

Committee: Port Health & Environmental Services	Date: 06 March 2018
Subject: Department of the Built Environment (Cleansing Services) Business Plan Progress Report for Period 1 (August – November) 2017	Public
Report of: Carolyn Dwyer, Director of the Built Environment	For Information
Report author: Jim Graham, Department of the Built Environment	

Summary

1. This report sets out the progress made during Period 2 (August – November) against the 2015/18 DBE Business Plan for Public Conveniences, Waste Collection, Street Cleansing, Waste Disposal and Transport Services. It details what has been achieved, and the progress that has been made against the departmental objectives and key performance indicators.
2. At the end of the November 2017, the Department of Built Environment was £25k (0.5%) underspent against the local risk budget to date of (£4.659m), over all the services now managed by the Director of Built Environment covering the Port Health & Environmental Services Committee. Appendix B sets out the detailed position for the individual services covered by this department.
3. Overall the Director of Built Environment is currently forecasting a minimal year end overspend of (£53k) (0.8%) for her City Fund services.

Recommendations

Members are asked to:

- note the content of this report and the appendices
- receive the report.

Main Report

Background

1. The 2015-18 Business Plan of the Department of the Built Environment was approved by this committee on 05 May 2015. As agreed, periodical progress reports will be provided. A high-level business plan for 2017-18 was approved by this committee on 09 May 2017 which did not address any changes to the KPI targets set out in the previous plan.

Key Performance Indicators

2. During Period 2 (August – November) of this Business Plan, the management team is monitoring five Key Performance Indicators (KPIs) relevant to the work of this Committee (shown in Appendix A). Performance against the departmental KPIs was mixed, with performance against NI191 (the amount of residual domestic waste per household) remaining only slightly under target for the quarter, NI192 (percentage of domestic waste recycled) continuing to be significantly under target, and TPR1 (the number of failing KPIs on the Street

Cleansing, Waste Collection and Ancillary Services contract) failing for the second period in a row, however again this was only for one month out of the four.

3. Based on the results of this period the overall figure for NI191 for the year would be within 35kg of the rigorous local target. This does not consider any upward adjustment of the housing stock figure used to calculate this KPI which may take place during the year as new residential properties are added.
4. The steady progress of the Recycling Action Plan put in place to improve NI192 performance has continued, with the bin chipping project now completed. Preliminary results from the Barbican trial show have indicated that further data collection is required. The results of the trial, which will indicate the best areas to target specific campaigns and interventions aimed at improving recycling rates, will be available in the summer. The on-street food waste trial in Cloth Fair is still underway.
5. Over the past 18 months there had been a persistent failure in the management and administration of the contract and a failure to pass sufficient contract Key Performance Indicators to satisfy TPR1. This has resulted in financial penalties for Amey.
6. Following Amey putting in place an experienced and dedicated local contract management team the progress seen in the last three months of the first period continued through August, September and October. Amey were fully out of financial penalties with only one KPI failure for each month. Performance has not remained stable with two KPI failures in November. Officers will continue to support Amey in achieving the required performance standard through enhanced mentoring and training support.
7. In November 2017 senior Amey managers met with officers from the City and explained that, even by moving out of penalty deductions, they were unable to sustain the losses being made on the contract. Amey subsequently exercised their right to terminate the contract early with 18 months' notice. Amey have made a commitment to maintaining the high standard of street cleanliness during the remaining period of the contract and officers will continue to closely monitor and assist as necessary.

Objective Updates

8. Alongside overseeing the necessary improvements in the performance of the Refuse Collection, Street Cleansing and Ancillary Services contract officers considered the option to extend the contract for another eight years from 2019. A separate report was brought to this committee for a in November. As Amey exercised their right to terminate the contract, Officers have started the necessary preparations to retender the contract for April 2019.

