EXECUTIVE SUMMARY

1. **Brief description of services under review**
The Waste Management Division oversees a major contract for refuse collection, street cleansing, and the provision of public conveniences. This contract expires at the end of March 2005. The Division regulates street trading, notably in Portobello Road and Golborne Road Markets. It has three distinct enforcement teams dealing with black bags and cleansing, highways enforcement, and “special” enforcement against low-level crime on the street. A small Business Support Unit manages the first point of contact with customers, and provides information systems support to the Division as a whole. The annual expenditure of the Waste Management Division is around £13.1 million and its income is around £2.6 million. The Division employs around 44 Council officers. The contractor overseen by the Division employs over 300 manual and other workers to deliver services in the Royal Borough.

2. **Quality of the Service, and prospects for improvement**
In best value parlance the evidence collected during the Review suggests that the Waste Management Service is at least “good” (2 stars); and the prospects for improvement in the service are considered to be at least “promising”.

3. **Uncertain prospects for short-term service improvements through the contract**
The current refuse collection and street cleansing contractor, SITA, states that it is losing very significant sums operating the present contract within the Royal Borough. If true, this must inhibit the scope for achieving short-term service improvements through the contract without increasing spending. A partnership approach to service improvement is proving difficult to achieve when SITA is under serious financial pressure. However efforts should be made to sustain this partnership over the remaining years of the contract, and if necessary officers should aim to take other opportunities for service improvement outside the scope of the contract.

4. **Likelihood of significant cost increase when next contract re-let**
The waste management industry in the UK has consolidated, and now has significantly fewer major players than in the past. The sharp competition that characterised the early days of outsourcing is over. As a result, the prices of waste management contracts have risen rapidly. All the evidence points to a significant increase in costs when the next contract is re-let in the Royal Borough.
5. **Options to contain cost increase**
Every option to contain this likely increase in the cost of the next contract should be explored. This will mean giving serious consideration to a DLO bid, or (more probably) some form of hybrid solution sitting between a DLO and full out-sourcing. It will mean exploring options for the distribution of risk between the Council and the contractor, for example a partnership contract and/or open book accounting. Alternatively, or in addition, the option of breaking up the contract into its component parts must be explored. This could be a way of increasing competition by attracting medium size enterprises that might otherwise be deterred from bidding for an integrated contract of such high value.

6. **Process for resolving complex policy issues that will determine the next contract specification**
The Cabinet Member and his Lead Members are asked to meet senior officers regularly and frequently over the year ahead to deal with several important policy questions raised in this Final Report that can only be fully resolved during the forthcoming procurement process. Members’ answers to these policy questions would help shape the next contract specification. These policy questions have been drawn together in the form of an agenda for Members. The full agenda is set out at Appendix A; a slightly abridged version is set out below:

**Refuse collection: the twice weekly service**
Is twice weekly doorstep refuse collection an essential feature of the Royal Borough’s service to residents, or could Members entertain the possibility that some residents (eg those with front gardens) should only get a collection once a week? Alternatively, might Members be prepared to invest new money to achieve even higher collection frequencies, either universally or in hotspots?

- Only 17% of residents live in houses. Could the Council contemplate asking the great majority of residents to keep putrescible wastes inside their flats (or in basement storage areas) for a full week?
- Could the Council contemplate the greater use of Continental style on-street “bring” facilities for putrescible and other wastes?
- With a twice a week collection service, it is impossible to give all residents at least two days between collections unless the service runs six days a week (Monday to Saturday), or four days a week (Monday and Thursday; Tuesday and Friday) requiring a radical change in collection rounds, and a waste of the capital invested in vehicles that remain idle on Wednesdays. Is this problem big enough to warrant the additional cost and disturbance of a Saturday service, or the risk associated with new collection rounds that would break a tried and tested patch system?
- Could better value for money be obtained by using a double-shift system, ie with collections in the afternoon?
- Could residents tolerate night collections (perhaps using quieter vehicles) if that meant lower costs?
- Can the Council live with the possibility of complaints about inequitable treatment if residents are offered different levels of service depending where they live?
- The extra cost of collecting domestic refuse five times a week is much less than 2.5 times the cost of collecting refuse twice a week; are Members
prepared to entertain the extra cost for the sake of achieving a startling increase in service?

**Recycling**
The Government requires the achievement of very demanding recycling targets. Is the Council prepared to consider forcing residents – on pain of enforcement action – to separate their waste into recyclable and non-recyclable streams? Or is it preferable to continue to “educate and persuade”?

On-street mini recycling facilities are a cheap and efficient way of collecting recyclables, and – more to the point – of solving residents’ waste storage problems. But they are ugly and messy, and hard to locate without causing a noise nuisance. If a reasonable design solution could be found to these problems would the Council actively champion the introduction of many more on-street recycling facilities?

**Commercial waste collection strategy**
Should the Council take the commercial waste portfolio – or part of it - back in house and aggressively pursue as big a share of the local commercial waste collection business as it can? Should the Council take back the management of bagged “shop waste” in order to increase environmental control of the street-scene, but out-source other commercial waste streams such as skips?

Should the Council take back the risk of running the portfolio itself? What happens if there is a deep recession, and the business loses serious money?

Would the Council bear any of the extra costs of new technologies (eg advance warning of the arrival of the collection vehicle; or providing refuse crews with on line monitoring of bag numbers paid for against bags presented) if it meant that commercial waste was left on the footway for much shorter periods of time?

**Street scene management: black bag enforcement**
Would Members be willing to prohibit residents and businesses from placing refuse on the footway for collection, except where the resident or business has absolutely no suitable storage facility for waste?

But there is an argument that enforcement is hopeless in the worst hot spots, and that daily or twice daily “skimming” of all dumped bags is the best option.

**Street scene management: street cleansing**
Given that almost unlimited resources can be thrown at street cleansing in search of perfection, Members must decide as a matter of policy how much they want to spend on cleansing as opposed to other services. What is the right balance between investment and results in street cleansing?

SITA’s recent presentation to Members flagged up the industry’s dislike for outcome-based specifications as opposed to traditional frequency-based street sweeping. This implies that an outcome-based specification is, and will be, costly. Would Members entertain a reversion to a less satisfactory frequency-based specification to reduce costs?

The Cabinet Member may wish to consider raising the policy questions listed above with the Residents’ Panel and with Residents’ Associations, and will wish
to engage the Cabinet and the OSC in the consideration of policy change and costs.

7. Early launch of the contract procurement process
Officers will place a preliminary advert in the EU Journal in May or June 2003, seeking to draw potential bidders into open discussions about the waste management service. Following these discussions – and in the light of guidance from the Cabinet Member and the OSC - officers will prepare a Key Decision report before Christmas 2003 giving firm shape to the direction of the procurement process during 2004.

8. Major service improvements planned on recycling and cleansing
External funding has been obtained, or is being sought, for two major service improvements that have been written into the Council’s Local Public Service Agreement. The first is being put in place, and involves the creation of a network of recycling wardens whose job will be to increase participation in the Council’s recycling scheme. In addition there will be substantial new investment in green recycling bins, and in blue bins for residents on estates and in mansion blocks. The second service improvement is dependent on freedoms to be derived from a future regulatory reform order that may be made at some point in 2004. This improvement would involve using parking income to improve street cleanliness across the Borough, but particularly in the wards north of Notting Hill Gate/Holland Park Avenue. In the interim it may be possible to make some use of parking income in connection with the delivery of the Mayor of London’s Transport Strategy. Access to parking income would enable significantly increased investment in street-washing and gum-busting.

9. Shortfall on national recycling targets
For over ten years the Royal Borough has been in the lead in developing an infrastructure to promote voluntary recycling by residents (a local MRF; split-back collection vehicles; twice weekly kerbside collection etc). Despite this exceptional effort, the tonnage of recyclable material captured (8%-9% of waste) remains well short of the government’s performance standard for recycling (22% by 2005/06). Residents’ participation remains low – fewer than 50% of households recycle at all. It may be that the demographic and physical characteristics of the Royal Borough put limits on the amount of waste that can ever be recycled without fundamental changes in the law. Nevertheless the Division will attack the issue afresh in an effort to get closer to the performance standard. The first step, through the LPSA project, will be to increase the percentage of households participating in recycling from around 44% to at least 55% by March 2006.

10. A new emphasis on waste reduction
Recycling is not enough on its own to ensure sustainable waste management. However difficult it will be, a new emphasis should be placed on waste reduction as a national and local policy objective. The Division will redouble its efforts to reduce the municipal waste stream by promoting initiatives such as the Mail Preference Service to cut junk mail, re-use schemes for furniture,
clothes, white goods, computers, flower pots etc, reduced paper use by businesses and public authorities, and home composting.

11. Improving the effectiveness of enforcement
Members and the public continue to seek improvements in the effectiveness of the Division’s enforcement teams. It is proposed that in future enforcement activity should be heavily concentrated on “hot spot” areas. Enforcement resources would be freed up for this work by minimising the investigation of one-off problems outside the hot spots (dumped bags outside hotspots could simply be cleared). The aim would be to crack the hard-core of serious recurrent problems by giving them relentless concentrated attention, using every tool available: surveillance, CCTV, Court action, personal letters, Press releases, mobilisation of Residents’ Associations etc.

12. Setting new standards of civic responsibility
It is proposed that the Council should significantly raise the threshold of its “tolerance” of anti-social waste dumping and other behaviour, and should pro-actively assert that it expects nothing short of the very highest standards in waste management from local businesses and residents alike. But the Division needs to make it as easy as possible for responsible residents and businesses to manage their waste responsibly. High quality and inventive publicity to raise standards should complement enforcement. External funding, or the freedom to use parking income, should be sought to further this objective (expert communications consultants, printing etc). Low cost methods (local Press, stiff letters to “suspects” etc) should be used until external funding is available.

13. Inter-Departmental co-operation on enforcement; improved enforcement at weekends
Waste Management will work even more closely with Environmental Health and Planning Services to deploy the full range of enforcement powers available against dumping, poor waste management practices, refuse on private land, graffiti etc. Inter-Departmental proposals to develop the current CCTV service into a proper Control Room and communications centre are being prepared. This should provide a low-cost enhancement of the effectiveness and accessibility of enforcement services particularly at weekends, for example by providing round-the-clock administrative support, and “intelligence” about patterns of waste dumping.

14. Sustaining Highways and “special” enforcement activity
The Division’s “general” and “special” enforcement teams deliver highly valued work to protect and enhance the local street scene. The general team works on behalf of the Director of Transportation and Highways to combat highway obstructions – skips, scaffolding, abandoned vehicles, tables and chairs on the footway, dumped builders’ materials, overhanging branches etc. The “special” team works closely with the Police to combat low level crime and nuisance on the street (eg, prostitutes’ cards, ticket touts, windscreen washers at road junctions, dog fouling, illegal street trading, unlawful vehicle repairs on street etc). It makes sense to retain these functions within Waste Management, with its strong tradition of uniformed street enforcement. There are close
similarities in the work and style of these two teams and the black bag team. Keeping them within the same Division promotes the efficient delivery of shared training, and provides for flexibility in the deployment of officers across the enforcement teams to meet variations in demand or policy priorities.

15  **Commercial waste collection strategy**
The law allows businesses to choose their waste contractor. Nevertheless the Council should consider as a matter of policy whether it should aim to secure as many commercial waste contracts as possible in the Royal Borough, with a view to driving up environmental standards. The Council could use its existing domestic collection infrastructure to promote even harder a cost-effective, environmentally-friendly service involving fewer lorry movements, maximum recycling, and care for the streetscene.

