
SIT-B02	Non-financial	Increase in recycling rates	Lynn Bishop	G	First three standard weeks of collection have seen an average weekly tonnage of 543 tonnes recyclates collected compared to approximately 350 tonnes per week with the previous methodology	NA

Ref	Benefit Type	Benefit Description	Benefit owner	RAG	Comment	Saving
SIT-B03	Non-financial	Reduction in residual waste	Lynn Bishop	G	Data is not yet available from NLWA; however given the increase in volume of recycling and food waste, and assuming that the total quantum of waste remains constant this benefit is expected to be on track.	NA
SIT-B04	Non-financial	Increase in tonnage of organic waste and change in mix from co-mingled to separate food and garden	Lynn Bishop	G	Data is not yet available from NLWA to fully assess this benefit; however the average weekly tonnage of food waste collected across the first three standard weeks of the new service is 160 tonnes, which otherwise would have been included with garden waste, or more likely in residual waste.	NA

4. Achievement of Objectives

Objective	Achieved?	Comment
To provide the seamless transfer of the service's operated by May Gurney at the end of the contract to an in-house provision. Services include the kerbside operation to houses, flats and schools, recycling bring bank service and the Household Waste and Recycling Centre.	Achieved	
To roll out the new waste services agreed at the meeting of the Cabinet on 4 April 2012.	Achieved	

Objective	Achieved?	Comment
To streamline all future waste services to provide maximum efficiencies and improved service delivery, by the rationalisation of rounds, the introduction of the Muniround database network and operating system and the provision of clear policies relating to all waste services.	Partial	The new service has been implemented as planned; however the implementation of Muniround has been delayed (for operational change readiness reasons).
To provide outlets for comingled dry recyclates to 31 March 2016, and outlets for all materials collected at the HWRC (excluding residual waste).	Achieved with caveats	Arrangements are in place with NLWA and Kier/May Gurney rather than the planned new commercial arrangements due to the procurement processes being unsuccessful.
To manage a comprehensive communications plan that describes the change of offer and fully engages residents in order to manage an effective change of behaviour.	Achieved / expected	
To enable the delivery of the StreetScene Internal Transformation Programme financial benefits (£1.5million) allocated to Waste and Recycling	Expected	The expected benefits to be realised have been agreed by the Board – it will be the responsibility of the Service to deliver these financial benefits.

5. Investment Analysis

The project has a total agreed budget of £1,942k. To date £1,789k of this is spent/committed. Before the project can close the final budget outturn needs to be agreed.

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

6. Outstanding tasks

- Implementation of Muniround – Street Scene Director / Head of Waste and Recycling
- Restructure of Waste and Recycling – Street Scene Director / Head of Waste and Recycling
- Ensuring the delivery of the expected benefits around increased recycling rates and reduced residual waste rates – Street Scene Director / Head of Waste and Recycling
- Delivery of layered efficiencies to realise financial benefits – Street Scene Director / Head of Waste and Recycling

7. Conclusions

Despite all the challenges the project delivered and the new waste offer went live as planned on 14 October 2013.

The majority of the project's Critical Success Factors have been achieved or are on track and are expected to be achieved. The two that have not been achieved are:

1. *The number of missed collections per 100,000 collections across each individual waste stream to remain below 50 in the following two months after the implementation of the new waste offer.*

This was missed in the first month and robust plans are in place and being delivered to ensure the required performance is achieved and a return to pre-transformation performance is achieved by 14 January 2014.

2. *Implementation of Muniround enables more effective communication with residents online and through the Contact Centre*

This has been delayed in implementation for operational reasons. This is an outstanding task that has been handed back to business as usual to manage and plans are in place for the implementation in January 2014.

The project has delivered on the majority of its objectives, or these objectives are on track and are expected to be delivered.

The majority of the milestones in the project plan were delivered as planned. However the significant issue that occurred in the project was the failure of the bin delivery contractor to complete the deliveries as planned and expected within the contract. No payment has yet been made to the contractor and discussions between the council and contractor are ongoing.

It is still early to draw definitive conclusions about the delivery of benefits; however in the case of the expected non-financial benefits the early indications from the data available are that these are on track to be delivered. The delivery of these benefits will require significant ongoing work from the Service to maintain the positive initial behaviour change and to improve recycling performance still further.

The Target Operating Model has delivered the baseline reduction to enable the required financial benefits for 2013/14 to be delivered. The layered approach to realisation of financial benefits, which has been agreed by the project board, indicates that it is likely that the expected benefits from the project for 2014/15 and 2015/16 will be realised and potentially exceeded. The delivery of these financial benefits will be the responsibility of the Service.

A full Lessons Learned Review is underway and will be completed as part of Project Closure.