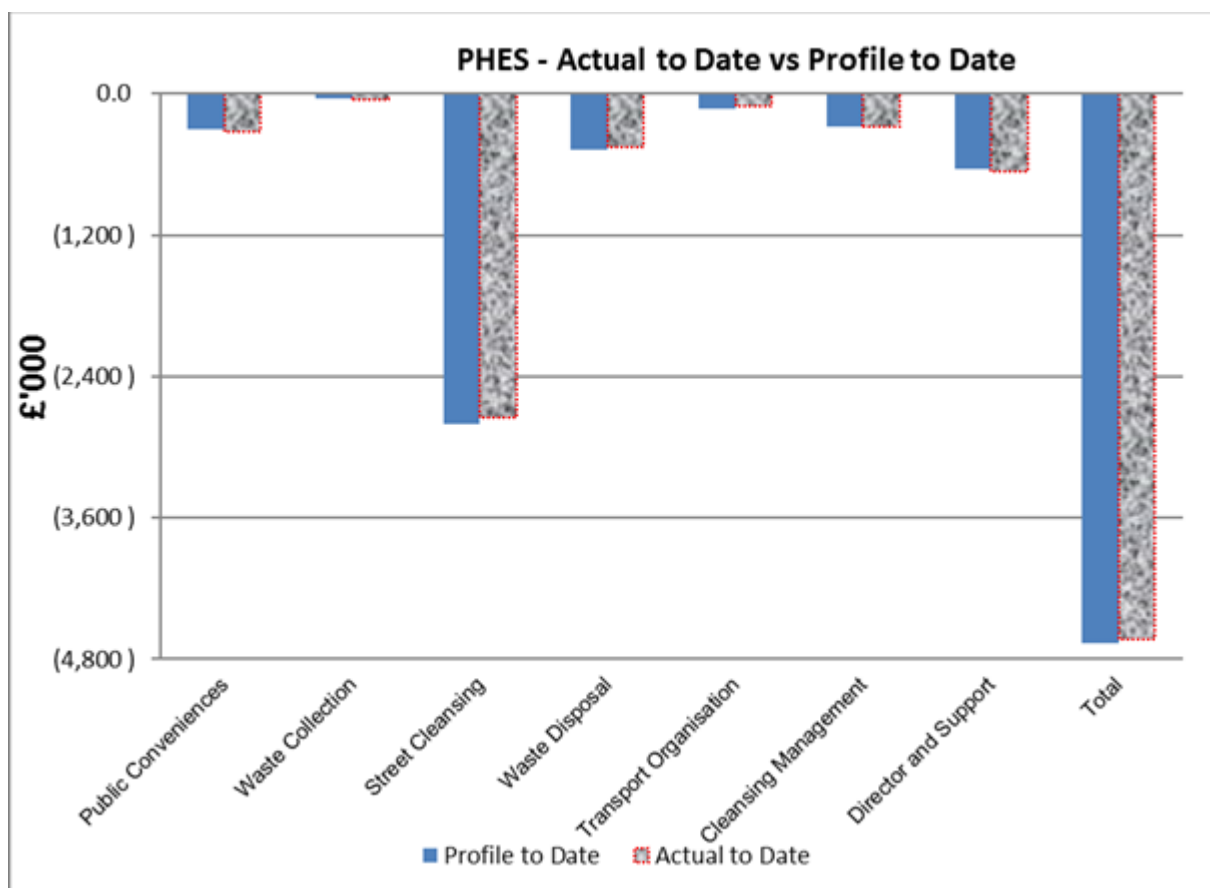
Achievements

9. The Square Mile Challenge, launched in April challenging businesses, workers, visitors and residents in the City of London to recycle half a million coffee cups during the month, was awarded the Most Effective Communication Campaign at the CIWM Resource and Sustainability Awards. The campaign continues to deliver successes with over 4 million coffee cups recycled by November 2017.

10. Our NI 195 scores from Keep Britain Tidy, which indicate the percentage of streets with unacceptable levels of litter, detritus graffiti and flyposting, have remained consistently low at 0.96%, even with the difficulties experienced with the contract over the past year.
11. We have maintained our Gold Standard accreditation with Transport for London Fleet Operator Recognition Scheme (FORS) which acknowledges excellence in all aspects of safety, fuel efficiency, economical operations and vehicle emissions. This scheme recognises over 4,500 fleets that operate throughout London with only just over 100 of these organisations currently achieving Gold. The FORS scheme is closely linked with CLOCS (Construction, Logistics and Cycle Safety), TfL's work-related road risk scheme for lorries, which requires high levels of safety equipment and training for drivers. The City has exceeded the requirements of this scheme in fitting side guards, additional mirrors, audible alarms and cameras to all eligible City vehicles.