16. **Raising the profile of the work of the Division**
The Division must find a way to raise the profile of the work it does. Despite maintaining a barrage of conventional (and sometimes highly innovative) publicity over the years, a disappointingly high number of residents claim ignorance of the Council’s recycling services, and do not know that they should telephone Waste Management to get dumped rubbish cleared. However some Residents’ Associations are showing a desire to work with the Division on local experiments to test service improvements. This is a most welcome development that will be encouraged, not least as a way to increase the visibility of the Division.

17. **The transformation of the Markets**
The Royal Borough’s Markets should receive careful strategic attention over the next few years. The Council should not simply be a neutral administrator of the Markets, but should treat them as significant local assets. The case for infrastructure investment in Portobello Road and, separately, Golborne Road, should be investigated with a view to helping the Markets achieve sustainability and uplift. The Waste Management Division should work closely with Transportation and Highways, Planning Services, and Environmental Health to generate ideas for infrastructure improvement.

18. **Public conveniences**
Public conveniences are very expensive, and the General Fund is heavily subsidising their usage. Nevertheless the present balanced approach should be sustained: that is, ensure provision of conveniences in areas of proven demand, while bearing down on costs. Unless there is a change of policy, no net real increase in the public conveniences budget is envisaged in future.

19. **Budget savings achieved and in prospect**
Waste Management has achieved significant budget savings in 2003/04, principally because SITA has been allowed to give up its management contract at Cremorne Wharf and WRWA has been persuaded to manage the Royal Borough’s recyclable waste instead. Looking ahead Members are offered the option of exploring efficiency savings through the centralisation of enforcement staff, and dispersal of street cleansing operatives, freeing up to two out of
three sub-depots for disposal or redevelopment. This option could be explored concurrently with the option of disposing of Pembroke Road depot and/or garage.

20. **Regional relationships; the Mayor of London**
Local waste management depends in large part on collaboration with other agencies and local authorities. The Waste Management Division will make every effort to cultivate good relations with neighbouring Boroughs and external partners, particularly neighbouring “excellent” authorities and WRWA. The Division will also foster constructive relations with the Mayor of London aimed at conserving the proper autonomy of the Royal Borough in managing its waste, while encouraging the Mayor to take the lead on innovations best made at regional level.

21. **A revised strategy for the Division; a new municipal waste strategy for the Council**
A revised and updated strategy for the Waste Management Division has been prepared, primarily for internal use. It is suggested that – separately – it may well be time to develop a new local waste management strategy, focusing on the promotion of the best practicable environmental option for each element in the local waste stream. There is more to waste management than simply the promotion of recycling, valuable though that is. The status of and publicity given to any such strategy must depend on reaching an understanding with the Mayor of London about his attitude to local strategic planning on waste.
1. THE REVIEW IN CONTEXT

1.1 The annual expenditure of the Waste Management Division is around £13.1 million and its income is around £2.6 million. The Division employs around 44 Council officers, and supervises contracts in which over 300 manual and other workers are employed.

1.2 The contract for refuse collection and street cleansing was last let in 1997. This contract expires in April 2005. Every indication from the market suggests that the contract will be significantly more expensive when it is re-let.

1.3 The Division’s enforcement services are run in-house. There are three enforcement teams, one dealing with black bags, one enforcing the Highways Act, and one working with the Police on low level street crime and nuisance.

1.4 The Royal Borough Review of Waste Management is a “light touch” review conducted under the auspices of the “Pathfinder Project” agreed between the Council and PricewaterhouseCoopers (PwC). As a “pathfinder” this Review is not subject to inspection by the Audit Commission. However the Review Team has made a serious and sustained effort to look at the full range of issues confronting the service. The Team has responded positively to the Leader’s wish that the Council should put a commitment to local residents at the heart of everything it does – and worry less about what external inspectors might think. However best value methodology has been used throughout as a convenient way of structuring the Review and the Final Report, and the Report has been referred to PwC for comment and advice.

1.5 Some aspects of the Review have been seen as stages in the journey towards the renewal of the main refuse and street cleansing contract. But ultimately that complex procurement process must be managed within the constraints set by contract and other law; the Review itself could not see the process through. **When reviewing the findings from the challenge process, officers reached the view that a political steer was needed on many issues before they pressed on with detailed design work on any new systems and working methods for possible inclusion in the new specification.** This was partly because some of the service delivery choices were essentially political, not technical. But it is also because the Division has only a limited capacity to work up new systems, and officers needed to be sure they were not wasting valuable time developing detailed proposals that Members subsequently might decide they could not entertain on policy grounds.

1.6 It has to be said too that, even when policy choices have been made and included in a specification, it may be that a closer engagement with the market will show that Members’ policy preferences on refuse collection and street cleansing are no longer all affordable in the current marketplace. It may be
that the Council will have to compromise on its desired service quality in order to obtain a price it can afford. These considerations prevented the Review Team from making firm recommendations about some important aspects of service provision and improvement to be achieved through the next contract. However the principal issues for decision are made clear.

1.7 In other respects the Review has been able to reach conclusions that can be offered to Members as policy or technical options for implementation now. In the main these concern the delivery of enforcement services. This Report marks up clearly which category the policy and technical options fall into.

2. THE IMPACT OF EXTERNAL EVENTS

2.1 In March 2002 the Cabinet agreed a Scoping Report for the Review. A Progress Report was approved by non-key decision in November 2002. Over the year since the Scoping Report was agreed, the Review has been heavily influenced by external events - some that were predictable, others that were not.

2.2 First, the expiry of the current waste management and street cleansing contract is no longer remote, but is now only two years away. This approaching deadline was always going to condition the way the Council would look for cost-effective options for long-term service improvement. But the Review has had to clarify with increasing urgency a number of important questions about service delivery, and costs, for resolution during the formal procurement process. This report recommends that this process should be launched forthwith, and sketches out ways to ensure Member-level leadership of the development of the specification.

2.3 Second, in June 2002 the Western Riverside Waste Authority (WRWA) signed a 30-year recycling and waste disposal contract with Cory Environmental. This contract will have a significant influence on the Royal Borough’s waste collection and recycling systems, and any service improvements following this Review must complement the contractual arrangements WRWA has made. Fortunately WRWA has chosen to promote fully co-mingled recycling across the four constituent Boroughs – an outcome that was far from guaranteed at the outset of this Review. This choice matches the Royal Borough’s existing recycling system perfectly. The WRWA contract also provides for high profile local waste awareness campaigning within the Waste Authority’s area, and the Royal Borough’s own publicity and educational campaigns must take careful account of this. The major 5-year campaign Rethink Rubbish Western Riverside was launched in mid-January 2003, leaving little time for officers to digest the implications in time for this Final Report.

2.4 Third, in September 2002 the Mayor of London published his draft Municipal Waste Management Strategy. The Waste Management Division invested considerable time in preparing the Council’s response to the draft. This was because the Greater London Authority Act provides the Mayor of
London with powers to shape local waste collection services in conformity with his Municipal Waste Strategy, and it appeared that the Mayor might well be minded to use such powers to the detriment of local autonomy. The Mayor’s final Strategy is not due out until after this Royal Borough Review is completed. Consequently the Action Plan recommended here has had to be prepared using a best guess about what the final Strategy will contain.

2.5 Fourth, in late 2002 two major waste management contracts were re-let by similar local authorities in London: one in Westminster, the other in Camden. Both these new contracts were very significantly more expensive than the ones they replaced. Together with other market information this confirms that there has been a strong upward movement in waste industry costs. In turn this corroborates the view that the Royal Borough’s current contract was and remains very good value for money. Also in late 2002 the Chancellor announced a large increase in the landfill tax escalator, which is now scheduled to rise by £3 a tonne a year from 2005/06, greatly increasing the cost of waste disposal by landfill. (The pre-Budget report suggested an increase in landfill tax from £13 a tonne to a medium- to long-term rate of £35 a tonne.) This fiscal change will make waste minimisation and recycling more cost-effective, a development that should have some influence over the Division’s service improvement Action Plan.

2.6 Fifth, in December 2002 the Council won “excellent” authority status in its Comprehensive Performance Assessment. This Final Report has been prepared at the very time the Council has entered the new world of “freedoms and flexibilities”. The practical implications are not yet entirely clear, but this Report takes some advantage of the new atmosphere with its greater emphasis on local self-management.

2.7 Sixth, in March 2003 the Council signed a Local Public Service Agreement including two major proposals led by the Waste Management Division: one aiming for improved participation in recycling, and the other for greatly improved standards in streetscene management. Significant new funding may now be made available to the Division as a result, posing a major – and welcome – challenge to all staff to improve service quality.

2.8 Seventh, the former Head of Waste Management retired from the Council mid-way through the Review. His post could not be filled until December 2002. This change in personnel led, as might be expected, to a review of the Review, as the new Head of Service sought to put his own mark on the draft service improvement Action Plan.

2.9 These important changes in the external political, financial, and economic environment have all occurred during the life of this Royal Borough Review. It has been difficult to keep pace with such rapid change. Some of the early work done in the Review has been superseded by events. New and challenging policy questions have emerged. Practical solutions to problems that would normally have been the centrepiece of any recommended service improvement plan have had to be put in place already even before the Review is complete –
for example the two major LPSA projects, a green waste collection trial, and a high-rise estates recycling trial. Nevertheless a coherent package of further service improvements has emerged from the Review.

3. THE PURPOSE OF THE REVIEW

3.1 Waste management is an expensive and controversial business that touches every resident’s life every day of the week. The Scoping Report noted three broad reasons why waste management was deemed to merit a service-specific review rather than thematic treatment:

- there is a “mixed economy” in service delivery, with much of the work done by contractors while also using directly employed staff on enforcement, strategic planning, customer care, and contract supervision;
- the Government, and the EU, have set exceptionally ambitious targets on recycling;
- the waste industry is consolidating, and waste management and disposal costs are rising fast as new regulatory pressures bite.

3.2 The Council has made some bold policy choices about waste management in the past. These include the twice weekly doorstep collection of waste and recyclables (a unique service within the UK). They include the specification of exceptionally high standards of street cleanliness. They include the employment of a body of enforcement officers dedicated to attack the problem of black bag dumping, another specialist group to tackle highways obstructions, and another to combat low-level crime and nuisance on the street. They include a progressive withdrawal from staffed public lavatory provision, and the use instead of more cost-effective automated facilities.

3.3 The Review has asked whether these policy choices are working in the way intended, and at a price the Council can afford to pay; whether residents’ aspirations are being met; and whether the Council is meeting the challenges being set by national and regional government. The review process has also required consideration of other questions, for example how the service is meeting the needs of a diverse population, or how well the service is using new technologies.

3.4 The Scoping Report proposed the following outcomes from the Review:

- a higher recycling rate;
- an effective street enforcement policy that ensures that the street scene reaches the expectations of residents and Members;
- public toilet provision that reflects the expectation of residents and Members in a cost effective manner;
- confirmation or otherwise that the way we deliver our services is the best way;
• that street cleansing and refuse collection should be improved through our contract management, paying particular attention to the behaviour of dustmen and the illegal placing out of refuse;
• that customer satisfaction should be improved above its present levels;
• that the Commercial Waste Portfolio should continue to be viable in the light of growing financial pressures;
• that our enabling role in managing street trading can be pro-active on behalf of traders, but financially contained within the ring-fenced account.