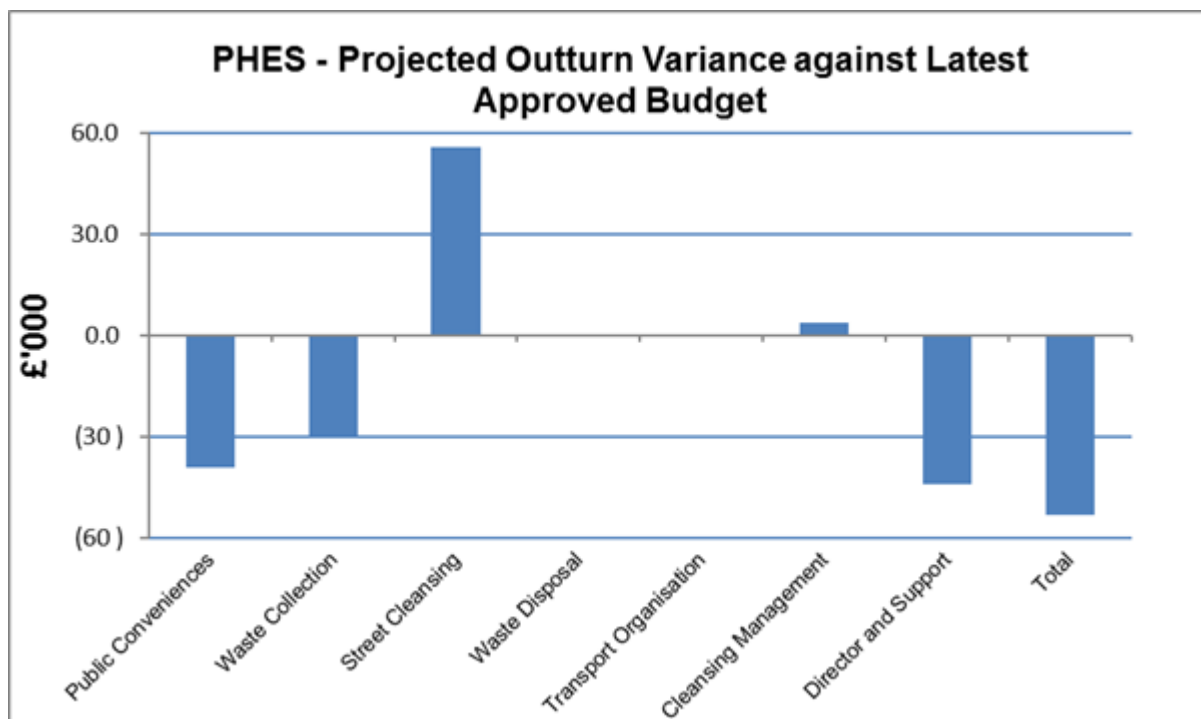
Financial and Risk Implications

12. The end of November 2017 monitoring position for Department of Built Environment services covered by Port Health & Environmental Services Committee is provided at Appendix B. This reveals a minimal net underspend to date for the Department of £25k (0.5%) against the overall local risk budget to date of (£4.659m) for 2017/18.



1. Graph shows the actual local risk net position against the profiled budget to date for each Division.
2. DBE total actual to date spend of (£4.634m) is £25k under the profiled budget to date of (£4.659m).
3. A position above the baseline is favourable i.e. overall net income for the Department.
4. A position below the baseline is unfavourable i.e. overall net expenditure for the Department.

13. Overall the Director of Built Environment is currently forecasting a minimal year end overspend position of (£53k) (0.8%) for her City Fund services.



1. Zero is the baseline latest approved budget for each Division of Service.
 2. Graph shows projected outturn position against the latest approved budget.
 3. A variance above the baseline is favourable i.e. either additional income or reduced expenditure.
 4. A variance below the baseline is unfavourable i.e. additional expenditure or reduced income.
 5. Overall the Department is forecasting an overspend of (£53k) at year end.
14. The reasons for the significant budget variations are detailed in Appendix B, which sets out a detailed financial analysis of each individual division of service relating to this Committee, for the services the Director of Built Environment supports.
15. The better than budget position at the end of November 2017 is mainly due to underspends within Street Cleansing service due to a reduction in service costs from reconfiguring spend from the Innovation Fund to meet the 2018/19 savings target (implemented early) and additional refunds identified for prior year contract overcharges.
16. This favourable position to date has been partly offset by additional Director & Support costs relating to extra staffing costs, London Real Estate Forum subscription costs, funding of study trips and conference expenses.
17. The Director of Built Environment anticipates this current better than budget position will reverse by year end, due to the additional Director & Support costs detailed above and further minimal overspends within Public Conveniences relating to increased salary costs and reduced barrier income and further costs for Waste Collection relating to the purchase of recycling bins and Lord Mayor show costs.