3.5 The changes outlined in paragraphs 2.2 to 2.8 suggest that revised or additional outcomes should now be sought. One new outcome, perhaps, should be a thoughtful engagement with the Mayor of London’s strategic agenda in order to protect the best interests of the Royal Borough. (This might suggest, for example, that it is unrealistic simply to seek a higher recycling rate: instead the preferred strategic outcome should perhaps be the achievement of the “best practicable environmental option” in local waste management, ie the best balance of realistic measures to curb the detrimental environmental impacts of waste.) Another new outcome may be required in the light of emerging information showing high cost and tax increases affecting the waste management industry – the Review needs to show more explicitly how the Council can continue to achieve value for money in an environment where externally imposed costs are rising rapidly.

3.6 This Final Report proposes to adapt the outcomes required in the Scoping Report to reflect the new circumstances found one year on.

4.0 “THE FOUR Cs”

4.1 The best value system was built around the “four Cs”: challenge, compare, consult, and compete. This Final Report does not set out an exhaustive account showing precisely how the four Cs were applied during the Review. However the Review Team had a wealth of material to draw on, including work commissioned specifically for the Review and other relevant research that was done for other purposes. The following bullet points sketch out the raw material used; the detail is available for inspection in supplementary files.

4.2 Challenge
• the use of an experienced “critical friend” – Martin Rivers - who is a well-respected waste industry professional
• the proceedings of the OSC/Regulation and Enforcement Review Committee Working Party on Enforcement
• in depth discussions within the officer Review Group, and within the service specific review teams
• an academic study of marketing strategies in relation to the Council’s recycling service
• an independent report into waste management and street cleansing by ENCAMS
4.3 **Compare**
- 2001 Census data
- a study of comparative best value performance indicators (recycling; waste generated; cost of collection; cost of cleansing; accessibility of bring sites etc)
- a benchmarking survey on customer care
- benchmarking surveys on enforcement (litter; highways)
- a benchmarking survey on bulky refuse collection services
- a benchmarking survey on street trading fees
- an analysis of London Boroughs’ methods and performance on recycling
- comparison with Westminster City Council on the provision of public conveniences
- a presentation by SITA to the OSC for Environmental Services etc on refuse collection and recycling methods used in cities in continental Europe

4.4 **Consult**
- local Recycling Roadshow results (in depth door to door survey)
- Residents’ Panel questionnaires on enforcement, recycling, and street cleanliness (very good response rates to postal questionnaires achieved)
- responses to the ENCAmS survey (see under “Challenge“)
- a Waste Watch survey by MORI involving over 2000 households in the WRWA area (500 in the Royal Borough)
- responses to a postal questionnaire associated with the study into marketing strategy (see the bullet point under “Challenge“)
- analysis of routine in-house customer care surveys
- participation in a “Listening Event“ at the Muslim Cultural Heritage Centre
- commitment to the Portobello Management Committee as the vehicle for joint management of the Markets by traders and the Council
- staff consultation through facilitated focus groups
- facilitated discussion between staff in Waste Management and staff in Highways and Construction

4.5 **Compete**
Much of the information gathered in relation to current market conditions must remain confidential. The details have had to be reported to Members in confidence, and cannot be placed in the public domain. The following bullet points indicate the lines of inquiry that have been pursued:

- an indicative price for increasing refuse collection frequencies was already available from SITA
- SITA has provided information about its alleged losses on the current contract, and its expectations about future costs
- officers have held in depth, confidential discussions with Westminster City Council and the London Borough of Camden about their recent waste management procurement exercises, and their analysis of current market conditions and competition
• the Review’s critical friend has given a preliminary market analysis, including an indicative valuation of the commercial waste portfolio
• officers conducted a literature review of the technical press seeking information on costs and competition

5.0 FINDINGS AND CONCLUSIONS: AN INTRODUCTION

5.1 The following pages outline the most significant findings based on the work sketched in paragraph 4. The analysis is structured as follows.

5.2 A list of the strategic findings from the challenge process is set out in paragraphs 6.1 to 6.6. These are the Review Team’s high-level conclusions on questions of policy and structure.

5.3 Paragraphs 7.1 to 7.13 set out an analysis of service specific issues, again following the challenge process. The conclusions from this analysis are divided into two parts.

1. The questions for decision in future during the procurement process are listed at Appendix A in the form of a draft agenda for continuing Member-led discussions. **It is proposed that the Cabinet Member, and his Lead Members, should start immediately a series of regular, frequent meetings with senior officers to work through this agenda.** There are several specific questions in Appendix A that the Cabinet Member may well want to put to the Residents’ Panel, and to Residents’ Associations.

2. Proposals on matters that can be decided now are listed in the recommendations at the end of this report, and are included in the draft Action Plan.

6.0 STRATEGIC CONCLUSIONS FROM THE CHALLENGE PROCESS

6.1 Review of strategic aims. The Waste Management Division locates its own long-term aims firmly within the context of the Borough Aims, particularly the Aims relating to “a highly valued environment”, “protecting the public”, and the pursuit of value for money. The Council’s Unitary Development Plan is also of great importance in shaping the Division’s strategic positions. The Council’s UDP Strategy 38a is “to support the ‘proximity principle’, waste reduction, the maximisation of recycling and the best practicable environmental options for non-recyclable residual waste”. The stated objectives set out in the UDP’s Environment chapter are:

“...
(B) To promote the reduction, re-use and recycling of waste.
(C) To support the provision of waste management facilities which minimise the distances that waste has to be transported and minimise the need for transportation by road...
...To ensure the adequate provision of public conveniences and of facilities for street cleaning, waste disposal and recycling services.”

The high-level strategy and objectives remain valid. The only amendment the Division would suggest would be to vary strategy 38a to extend the search for the “best practicable environmental option” to the total waste stream, not just to non-recyclable residuals. A number of new high-level aims for the service are proposed in the conclusion to the Final Report. They are all consistent with the Borough Aims and the UDP.

6.2 An aspiration to excellence. The Division aspires to excellence. Officers were disappointed with the 2 out of 4 score for the Waste Management component in the Council’s Comprehensive Performance Assessment. The Division wants to be part of a process culminating in at least a 3 out of 4 award in any future assessment of Waste Management. On a day to day basis, all officers will be trained and managed on the premise that the refuse collection and recycling systems are not yet good enough, the streets are too dirty, there is too much black bag and other dumping, and there is unacceptable encroachment on and abuse of the footway. The Division prefers to fail (narrowly) against unreasonably high standards than to succeed against the London average.

6.3 Regional relationships. The Council cannot manage its waste on its own. It is locked into a set of sub-regional and regional relationships that significantly constrain its freedom. The relationship with WRWA and its constituent authorities is satisfactory, despite disagreements over such matters as “the tonnage formula” for waste disposal. The relationship with the GLA and the Mayor of London is more problematic, as the Mayor’s waste management policies and style do not always fit with local priorities. Members need to decide how vigorously and openly they want to argue against the imposition of unwelcome policies from regional government, or how far a policy of constructive engagement and quiet compromise with the Mayor of London would better suit the Royal Borough’s long-term interests. At the moment the Division is responding to the Cabinet Member’s broad guidance to do both concurrently, giving more or less equal weight to argument and engagement.

6.4 Internal relationships. The Waste Management Division is closely related to both the Environmental Health Directorate and to Transportation and Highways. The three services are all component parts of the Environmental Services Business Group, and are all based in Pembroke Road. Through long familiarity, and the possession of a similar cast of mind, officers’ relationships on matters of common interest are strong and effective, with little evidence of insular Departmentalism. For example, the “general” enforcement team within the Division acts on behalf of the Director of Transportation and Highways in enforcing the provisions of the Highways Act. The Division’s managers are clear that this enforcement work, which is aimed at keeping the highway and footway clear, makes a contribution to the delivery of the Council’s transport policies by improving the street scene and protecting the footway for pedestrians. Enforcement staff have also taken on work for Environmental
Health, for example the enforcement of new provisions to prevent drivers leaving their engines idling while stationary.

6.5 The Royal Borough Review of Highways and Construction noted that some Councils had created Street Management or Street Environment Departments, joining highways functions with waste, and sometimes parks, to ensure that all day to day work to protect the public realm was under single management. However a Royal Borough Review of Environmental Health might well have noted that other Councils had located waste management in a joined up public health enforcement service. There is no “right” structure, and this Review echoes a point made in the Highways Review: there will be changes in the senior management structure of the Business Group in the next few years as people retire, and as others may move to jobs elsewhere; the Council may want to rationalise the organisation as and when windows of opportunity arise, provided such changes meet Members’ political aspirations and deliver financial savings. For the moment, though, there is no compelling case to alter structures.

6.6 Cessation of the service? The Waste Management Division provides a range of universal, “dirty”, municipal services most of which the Council has to provide by law. At no point during the Review has anyone seriously suggested that it would be an option not to deliver those services. But the Review Team has not simply ignored its “best value obligation” to consider the possibility. The Team has noted a report from the Head of Service following a visit to a town in Massachusetts that has consistently voted not to have any municipal refuse collection service at all, and that manages its waste very successfully through the individual efforts of its residents. However this approach is entirely dependent on the existence of a highly cohesive society with very strict social norms, near universal car ownership, and access to ample land for an extensive civic amenity site with re-use and recycling facilities. These conditions do not apply in the Royal Borough, which is why (even setting aside the Council’s legal obligations) a first-class municipal refuse, recycling, and cleansing service has to be provided. This may simply be a restatement of the obvious, but it shapes everything else in the Review.

7. SERVICE SPECIFIC ANALYSIS FOLLOWING THE CHALLENGE PROCESS

7.1 Refuse collection: the twice weekly service
Is twice weekly doorstep refuse collection an essential feature of the Royal Borough’s service to residents, or could Members entertain the possibility that some residents (eg those with front gardens) should only get a collection once a week? This could make the service cheaper, or free up resources for more frequent collections in waste dumping hotspots. Alternatively, might Members be prepared to invest new money to achieve even higher collection frequencies, either universally or in hotspots? Could better value for money be obtained by using a double-shift system, ie with collections in the afternoon (or would this simply mean refuse was left on
the footway for longer periods?). Could residents tolerate night collections (perhaps using quieter vehicles) if that meant lower costs?

*These are principally issues for the procurement exercise, and they are not resolved in this report. See Appendix A for the draft agenda for further Member-led discussions. Officers will commission a pricing exercise on double-shifting and night-work.*

### 7.2 Recycling

The Government requires the achievement of very demanding recycling targets (22% of waste, or 33%, depending on which of two government web-sites shows the correct calculation). On present form, it looks most unlikely that the Council will achieve either of these targets. Despite its track record of innovation on recycling infrastructure and education, fewer than 50% of households participate regularly in recycling. Within its LPSA, the Council has undertaken to get participation up from 44% to 55%, making recycling a majority pursuit.

The penalty for failure to meet national targets is presently no more than a stiff letter, but in future there is every chance of a significant “fine” or loss of grant for failing to meet these targets as the government seeks to off-load the burden of fines likely to be imposed by the EU. In the face of this prospect, is the Council prepared to consider forcing residents – on pain of enforcement action – to separate their waste into recyclable and non-recyclable streams? Or is it preferable to continue to “educate and persuade”, an approach embodied in the LPSA target?

*This is partly a procurement issue (see Appendix A) and partly an issue for decision now (see recommendations 13.7 – 13.9)*

### 7.3 Waste reduction

Waste reduction is highly desirable, but highly problematic. Its pursuit entails an argument for reduced production. However it must be apparent that recycling (“deferred landfill”) is not enough on its own to ensure sustainable waste management. Waste reduction is almost certainly best pursued in the context of strong national and regional policy initiatives, but locally Members may wish the Division to redouble its efforts to reduce the municipal waste stream by promoting initiatives such as the Mail Preference Service to cut junk mail, re-use schemes for furniture, clothes, white goods, computers, flower pots etc, reduced paper use by businesses and public authorities, and home composting.

*For decision now; see recommendation 13.10.*

### 7.4 Street scene management: a patch system

Dumped black bags are a major problem in the Borough and a specialist team was created some years ago to tackle it. The exact size of the problem (i.e. number of bags; number of waste dumpers) is not known, as large quantities of dumped bags are removed in routine daily swoops on hot-spot areas even
before they hit the Division’s complaints system. Furthermore “a dump” reported on the complaints system may well comprise several individual dumped bags. Some sense of the scale of the problem can be gained from analysis of recent exercises in hot-spot areas. In autumn 2002, during a four week period of intensive work in Earl’s Court and Redcliffe Wards, 1,691 dumped bags were identified – but robust evidence to justify enforcement action could only be traced in 55 cases. A similar exercise a few weeks later in Queen’s Gate netted 587 dumped bags over a similar period, leading to 18 enforcement actions. On those figures one might expect to see around 22,000 dumped bags per year in Earl’s Court and Redcliffe Wards alone – far more than are reported to the Council or recorded by officers for action.

The OSC/Regulation and Enforcement Review Working Party on Enforcement (OSC/RERC) considered that it would be highly desirable to underpin the current issue-based enforcement team structure with a geographical “patch” system. However the additional costs could be between £480,000 to £960,000 per year, depending on the structure chosen. Again would the Council consider spending that much new money to boost the existing enforcement function? Or would Members prefer managers to make the best use of the resources they have got?

One option must be to concentrate existing resources on hot-spot areas – mostly on or near the main shopping streets. The Chairman of the OSC has recently asked Members to identify their five hottest hot-spots as part of a prioritisation exercise. It is anticipated that Members’ priorities will closely fit the pattern of recorded complaints and the “street knowledge” of the enforcement officers. All three sources of information could be drawn together to develop a clear, published list of the worst hot-spots which could then be given intensive, and imaginative, treatment in an effort to solve the dumping problem.

For decision now; see recommendation 13.13.

7.5 Street scene management: black bag enforcement

Enforcement against black bags is strong by comparison with almost any other Borough. But the Council is not winning this battle using present methods – the best hope at present is containment, not victory. Is it possible within a realistic timetable significantly to change the anti-social behaviour – or ignorance - of a minority of residents? Is the Council prepared to go on the attack in a sustained, highly visible propaganda and educational battle to reduce black bag dumping? (In terms of time investment, the extra costs could be significant.) Or might the Council conclude that there is no form of propaganda that can really work against these waste dumpers.

Is the Council prepared to invest in a sufficiently pervasive publicity campaign to make it impossible for residents to argue they were ignorant of their collection days and the rules on presentation? (This could well include the use of powerful and prominent messages posted on street, that might contradict other aspirations for a clutter-free street scene.) If the Council is absolutely
clear about the obligations residents have – and makes it easy for them to fulfil their obligations – it could make it easier to focus hard on those people who behave in an unacceptable manner.

But is enforcement hopeless in some areas, with “skimming” the only real option? Alternatively, if enforcement is concentrated heavily in the hot-spot streets, that must mean simply clearing one-off dumped bags outside the hot-spots without investigation.

Would Members be willing to prohibit residents and businesses from placing refuse on the footway for collection, except where the resident or business has absolutely no suitable storage facility for waste? This could help reduce innocent, or lazy, muddle about the Council’s rules on presentation.

These are partly procurement issues (see Appendix A) and partly issues for decision now (see recommendations 13.13 – 13.14).

7.6 Street scene management: commercial waste enforcement
Officers and Members share serious concerns about the impact of poorly presented commercial waste on the footways of the Borough’s shopping streets. Would Members support a much more robust stance in relation to commercial waste presentation, for example by enforcing rigorously prescriptive rules on the exact mode and timing of waste presentation by businesses? Would Members back a hard-line publicity and correspondence campaign directed at the worst performers?

For decision now; see recommendation 13.14

7.7 Street scene management: street cleansing
The outcome-based specification for street cleansing has helped ensure that the Royal Borough has very well cleaned streets, even though there will always be scope for improvement. (The Division’s ambitions for improvement are embodied in the LPSA target on street cleansing: a 30% reduction in “significantly” and “heavily” littered streets in the north; a 20% reduction in the south. Both targets are to be achieved by March 2006.) Given that almost unlimited resources can be thrown at street cleansing in search of perfection, Members must decide as a matter of policy how much they want to spend on cleansing as opposed to other services. Would the achievement of the new LPSA targets be good enough?

The Review has not identified significant inefficiencies in current cleansing methods. Comparable Boroughs were not offered significant technical or methodological innovations during recent tendering exercises. Consequently the current cost of this part of the service is considered to be good value for the Council. Significant improvements will only be achieved by (1) the investment of new money, as in the LPSA, and/or (2) a sustained, highly visible propaganda battle to change anti-social littering, gum spitting, and abuse of the pavement by irresponsible businesses. Are Members keen to invest in and launch such a campaign?
These are partly procurement issues (see Appendix A) and partly issues for decision now (see recommendations 13.11 – 13.14).

7.8 Street scene management: private land/public realm
The public realm can be significantly degraded by the neglect of private land, or its abuse for unsatisfactory waste storage (railway land, messy gardens, forecourts etc). There are legal constraints over what can be done by the Council to demand higher standards, although there are legal opportunities too. However, hard-line concerted action against this abuse of private land would be very resource-intensive. It could quickly run into “principled” opposition from those who assert that they should be left to do what they like on their private land, and into expensive opposition from public agencies that can fund legal obstructions to an attempt to impose expensive obligations upon them.

Is the Council prepared to invest in a multi-disciplinary attack on the abuse of private land, using the full range of planning, environmental health, and waste management powers to demand much higher standards of waste and litter management from residents, local businesses, and public utilities?

In general, how sympathetic is the Council to private landowners who might assert their “right” to non-interference?

For decision now; see recommendations 13.14 and 13.15

7.9 Street scene management: enforcement at weekends
The enforcement presence on street drops at weekends. The OSC/RERC was keen to see improvements in the level of cover at weekends. Sustaining enforcement at weekday levels on Saturday and Sunday would cost a lot of money (c. £400,000 per year). Would the Council consider spending that much new money for this purpose? Or would Members prefer officers to work up low-cost alternatives to achieve more modest improvements in the enforcement presence at weekends?

For decision now; see recommendations 13.16.

7.10 Street scene management: highways enforcement; “special” enforcement
Enforcement against highway obstructions and low-level crime and nuisance is strong by comparison with almost any other Borough. The introduction of the new Community Support Officers with a potentially similar remit raises questions about co-ordination and clarity of role for this team.

For decision now; see recommendations 13.17.

7.11 Commercial waste collection strategy
Should the Council take the commercial waste portfolio – or part of it - back in house?
Should the Council (with or without its preferred contractor) aggressively pursue as large a share of the commercial waste collection business in the Royal Borough as it can - with a view to driving up environmental standards? Or should the strategy be to regulate and enforce an entirely free market in commercial waste collection within the Borough?

*These are partly procurement issues (see Appendix A) and partly issues for decision now (see recommendation 13.18).*

**7.12 Managing the markets and other street trading pitches**

Portobello Road Market has a reputation as an international tourist destination. However it is sometimes so crowded that it is very hard to keep clean; its traffic management is inadequate; and the safety and convenience of its footways are severely compromised by encroachments.

There are powerful, potentially conflicting interests in the Market. Anything the Council does there – even for “the public good” – is likely to irritate one or more private or sectional interests. But do these serious environmental problems pose a risk to the long-term viability of the Market, and if so does the Council feel a responsibility to support, or force, the Market through change in order to protect its sustainability?

Golborne Road appears to be in decline as a market; its future may be in doubt unless some uplift can be achieved. The Executive Director of Planning and Conservation is leading a multi-disciplinary officer team, including Waste Management, developing a draft brief for the renewal of Golborne Road. Members will be able to decide later this year whether the brief sets out a suitable way ahead.

*For decision now; see recommendation 13.19.*

**7.13 Public conveniences**

The Council has no statutory obligation to provide public conveniences. Nevertheless the Council’s Visitor Management Strategy suggested consideration of greater provision to service “major attractions”. The service is very expensive. An examination of the total cost of providing Autoloos, divided by the total number of visits, suggests that the Council is subsidising usage to the tune of £2.58 a go. The number of usages of men’s urinals in the staffed facilities is not known, so it is impossible to produce figures that compare the usage-subsidy of Autoloos to the usage-subsidy of the staffed facilities. But the total net cost of the staffed facilities divided by the number of times cubicles are used produces a figure of £8.49 a go.

There are many publicly accessible toilets all over the Borough in shops, pubs, and cafes. With this in mind, it is not self-evident that the General Fund should carry the heavy costs it bears at present for the provision of public conveniences. However the Council’s streetscene improvement and LPSA street cleansing programmes aspire to achieve “shopping centre standards” on
the Royal Borough’s streets; should the Council not also consider aiming for shopping centre standards for its public conveniences?

For decision now; see recommendations 13.20

8. COMPARE: THE ANALYSIS OF INTER- BOROUGH AND SERVICE COMPARISONS

8.1 Key statistics from the 2001 Census.
The starting point for any inter-Borough and service comparison must be the data only now emerging from the 2001 Census. The data confirm that the Royal Borough is a truly exceptional place, with many distinctive characteristics that shape the delivery of its waste management services. The Royal Borough:

- is the most densely populated Borough in England and Wales, at 131 persons per hectare
- has the highest percentage of residents born in the EU but outside the UK (14%)
- has the second highest percentage of residents with a degree or higher qualification (51%)
- has the third smallest average household size (1.96 persons)
- has the third highest percentage of one-person households (49%)
- has the third lowest percentage of residents with no qualifications (13%)
- has the fourth highest score nationally on the indicator of overcrowding
- has the fifth highest percentage of households living in flats (83%)
- has the fifth highest percentage of residents born outside the EU (31%)
- has the eighth highest percentage of residents who are recent migrants into the Borough (19%)
- has the ninth lowest percentage of households with a car or van (50%)

These statistics corroborate the Division’s practical experience, and reaffirm the rationale for certain past policy choices that set the Royal Borough apart from its comparators.

8.2 In such a densely populated Borough, co-collection of commercial and domestic waste is almost inevitable. There are no distinct commercial areas in the Borough where separate, specialised commercial waste collection would make environmental or economic sense. Such extreme population density also makes it very difficult to set up on-street “bring” facilities without causing a nuisance - hence the local emphasis on frequent kerbside collection. On the other hand, high population densities make for relatively cost-effective waste collection as the distances the refuse crews have to travel are so short.

8.3 Other important local characteristics are associated with high population density, in particular the very high number of overcrowded households living in flats. In the Royal Borough’s overcrowded homes the options for internal waste storage are much more limited than they are in other Boroughs. And given that so much of the Borough’s housing stock is in flats, the options for
external waste storage can also be limited in some areas. These are heavy constraints that push the Council towards more frequent waste collections than in other Boroughs; that make many residents reluctant to separate, store, and recycle waste; that make black bag dumping much more likely than in other Boroughs; and that make it hard to avoid some use of the footway for temporary waste storage on collection days.

8.4 The remarkably high level of educational attainment among residents also has significant service implications. Many residents have very high service expectations and are capable of articulating them forcefully. A great deal of time is spent by Members and officers responding to exceptionally well-formulated complaints and suggestions for service improvement from residents. Of course the quality of such residents’ contribution is a bonus, and these residents are “easy to reach” on complex matters of policy as well as on problems with basic service delivery. E-mail and the Internet can often be taken for granted as the preferred modes of communication with many residents, making a form of 24-hour service readily available.