Appendices

- Appendix A – Period 2 KPI results
- Appendix B – Finance Report
- Appendix C – Debts Over 120 Days

Background Papers

DBE Business Plan 2015-18

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Appendix A – Period 2 KPI results

Departmental Key Performance Indicators

	This indicator is performing to or above the target.
	This indicator is a cause for concern, frequently performing just under target.
	The indicator is performing below the target.

		Target 17/18	Period 1	Period 2	Period 3	Overall
Transportation & Public Realm						
NI 191	To reduce the residual annual household waste per household.	373.4kg	136.26kg	133.36kg		269.62kg
NI 192	Percentage of household waste recycled.	47%	28.62%	29.51%		29.06%
NI 195	Percentage of relevant land and highways from which unacceptable levels of litter, detritus, graffiti and fly-posting are visible.	2%	0.63%	0.96%		0.79%
TPR1	No more than 1 failing KPIs, per month on new Refuse and Street Cleansing contract.	<4 per period	7	5		12
<p>Comments:</p> <p>NI191: This figure is only slightly over the target for the year and may be brought down with any upward adjustment of the housing stock figure used to calculate this KPI.</p> <p>NI192: Work continues to increase the percentage of waste recycled as set out in the Recycling Action Plan. There has been a successful food waste campaign in October seeing increases of up to 30% in the participating estates.</p> <p>TPR1: Officers are working with Amey to resolve the issues causing the failure of this KPI, predominantly stemming from a change in Amey's contract management. Officers are also assisting where necessary to ensure that the overall standard of cleanliness is not adversely affected and that major events are successfully delivered.</p>						
DM7	To manage responses to requests under the Freedom of Information act within 20 working days. (Statutory target of 85%)	85%	99.25%	95%		97%

Appendix B – Finance Report

Department of Built Environment Local Risk Revenue Budget - 1st April to 30th November 2017 (Expenditure and unfavourable variances are shown in brackets)

	Latest Approved Budget 2017/18 £'000	Budget to Date (Apr-Nov)			Actual to Date (Apr-Nov)			Variance Apr-Nov £'000	Forecast for the Year 2017/18			Notes
		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		LAB £'000	Forecast Outturn £'000	Over / (Under) £'000	
Port Health & Environmental Services (City Fund)												
Public Conveniences	(508)	(641)	341	(300)	(658)	332	(326)	(26)	(508)	(547)	(39)	
Waste Collection	(92)	(670)	626	(44)	(691)	637	(54)	(10)	(92)	(122)	(30)	
Street Cleansing	(3,766)	(3,069)	264	(2,805)	(3,006)	257	(2,749)	56	(3,766)	(3,710)	56	1
Waste Disposal	(709)	(834)	363	(471)	(832)	375	(457)	14	(709)	(709)	0	
Transport Organisation	(157)	(194)	71	(123)	(170)	60	(110)	13	(157)	(157)	0	
Cleansing Management	(434)	(275)	0	(275)	(275)	0	(275)	0	(434)	(430)	4	
Director and Support	(976)	(653)	12	(641)	(674)	11	(663)	(22)	(976)	(1,020)	(44)	2
TOTAL PORT HEALTH & ENV SRV COMMITTEE	(6,642)	(6,336)	1,677	(4,659)	(6,306)	1,672	(4,634)	25	(6,642)	(6,695)	(53)	

Notes:

- Street Cleansing** - projected underspend mainly relates to a reduction in service costs from reconfiguring spend from the Innovation Fund to meet the 2018/19 savings target (implemented early) & additional refund identified for prior year overcharge.
- Director & Support** - projected overspend mainly relates to additional costs for new Gigabit City Project Officer post, London Real Estate Forum subscription and New York study trips within the Department.

Appendix C – Debts Over 120 Days

Cleansing Aged Debt Over 120 Days - as at 30th November 2017

Department	Debts Exceeding 120 Days					
	30-Jun	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov
Cleansing	£ 1,060	£ 2,310	£ 4,101	£ 250	£ 500	£ 3,715

Composition of Debt - 30/11/2017	
Waste Collection	£ 3,715
Street Cleansing	£ -
	<u>£ 3,715</u>