8.5 Population mobility and diversity are exceptionally high in the Royal Borough, although officers guard against the myth that the entire population is in a constant state of flux. There may well be around 20% population turnover a year, but it is probably “the same 20%” moving in and out of rented accommodation, and living alongside a large majority of residents with deep, long-term connections with the Royal Borough. The real relevance of the data on population turnover is that it is exceptionally hard to reach a significant minority of residents to convey basic facts about waste management and recycling. It is equally hard to inculcate a sense of civic pride in a large number of people who are simply passing through the Borough as temporary residents.

8.6 The exceptionally high percentage of relatively young one-person households living in flats also makes communication unusually hard. All local experience confirms that many residents are simply not at home when officers call. Furthermore, unless letters or flyers can be personally addressed, information sheets sent through the post are at risk of piling up in the common parts, unread.

8.7 45% of residents were not born in the UK, but there are no large, distinct ethnic minorities among these residents. These are most unusual characteristics by comparison with other Boroughs. Taken with the other barriers to communication mentioned above, the remarkably wide linguistic and cultural diversity of the Royal Borough’s residents makes it especially hard to hit the right note in general publicity on waste management issues.

8.8 Exceptionally low levels of car ownership in the Royal Borough – and difficulties in parking - mean that few residents will be able or inclined to load up their car boots with recyclables in order to drop them off in a mini-recycling centre on a trip to the park or the supermarket. This might be a standard
procedure in other Boroughs, but it cannot be a useful part of normal recycling practice in Kensington and Chelsea.

8.9 Summary of conclusions from the Census analysis.
There is a risk of over emphasising the uniqueness of the Royal Borough. Officers have tried to avoid adopting the lofty attitude that there is little to be learned from other Boroughs. However the fact remains that there are very few other local authorities that share the specific characteristics of Kensington and Chelsea, and all inter-Borough comparisons on costs and on service delivery have to acknowledge that this is a truly exceptional place in which to deliver waste management services.

8.10 The recent Comprehensive Performance Assessment (CPA).
This has to be the starting point for any statistical inter-Borough comparison. The CPA judgement on waste management in Kensington and Chelsea used 7 performance indicators; it was of course unable to include an assessment of a completed best value review. The Royal Borough’s waste management services were given an “average score” of 49%, and a “2 out of 4” verdict. This placed the Council 59th out of the 149 Boroughs that were given scores. In Inner London, only Greenwich scored higher, with 54% and a 3 out of 4 rating. The only other London Borough to score higher than that was Bexley, with 68% and 4 out of 4.

8.11 These results have a mixed character. The Division does not like being only 59th nationally, nor scoring only 2 out of 4. That said it seems the CPA data suggest that the Royal Borough’s waste management services were the best in central London, the second best in Inner London, and third best in London as a whole. But officers would be better pleased with this result if they fully understood the methodology used and felt more confident that the data were robust (see paragraphs 8.13 and 8.14 below).

8.12 Inner London Performance Indicators.
The “raw” waste management performance indicator scores for Inner London authorities are shown in the table overleaf:
### 2001/02 INNER LONDON AUTHORITIES BVPIs DATA

<table>
<thead>
<tr>
<th>Authority</th>
<th>BVPI</th>
<th>82a</th>
<th>82b</th>
<th>84</th>
<th>85</th>
<th>86</th>
<th>88</th>
<th>91</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>%</td>
<td>%</td>
<td>kg</td>
<td>cost</td>
<td>cost</td>
<td>missed</td>
<td>household</td>
</tr>
<tr>
<td></td>
<td></td>
<td>waste recycled</td>
<td>waste composted</td>
<td>head</td>
<td>per square kilometre of street cleaning</td>
<td>per household</td>
<td>collections</td>
<td>served by kerbside/ recycling centres</td>
</tr>
<tr>
<td>City of London</td>
<td>10.3%</td>
<td>0.0%</td>
<td>1,190</td>
<td>2,957,218</td>
<td>149.48</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Camden</td>
<td>13.4%</td>
<td>1.1%</td>
<td>485</td>
<td>837,412</td>
<td>32.61</td>
<td>23</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Greenwich</td>
<td>8.8%</td>
<td>2.7%</td>
<td>479</td>
<td>796,000</td>
<td>33.93</td>
<td>34</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Hackney</td>
<td>1.2%</td>
<td>0.0%</td>
<td>445</td>
<td>488,934</td>
<td>76.99</td>
<td>1,375</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Hammersmith &amp; Fulham</td>
<td>8.0%</td>
<td>0.5%</td>
<td>436</td>
<td>862,253</td>
<td>32.37</td>
<td>27</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Islington</td>
<td>5.5%</td>
<td>0.0%</td>
<td>486</td>
<td>897,097</td>
<td>54.70</td>
<td>28</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Kensington &amp; Chelsea</td>
<td>8.3%</td>
<td>0.2%</td>
<td>352</td>
<td>2,998,245</td>
<td>47.53</td>
<td>39</td>
<td>100%</td>
<td></td>
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<tr>
<td>Lambeth</td>
<td>8.7%</td>
<td>0.2%</td>
<td>366</td>
<td>635,465</td>
<td>43.22</td>
<td>533</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Lewisham</td>
<td>5.3%</td>
<td>0.2%</td>
<td>460</td>
<td>434,458</td>
<td>42.44</td>
<td>422</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Southwark</td>
<td>3.6%</td>
<td>0.0%</td>
<td>430</td>
<td>694,124</td>
<td>28.64</td>
<td>19</td>
<td>98%</td>
<td></td>
</tr>
<tr>
<td>Tower Hamlets</td>
<td>2.8%</td>
<td>0.0%</td>
<td>411</td>
<td>839,157</td>
<td>12.75</td>
<td>161</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Wandsworth</td>
<td>8.4%</td>
<td>1.0%</td>
<td>343</td>
<td>406,644</td>
<td>27.61</td>
<td>1,110</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Westminster</td>
<td>8.7%</td>
<td>0.0%</td>
<td>323</td>
<td>1,679,290</td>
<td>50.02</td>
<td>572</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

8.13 Officers are not entirely confident that these data are all calculated with perfect accuracy and consistency. It is far from easy to test whether concerns about comparative PI data are well founded or not. However doubts over the Council’s own data suggest that the published statistics are not all they seem. For example, there are differences over the calculation of the percentage of waste that is recycled. WRWA, and DEFRA, assert that the Royal Borough’s figure for recycling is much higher than the 8%-9% that officers report (and that is implied in ODPM figures) simply because those bodies take a different approach to the inclusion of recycled commercial waste in the calculation. (The Leader himself has tried to persuade the Secretary of State to review the data, without receiving the courtesy of a reply.) But that is not the only problem with this statistic. The Royal Borough and Westminster share a concern about the inclusion of street sweepings and litter in the household waste total used to calculate the percentage of recycling. Although recycling some street waste may be possible, the great bulk of street litter is not in a form that lends itself to recycling. Boroughs like Westminster and Kensington and Chelsea with exceptionally high visitor numbers – and hence relatively high levels of litter - are generally likely to suffer in the recycling league table because of this contamination of a significant fraction of their “household” waste (but see 8.15 below).

8.14 Similar concerns dog the data about the cost of street cleansing, although this indicator has now, mercifully, been dropped. This indicator is reported on government websites as “the cost per kilometre of keeping land clear of litter and refuse”, although the actual definition in the technical guidance is “the cost per square kilometre...”. This, or some other arithmetical muddle, may explain why authorities such as Barking and Dagenham report...
that they spend £35,800 per year, and Redbridge report £109,600, while the Royal Borough weighs in at £3 million for the same service. Officers have done their best to report the facts strictly according to the guidance. But it is hard not to suspect flaws in the national set of statistics that render inter-Borough service comparisons on this matter somewhat dubious.

8.15 Taking account of these concerns, officers would still suggest the following provisional conclusions from the published comparative performance data:

- by Inner London standards the Council is delivering exceptionally good value on its refuse collection service; to run a universal twice weekly collection service on a “mid-table” price is impressive
- the Council’s relative performance on recycling is disappointing given the energy and investment put in. Performance falls well short even of the lower of the two performance standards proposed by the Government (22% of waste by 2005/06). Camden’s apparent success is of considerable interest, especially since they have high visitor numbers. This will be explored – see paragraph 8.16 below. But at the same time Camden do have a relatively large recycling team of 5, significantly more than in the Royal Borough (3 staff, carrying other responsibilities as well as recycling)
- performance on composting has been feeble, but is set to rise substantially now that a trial collection scheme is underway
- street cleansing in the Royal Borough is expensive. But it is currently impossible to prove statistically that high investment generates a high quality outcome. The Royal Borough currently classifies around 70% of its streets as “Category A”, the highest of the standards based on guidance issued under the provisions of the Environmental Protection Act. From experience and observation officers consider that very few other Boroughs will match this figure. But the new best value indicator on cleanliness (BV 199) will be welcome, as it could provide the Council with a comparative tool to check the value of its investment. (Data collection for the new indicator starts in April 2003.)
- the number of missed bins per 100,000 is now under control, and is relatively low by Inner London standards (Members will recall that the poor results on this indicator some years ago were principally a result of industrial action involving a refusal to work on Bank Holidays.)

8.16 Service benchmarking with other Boroughs.
The shortage of obvious comparators has restricted the analysis of services in other Boroughs, and practical difficulties with “benchmarking”, especially when comparing costs, are hard to overcome. However the CPA results have suggested a promising way forward. Five contiguous West and Central London local authorities (Camden, Westminster, the Royal Borough, Hammersmith and Fulham, and Wandsworth) have been deemed “excellent”. Prompted by mutual interest officers in these authorities have agreed to set up what might be called a local “Innovations Forum” on waste management – the first meeting took place in late March 2003. This tight grouping of authorities, with
substantial common interests and a comparable track record on service delivery, has a real chance to make benchmarking work. The new Forum has the potential to be a major force for positive change in local and regional waste management practice.

8.17 Before the publication of the CPA results, and the emergence of the rationale for such a Forum, the Review Team attempted various benchmarking exercises across a wider array of authorities. The significant results are summarised below.

**8.18 Customer care.**
A detailed benchmarking survey was done of other London authorities. Nearly 50% replied - a good result. Using her best judgement, the officer compiling the survey report reached the following conclusions about the Royal Borough’s comparative performance against the general standards prevailing elsewhere:

<table>
<thead>
<tr>
<th>Category</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target for acknowledging correspondence (letters)</td>
<td>SAME</td>
</tr>
<tr>
<td>Target for providing a full reply to correspondence (letters)</td>
<td>SAME</td>
</tr>
<tr>
<td>Target for replying to e-mails</td>
<td>BETTER (ie better in the Royal Borough than elsewhere)</td>
</tr>
<tr>
<td>No. of rings before the phone is answered</td>
<td>WORSE (but this result pre-dated the Council’s work on telephone standards)</td>
</tr>
<tr>
<td>Set formula for answering the phone</td>
<td>SAME</td>
</tr>
<tr>
<td>Times/days phones are staffed</td>
<td>WORSE</td>
</tr>
<tr>
<td>Out of hours service</td>
<td>SAME</td>
</tr>
<tr>
<td>Opportunities for face to face complaints</td>
<td>WORSE</td>
</tr>
<tr>
<td>Target time for rectifying refuse complaints</td>
<td>SAME</td>
</tr>
<tr>
<td>Target for rectifying sweeping complaints</td>
<td>BETTER</td>
</tr>
<tr>
<td>Availability of leaflets</td>
<td>SAME</td>
</tr>
<tr>
<td>Use of other languages, etc</td>
<td>SAME</td>
</tr>
<tr>
<td>Plain English</td>
<td>WORSE</td>
</tr>
</tbody>
</table>

8.19 Although there is no evidence of significant problems, this mixed bag of results points to the need to refresh the Division’s approach to customer care. The Council’s current push towards higher standards of telephone management provides a suitable framework for local service improvement. Within the Division specific improvements will be made in the provision of a direct out of hours contact point and in the use of Plain English.

**8.20 Litter and refuse enforcement.**
A benchmarking comparison of other “big city” local authorities’ enforcement methods threw up some interesting results. The return rate for replies was disappointingly normal at around 25%, but many of the authorities that did
reply (for example Westminster, Brent, Wandsworth, Edinburgh, Cardiff) are of considerable interest either as neighbours or as valid comparators. However it proved difficult to secure like-for-like comparisons on staffing and productivity, as the roles and responsibilities of enforcement staff in different Boroughs vary very widely.

8.21 The Royal Borough was second only to Westminster in the number of Fixed Penalty Notices (FPNs) issued for litter offences - 648 in 2001/02, compared to Westminster’s uniquely high figure of 7,500. Edinburgh served only 166. However the Royal Borough was almost alone in seeing every single FPN through. Compliance was extraordinarily high (626 fines paid following the 648 notices), and every single case of non-payment in Kensington and Chelsea was referred to Court. By contrast Westminster secured payment in 4,500 cases out of 7,500; Lewisham secured payment in 333 cases out of 526; Wandsworth secured payment in 91 cases out of 224; Brent secured payment in 19 cases out of 62. Only Redbridge (127 notices, 100% paid) and Edinburgh (166 notices, 160 payments, 3 referred to Court) matched the compliance rates achieved in the Royal Borough.

8.22 Several other Boroughs were operating a policy dominated by written or oral "warnings", not enforcement. Cardiff claimed to give 3,200 warnings, but no FPNs. Redbridge gave 2,790 warnings as well as its 127 FPNs. But Barnet gave 2,600 warnings, and only one FPN. Enfield gave 2,468 warnings, but only 12 FPNs. The Royal Borough recorded the smallest number of written and oral warnings (950) of the 10 Boroughs that replied. Westminster recorded the next smallest number - 1,250.

8.23 What might these comparative data mean? First, the evidence suggests that the Royal Borough is mounting a vigorous enforcement effort by national standards. Second it appears that, when enforcement action is taken against litter offences in the Royal Borough, it is very sharply focused and well founded, and is always taken against clearly identified culprits. There is no suggestion at all of a scatter-shot approach, in which a lot of FPNs are issued but a high percentage are vulnerable to challenge or appeal. These data seem to be suggesting something of which the Council can be proud: enforcement against litter and refuse offences is being done properly.

8.24 Highways and special enforcement.
The Royal Borough’s near neighbours were contacted in a search for information about their approach to highways and “special” enforcement. It appears that the Royal Borough does more active enforcement than anyone against obstructions, skips, scaffolding, builders’ waste etc. In particular there was little evidence of an active approach to prosecutions elsewhere. In the calendar year 2002 the Division’s Highways and Special Enforcement Teams prepared 352 prosecution reports, issued 54 warnings and formal cautions, and served 8 Fixed Penalty Notices.
8.25 Bulky refuse collection.
The Royal Borough runs a “Too Big for the Bin” (bulky waste) collection service 6 days a week. The waiting list is currently between 4-5 weeks for fridges and freezers, and between 2-3 weeks for other waste. This waiting time can only be achieved through the use of variation orders, as demand is greater than anticipated in the current contract with SITA. Without variation orders the waiting time would be at least 1-2 weeks longer. The Royal Borough offers time slots for collections between 7.00am and 12 noon on weekdays.

8.26 A benchmarking study of comparable services in London has been conducted. Two Boroughs proved impossible to contact: Hackney and Tower Hamlets. Lewisham had suspended its service during the study. With these exceptions comprehensive data were obtained on every other London Borough. The results are so full they defy easy classification. But the important messages are set out below:

- the costs of this type of service varied from zero (about five Boroughs said they made no charge at all) up to Harrow’s £80 for collecting from inside a property (this was much more than any other Council charged). The Council’s charge of £14 for 2003/04 is not at all unusual, although local rules on charging are extremely variable
- some Councils allow all residents a small number of free collections per year before a charge is applied. Others collect a specified number of items free and then charge for everything over and above this, for example Hammersmith and Fulham and Waltham Forest collect up to 3 large items or 10 bags free of charge
- waiting times were very variable, ranging from 2-3 days to 6-8 weeks
- few Councils offer time slots or timed appointments; but in any event many Councils only collect items from outside the property thus dispensing with the need for appointments
- most Councils, including the Royal Borough, collect from inside the properties of people who are ill, or elderly or suffering from disabilities
- in the Royal Borough fridges and freezers are collected for free from all residents. However other bulky waste is only collected for free from residents who receive Housing and/or Council Tax Benefit; other residents must pay for collections. These concessions are normal elsewhere, but the majority of other Councils also collect free of charge, or offer a concessionary rate, to OAPs and to people with disabilities

8.27 Frontline staff have found that the most frequent complaints from residents using the service concern waiting times, difficulties in getting a timed appointment, not collecting from upstairs, and payment for the service. While the principle of payment for the service is unlikely to be changed, officers will endeavour to secure minor changes in service delivery from SITA to satisfy these complaints. In particular officers will seek the provision of early afternoon time slots as well as morning slots, and a commitment from SITA to collect from first floor properties as well as from the ground floor and basement. In any event these improvements can be included in the next specification of the contract
8.28 Street trading fees.
Street trading takes place on around 360 sites across the Royal Borough, with many sites concentrated in the Portobello Road and Golborne Road Markets. The total annual income stream from trading fees is of the order of £800,000. The Division routinely compares its street trading fees with those levied by other Councils. The results are reported to Members each year, most recently during the current round of discussions on fees and charges. In short, the comparison suggests that some of the fees levied by the Council are relatively very low. The Council’s annual licence fees, and charges for renewals, arrears letters etc, are almost all lower than the comparable fees charged by other Boroughs. The Monday to Saturday trading fee is only £42, compared to fees as high as £90 in Waltham Forest, and £85 in Redbridge. Looking at the neighbouring Boroughs that have supplied benchmarking information on their Monday to Saturday fees, Brent charge £60, Wandsworth charge £57, and Hammersmith and Fulham charge £55. On the other hand, the fees charged by the Council for Friday only, or Saturday only, or for Friday and Saturday only are just above the median value of the range of fees identified for trading on these days.

8.29 Street trading fees have to be managed within a ring-fenced street trading account that pays for the Markets Office and for administration and enforcement. Increasing the trading fees to boost income to the General Fund is not an option. Instead the fact that the Council can keep most of its street trading fees on the low side and still run a surplus within the ring-fenced account suggests that the operation as a whole is being managed economically by comparison with other Boroughs.

8.30 An analysis of London Boroughs’ methods and performance on recycling
An analysis of data supplied to Capital Waste Facts shows some very significant differences in recycling methods between London Boroughs. Wandsworth claimed to have 250 “bring” sites for recycling in 2001, compared to the Royal Borough’s figure of 25 (only Havering, Lambeth, and Islington had fewer). The average number of bring sites in each London Borough was 74. However a statistical analysis of the data showed absolutely no evidence of any relationship between the number of bring sites in a Borough and the percentage recycling rate achieved. The relatively low figure for “bring” sites in the Royal Borough is a function of the fact that Kensington and Chelsea is the most densely populated Borough in the country, and it is very hard to locate a bring site without causing a nuisance to residents. It is also a function of the Council’s scrupulous and perhaps unusual regard for public consultation. Around 15 new sites were proposed recently, and all were rejected as unduly intrusive on local amenity. Other Boroughs have more space to locate bring sites where they will not cause a nuisance, and also appear to be less sensitive to adverse local opinion.

8.31 Ten Boroughs – all in Outer London – said they had a higher percentage of homes served by a doorstep recycling service than Kensington and Chelsea,
clearly reflecting differences in built form. However the Royal Borough had a higher percentage of households served by doorstep recycling than any other Inner London Borough.

8.32 Some Boroughs were achieving high rates of recycling domestic waste – Bexley claimed to recycle 29%; Kingston recycled 19%; Hounslow and Richmond recycled 17%. With the interesting exception of Camden the Inner London Boroughs were struggling, the Royal Borough included. Some reported figures were appalling, for example Hackney’s 1% and Tower Hamlets’ 3%. But the Royal Borough’s 8% means it is only a mid-table performer within London as a whole.

8.33 A comparison with Westminster City Council on the provision of public conveniences
In 2002 Westminster budgeted to spend £3.2 million on public conveniences, compared to £483,000 in the Royal Borough. Westminster provides 52 conveniences while the Royal Borough provides 11 – indicating a lower average “cost-per-convenience” in the Royal Borough. There is a much greater emphasis on staffed provision in Westminster, with 31 such facilities (the Royal Borough has 3). A higher proportion of the Royal Borough’s facilities had disabled access: 7 out of 11, while Westminster had 23 out of 52. 10 of Westminster’s conveniences were 24 hour, compared to 8 in the Royal Borough. Westminster has four staff dedicated full time to monitoring the contract to provide conveniences. The Royal Borough has no full-time staff monitoring their contract; the work is integrated with other functions.

8.34 Refuse collection and recycling methods used in cities in continental Europe.
The Overview and Scrutiny Committee for Environmental Services etc recently commissioned a presentation by SITA on waste management systems used in comparable cities in Europe. The presentation was given by a senior SITA representative based in France. The key points were:

- southern Europe has a preponderance of voluntary “bring” systems, where typically only one crew member is needed per vehicle to empty large Eurobins stored in the open air
- France tends to have high collection frequencies for its door to door services, sometimes once a day, with high crew numbers in each vehicle
- the range of typical waste collection costs is significantly lower in the UK than in France, Ireland, Germany, or Sweden
- high personnel costs were creating pressure for automated collection, ie the greater use of containers, not rubbish bags
- the evidence suggests that charging for waste collection reduces household waste generation – individualised billing systems were in use in some areas
- the UK is relatively weak at recycling, a reflection of the historic cheapness and ready availability of landfill; some European cities (eg Vienna) were achieving very high levels of recycling; some countries (eg the Netherlands) were way ahead of the UK
• SITA was generally hostile to outcome-based street sweeping specifications arguing that they were open to differing judgements about quality achieved
• GPS vehicle tracking systems were being introduced principally for street sweeping operations, but also for refuse collection. (GPS for sweepers could help managers react to a reported dump by directing the nearest sweeper to clear it)

8.35 Officers are particularly interested in the scope for introducing new “bring” systems that may be environmentally more acceptable than the current Eurobins. Hammersmith and Fulham are experimenting with new bring systems on market streets and officers will soon be visiting these sites to assess their acceptability, success, and cost. Officers will seek industry proposals on higher automation through the first phase of the procurement process due to be launched this spring. The use of GPS has been tested by Westminster in their recent procurement exercise, and again officers will thoroughly investigate what colleagues across the boundary have done to assess the cost and benefits. However SITA’s preference for frequency-based sweeping specifications – a preference apparently shared by the Royal Borough’s near-neighbours – is not something officers feel they should recommend to Members. It may be that cost pressures force the issue, but officers are instinctively reluctant to compromise the success of the current street cleansing operation, which is achieving visibly better results than the frequency-based specifications used in neighbouring Boroughs.

8.36 Summary of comparisons.
There is good news in all this. No other Borough can match the Royal Borough’s level of service on refuse collection: residents receive a twice weekly refuse collection and kerbside recycling service on every street, and at a very cost-effective price. The Comprehensive Performance Assessment deemed the Royal Borough’s waste services the second best in Inner London, and the third best in London as a whole. Comparisons on street cleansing are not easy until BV 199 data emerges. But officers are very confident that the quality of street cleansing in the Royal Borough can match the best in London. Street enforcement is robust and well targeted. The Division is delivering an active highways enforcement service that others appear to neglect. Street trading is being managed economically.

8.37 On the other hand the inter-Borough comparisons have identified areas where service could be improved. Performance on recycling is disappointing. Some aspects of customer care could be improved. The Too Big for the Bin service could be adjusted to suit residents’ needs better. The Action Plan includes a commitment to a review of customer services as part of the wider review being launched within Environmental Services.

9 CONSULT: THE ANALYSIS OF PUBLIC CONSULTATION

9.1 Paragraph 4.4 indicates the extensive scope of the public and staff consultation that has influenced the Review. Residents’ opinions about the
service are of paramount importance, and a thorough if concise summary of the evidence gathered is set out below. Staff views are not included here. They have been integrated into the analysis elsewhere, particularly in the “Challenge” section and the Action Plan.

9.2 Recycling Roadshow results.
The Review used the results of the Recycling Roadshow commissioned by the Division in 2000. A team from Kingston University delivered the Roadshow. It involved a massive door-to-door survey of over 8,000 residents. The survey found that only 44% of residents said they recycled, with participation varying from 33% in some areas to 66% in others. It was remarkable, and disappointing, that 43% of those interviewed claimed not to have heard of the Council’s recycling scheme. Given the extraordinary efforts over the last ten years to promote recycling in the Borough through posters, leaflets, direct mail etc, this statistic shows the limitations of relatively conventional publicity. Something special, and different, will be required to get the message across to this substantial percentage of residents who are proving hard to reach through the printed words used to date. On the positive side, only 5% of residents said they were not interested in recycling, although a desire to please, or get rid of, the interviewer may well have influenced the answers to this question.

9.3 The Roadshow gathered useful data about recycling methods. Over half of residents who recycle said they used shopping carrier bags to put out their recyclables. About 22% used special containers (green or blue bins). Only about 13% of residents used clear sacks, and about 7% used bag tags. The great majority of recyclers put out glass and paper. But fewer than 60% of recyclers put out metal tins and plastic.

9.4 The Roadshow results formed the baseline for the LPSA stretch target on recycling, which is a key feature of the Action Plan. The Division will deploy a team of eight to ten “Recycling Wardens” across the Borough in an intensive effort to persuade more residents to recycle, and to recycle more. The Division aims to lift the percentage of residents recycling from 44% to at least 55% by 2005/06.

9.5 Residents’ Panel results.
The Division has made extensive use of the Residents’ Panel since it was established. In April 2002 the Review Team requested that information should be collected about residents’ views on waste enforcement – 842 Panel members replied, a response rate of 62%. The highlights are listed below:

- 70% knew the Council ran a waste enforcement service
- the enforcement problems residents were most annoyed about were litter, black bags, and dog fouling. These three issues stood out as by far the most annoying problems on the street. They were accorded more or less equal importance
- dumping of builders’ materials on the street and prostitutes’ cards formed a distinct second tier cluster of problems considered to be annoying
• free leaflet distribution was considered to be a problem on shopping streets, but in the overall analysis was not seen as something that really annoyed residents
• tables and chairs on the pavement did not rank that highly in the scale of perceived problems
• there was evidence of lamentable confusion in the minds of residents about which Council Directorate to contact to deal with street enforcement problems; only 43% of respondents would have contacted Waste Management to deal with street enforcement problems; Environmental Health was seen as a more promising avenue of complaint than Waste Management
• that said, 75% of residents who had contacted the Council about street enforcement problems had not found it “difficult” to get through to the right person.
• 80% of residents using the service said the person they spoke to was “polite”
• 56% of residents using the service were very or quite satisfied with the outcome, with 31% very or quite dissatisfied
• when residents were given a variety of options about preferred ways of contacting the Division (they could tick more than one option) 75% wanted the opportunity to telephone a member of Waste Management staff direct; 39% wanted to contact a general Council enquiries number; 32% wanted to make contact by e-mail, and 15% through the web-site. Only 9.5% wanted to be able to make contact in person at the Pembroke Road offices

9.6 The survey findings on what annoys residents the most are not a surprise. The Division re-organised itself some years ago to concentrate its efforts on these top priority problems, and the Residents’ Panel survey suggests that that was the right decision. The findings on the preferred mode of contact with the Division are interesting, and need to be taken into account in any consideration of call-centres as the means of providing improved customer services. The most striking finding is about the Division’s apparently low profile. It must be a priority for the Action Plan greatly to increase the percentage of residents who know who to contact to resolve street enforcement problems.

9.7 During the consultation exercise on this year’s Council Tax, Residents’ Panel members were asked to identify their priorities for spending. The methods used included questionnaires, young people’s focus groups and a deliberative workshop. In relation to the services provided by Waste Management, a majority of Residents’ Panel members said “spend the same”. However for all services significantly more residents said “spend more” than said “spend less”. The service that got the highest net “vote” was street cleansing and litter collection across the Borough (39% “spend more”; 2% “spend less”).
9.8 The net vote on recycling spending was less than this (37% said “spend more”; 11% “spend less”). The net vote for more spending on public conveniences was lower still, although still favourable (31% against 10%).

9.9 One of the conclusions from the deliberative workshop was perhaps unexpected. At the beginning of the workshop a majority of participants said they were in favour of spending increases on all services. But by the end a majority thought spending on graffiti and gum removal could be reduced. This finding does not echo the messages officers have received from Members on these issues.

9.10 It is easy to say “spend more” in a consultative survey, and these results must be treated with care. The focus should, perhaps, be on the fact that a majority of residents said “spend the same”. However the findings on street cleansing are striking. Despite the very high cost of the Royal Borough’s street cleansing operation, there is no evidence that residents want to reduce the amount spent.

9.11 The ENCAMS survey.
In Spring 2002 the OSC for Environmental Services etc commissioned ENCAMS (formerly the Tidy Britain Group) to do a survey of residents’ attitudes to refuse collection and other services. 300 residents were interviewed. The findings were reported to Members last July.

9.12 Key findings from the survey were as follows:

- residents generally had very favourable perceptions of local environmental quality – 68% of respondents rated the local environment as “good”
- such negative perceptions as were recorded derived from familiar complaints about litter, dog fouling, black bags, and builders’ waste
- 72% of residents judged the refuse collection service to be “good” with only 6% judging it “unsatisfactory” or “poor”
- 67% judged the street cleansing service to be “good”, with only 8% judging it “unsatisfactory” or “poor”
- 34% of residents said they did not recycle at all, citing lack of information and laziness as the principal reasons

9.12 ENCAMS made some recommendations following its survey, including the following:

- develop new strategies to combat black bag dumping, with an emphasis on tackling hot spot areas
- map dog fouling complaints to see whether area-specific campaigns could help reduce the problem
- bring in a street warden scheme to tackle “enviro-crime”
- refresh public awareness about environmental services, particularly on recycling and graffiti removal
9.13 Community Support Officers under the direction of the Metropolitan Police have been introduced to the Royal Borough. It remains to be seen how far the CSOs will be drawn into “enviro-crime” as their role evolves. It is proposed that the Division’s enforcement teams should adjust their focus to concentrate on hot-spot areas as ENCAMS recommends, using mapping wherever possible. Clearly there must be even closer sharing of data and experience with the Metropolitan Police to ensure seamless delivery of high priority enforcement services. The recommendation on refreshing public awareness is accepted.

In late 2002 MORI was commissioned to conduct a face-to-face survey of over 2000 residents in the WRWA area; 500 of those surveyed lived in the Royal Borough. The headline results identified by MORI were as follows:

- 96% of Royal Borough residents thought recycling was “very” or “fairly” worthwhile (this was a higher percentage than the results in the other three WRWA Boroughs)
- 14% of Royal Borough residents claimed to recycle everything that could be recycled (the highest percentage in the WRWA area)
- 24% of Royal Borough residents said they did not recycle anything at all (the lowest percentage in the WRWA area)
- however only 44% of Royal Borough residents had no negative comments to make about recycling (the worst result across the WRWA area). 22% of Royal Borough residents thought recycling was “a hassle”; and, disappointingly, 9% said local recycling services were “poor”, more than in any other WRWA Borough
- on the other hand, significantly more Royal Borough residents were “very” or “fairly” satisfied with their Council’s recycling services than were residents in the other three Boroughs (the only exception being the level of satisfaction with recycling at the Royal Borough’s Civic Amenity Site)
- markedly more residents in the Royal Borough thought that individuals, or “the general public”, should be responsible for increasing the amount of recycling (44%, against 37%, 34%, and 30% in the other Boroughs). In other Boroughs, more people tended to think “the Council” or other institutions should be responsible
- in a series of questions about public awareness of the exact details of recycling, Royal Borough residents scored highest on every single criterion (materials, benefits, local services, markets for recycling) – except, perhaps paradoxically, on local campaigns and promotional work to promote recycling, where Wandsworth and Lambeth scored higher

9.15 This is another mixed bag of results. It is not unreasonable to conclude on this evidence that the Royal Borough is in the lead within the WRWA area in terms of participation, awareness, and customer satisfaction with recycling. However there is also evidence that recycling has a relatively poor image among a significant minority of Royal Borough residents, and that local campaigning and promotional work is not striking home as might be hoped.
This finding echoes the apparent lack of awareness of Waste Management’s enforcement services (paragraphs 9.5 and 9.6), and the ENCAMS recommendation about refreshing public awareness (paragraph 9.12). Nevertheless the relatively higher acceptance of personal responsibility for recycling by Royal Borough residents is pleasing and useful, and may suggest there is a firm local foundation for improving recycling rates if only the Council can find the right way of getting its message across. The Action Plan will deal with this challenge to raise and improve the Division’s profile.

9.16 A study into marketing strategies on local recycling.
In 2002 Mr Raisbeck, the then Chief Traffic Engineer, conducted an academic research project on recycling in the Royal Borough for his MBA thesis. His study included a very carefully thought through questionnaire that was circulated to a sample of residents. He received just over 130 replies – a satisfactory return rate on his sample.

9.17 Mr Raisbeck presented his results to Waste Management officers in early 2003. His findings were extremely interesting. Among other things he argued for a much more segmented approach to recycling campaigns, concentrating on maximising the “take” from those residents who show some commitment to recycling. He pointed out that the “It’s So Simple” slogan used to promote the Royal Borough’s recycling efforts concentrated on process, not purpose. Simplicity is not in itself a reason to recycle – an effective campaign might need to concentrate as much on why residents should recycle as on how.

9.18 Officers propose to incorporate these and other insights into the Action Plan. The point about segmentation is well made. It may offer the key to developing better publicity strategies.

9.19 Routine in-house customer care surveys.
Consultation with customers is part of the routine of the Division. Every month the Business Support Unit rings a small sample of customers to test their satisfaction with the complaints service. Courtesy (from Council and SITA staff), speed of response, and effectiveness are all tested. The results are evaluated and a composite score on a scale of 1 (poor) to 5 (excellent) is recorded. The scores for the period May to December 2002 were, in order: 3.5, 3.8, 3.5, 3.6, 3.7, 3.4, 4.0, and 4.2. These are good results, and the improvement in the latter part of 2002 was very pleasing.

9.20 “Listening Event” at the Muslim Cultural Heritage Centre.
The Markets Team set up a stall at the Business Group’s Listening Event held at the Muslim Cultural Heritage Centre in October 2002. The Team wished to play a full part in opening up a dialogue between the Business Group and Muslims living in the Golborne Road area. The event was a success and the Market Team got some useful suggestions for service improvement – see paragraph 11.1 below.
9.21 The Portobello Management Committee (PMC).
The Division runs the Portobello and Golborne Road Markets jointly with
traders and fronagers who are represented on the PMC. In 2002 the Division
took a positive lead in reviving the PMC as a consultative forum after a period
in which it had become moribund. The PMC is now an effective forum for
consultation between the Council and local traders on all matters affecting the
two Markets. The views of the PMC will be of the highest importance in
delivering that part of Action Plan relating to the Markets. The specific
improvements being discussed currently within the PMC include: street scene
improvements; toilet provision; a revised lay-out on Tavistock Square; a
review of pitch sizes and distribution on Portobello Road; and the installation of
Christmas lights.

9.22 Residents’ Associations.
To round off this review of consultation, Members’ attention is drawn to a new
and most welcome development. A couple of Residents’ Association leaders
have recently come forward with offers to co-operate with Waste Management
in controlled experiments to test new techniques in their areas. The Eardley
Crescent Residents Association is keen to test a package of surveillance and
deterrent measures to combat waste dumping. The Royal Hospital Area
Residents’ Association is interested in the experimental removal, or reduction,
of litter bin provision on King’s Road to see whether that might reduce the
dumping next to litter bins that is so frequent an occurrence at present. They
are also interested in supporting a systematic “stiff letter” campaign targeted
against poor commercial waste management practices.

9.23 It is proposed that these offers should be gratefully accepted and
incorporated into the Action Plan. Systematic, controlled, collaborative
experiments of this kind are essential if the unintended consequences of
change are to be avoided. There are limits to what officers can take on at any
one time, but this type of consultation-in-action looks very promising as a way
of ensuring continuous improvement in local Waste Management services.

As with the comparisons, there are good grounds for satisfaction here.
Independent surveys are indicating that residents are satisfied with the
services they are getting. Levels of recorded dissatisfaction seem to be very
low. The surveys clearly reaffirm where most residents’ priorities lie on street
enforcement, and the Division has already organised itself to respond to those
demands.

9.25 However the image of recycling seems to be poor, and too many
residents are not clear about how to report street enforcement problems to the
Council. The Action Plan makes proposals to deal with these matters.
10  COMPETE: THE ANALYSIS OF COMPETITION AND THE STATE OF THE MARKET

10.1 Some of the detailed information gathered by officers has had to be examined by Members privately because it is commercially sensitive. (This was done through the submission of a confidential information report to the OSC and Cabinet.) Open disclosure of private comments made by SITA, officers in other Boroughs, or by the Division’s “critical friend” could prejudice the interests of other parties and the fairness of the major procurement process that is to start soon.

10.2 Other commercially sensitive information relevant to this Report was been included in the confidential information report to the OSC and Cabinet section, even though it was not strictly about competition.

10.3 The general conclusions from the analysis of competition and markets can be stated openly. They are as follows:

- the Royal Borough got an outstandingly good deal when it last let its refuse and street cleansing contract. The base tender bid from BFI was £170,000 per year less than the approved budget, with a further £18,000 saved in the first year as the new refuse collection vehicles were phased in. This fact should not be forgotten in any evaluation of the scope for efficiency savings arising from this Royal Borough Review
- however SITA has told the Royal Borough that it is losing very substantial sums of money on the present contract, and has indicated that any tender it might submit for the same specification would be significantly more expensive
- SITA’s losses are such that it will be extremely difficult to negotiate no-cost, or low-cost, service improvements with them over the remaining two years of the contract. The only way service improvements can be achieved through the contract in this period will be to inject new money, or to cut lower priority services provided elsewhere in the contract and re-deploy the resources thus freed up
- looking outside the Royal Borough, the cost of re-letting municipal waste collection contracts has risen greatly in recent years, with many local authorities experiencing very substantially increased tender prices
- these cost increases may well be associated with the contraction of the municipal waste management industry down to a mere handful of serious players; furthermore the industry is reacting against the loss-leader contracts let in the last generation of procurement exercises
- new forms of procurement have evolved in response to these cost pressures, with a strong emphasis on detailed negotiation with contractors before contracts are re-let. There is growing interest in “open book” accounting and “partnership” methods, although local authorities and contractors may have different interpretations of what these mean
• it appears that waste management contractors are taking a very cautious approach to the risks inherent in waste management (default penalties, wage increases, changes in legislation, changes in taxation etc). Wherever local authorities seek to off-load risks onto their contractors, tender prices are being increased to protect the contractor’s interests
• the possession of depot space is proving to be critical in sustaining competition in central London. The availability, or not, of suitable depots appears to have significantly affected the recent procurement processes in Westminster and Camden

10.4 The findings from the analysis of markets, competition and other pricing issues have been set out in a confidential information report to the OSC and the Cabinet. The paragraph headings of that confidential report are listed below. Some market information that is in the public domain is included here under these headings, for example in relation to the new contracts in Westminster and elsewhere.

10.5 A reminder of the prices obtained during the last procurement process

10.6 Indicative evidence from SITA about the price of the current contract
SITA has told the Council that they are losing very significant sums providing the current refuse collection and street cleansing contract. This is not the first time that SITA is said to have made significant losses on a municipal waste contract in the UK. In June 2001 the press reported that SITA had abandoned a £6.7 million a year contract with Brighton and Hove Council; it was stated that SITA was losing £400,000 a month on the contract.

Parent group Suez recently reported losses on its world-wide operations of nearly £600 million last year. The business press reported recently that the Managing Director of SITA (UK), Ian Goodfellow, has been asked to leave the organisation. Mr Goodfellow has been replaced by Per-Anders Hjort who is currently in charge of SITA activities in Sweden.

10.7 Initial evaluation of the market by the “critical friend”

10.8 The new contract in the London Borough of Camden
The contract expiring at the end of March 2003 cost approximately £10 million a year. The new contract will cost around £15 million a year. Some of that increase is attributable to the cost of improving service quality.

10.9 The new contract in Westminster
Westminster City Council has let a new waste management contract, due to start in September 2003. Their existing contract costs £19 million a year. The new contract costs £32 million a year. Much of this very significant difference in price cannot be accounted for by the costs of service enhancements.
10.10 Evidence gathered about contract prices from other Councils
The Local Government Association expressed concern as far back as 2001 about growing evidence of significant price increases when waste contracts were re-let. In 2001 the technical press was reporting a 50% increase in costs at Wycombe District Council following a low level of competition. Basingstoke and Deane District Council was said to have seen a 25% increase in its contract price, although some of that was attributable to service enhancements. Ashford District Council saw an 18% increase in basic waste collection costs; East Hampshire saw a 15% rise in basic collection costs.

10.11 Prices obtained from SITA for a variety of potential service enhancements

10.12 Summary and preliminary conclusions about competition
Officers have concluded that, as a starting point, it is essential to obtain a good estimate of the current market price of the existing specification; this has been commissioned already. Once this is complete it is proposed to move on to a careful cost appraisal of the benefits – or otherwise – of using a “double shift” system to maximise the usage of the capital investment locked in the refuse vehicles, and the potential benefits of night-time collection with quieter vehicles, if they exist. The costs and benefits of using different sizes of collection vehicles will also be assessed.

10.13 Officers further conclude that the limited competition in the marketplace requires the Council to be entirely pragmatic about how it delivers waste management services in future. The Leader, and the Cabinet Members for Environment, Finance, and Service Improvement have been briefed on the position, and they have already indicated that – given these market conditions – a DLO bid of some form cannot be ruled out. Members have also indicated a willingness to entertain hybrid options, perhaps involving the use of a management company simply to manage the workforce, or the use of an arms length company with a more extensive role, for example in customer relations and complaint management. It may be too that, in order to maximise competition, the existing contract should be broken up and – say – three separate contracts should be let to deal with commercial waste collection, domestic collection, and street sweeping. There are significant risks with this approach, and officers have previously experienced the difficulties inherent in managing the interface between different contractors. But it is another option that must be explored.

10.14 In this particular market environment, the chances of securing an attractive price for a significantly enhanced service specification look bleak. It may be that, in order to contain costs, some hard decisions will be needed about the apportionment of risks between the Council and the contractor. Open book accounting methods may offer a way for the Council and the contractor to manage risks, and to facilitate negotiated solutions whenever external events lead to unexpected cost increases or budget deficiencies.
10.15 There has been considerable Member and officer interest in establishing whether there might be a cost benefit in selling all or part of the Pembroke Road depot and garage, and requiring any waste management contractor to provide their own operational or storage space. The option can and will be explored during the forthcoming procurement process. But Members are advised to take careful account of the strategic risks over the long term if competition for future waste management contracts is likely to be restricted by the inability of the Council to offer a contractor suitable depot and garage space. It may be that the time has come to explore other options for the rationalisation of Waste Management’s office and depot space – see paragraph 12.8 below.

11. THEMATIC ISSUES
The following paragraphs set out a brief treatment of the thematic issues covered by the Review Team.

11.1 Equalities.
The Council conducted a screening exercise on equalities to meet its obligations under the provisions of the Race Relations Act 2000. Waste Management’s services were classified as “medium” priority for review. No Waste Management service was included in the list of immediate priorities for action on equalities agreed by the Environmental Services Group Management Board in February 2002.

11.2 In late May 2002 the Cabinet agreed that race equality reviews should so far as possible be conducted as part of the programme of Royal Borough Reviews. This presented the Review Team with some difficulty, as the pre-scoping stage of this Review, and the Scoping Report, had been completed some months earlier, with little reference to equalities issues. The Progress Report undertook to try to do some work on equalities by the time of the Final Report, in particular to identify whether:

- certain groups are over- or under-represented as users of the service (this includes people who face enforcement action by us)
- the service is operating in a discriminatory manner
- different ethnic groups have different needs, experiences, issues or priorities

However the Review Team has not been able to start let alone complete this work. It remains to be done as part of the Action Plan.

11.3 In mitigation it has to be said that the Division’s core services are strictly universal. Under-representation of users of the core services does not arise (it is accepted that there may be some over-representation of the vociferous and articulate). And officers would wish to point to a track record of taking equalities issues seriously as part of the day job. Waste Management officers take the strategic and practical lead for the Council in managing the Notting Hill Carnival, often billed as the pre-eminent national celebration of cultural diversity. This role has, over many years, seen Waste Management officers
forge good working relationships with the diverse communities associated with the Carnival. Those relationships are improving all the time, despite all the difficulties officers necessarily experience in regulating an event with a history, albeit an increasingly distant history, of public disorder.

11.4 Furthermore, as well as the routine translation of leaflets into the Borough’s principal languages, Waste Management officers have made serious efforts to overcome communication problems encountered when providing services to residents whose first language is not English. Officers make heavy use of graphics in publicity and prepare picture boards and videos to get messages across. An offer of a “surgery” on waste issues was made to the Borough’s Arabic speakers, but unfortunately was not taken up. More success was encountered with the stall the Markets Team set up at the Environmental Services “Listening Event” at the Muslim Cultural Heritage Centre in October 2002; this attracted a fair amount of interest and suggested some potential lines of service development.

11.5 The Division is mindful of the Council’s duty to have due regard to the need to eliminate unlawful racial discrimination, and to promote equality of opportunity. This sets the Division one potentially complex challenge. It will be necessary to investigate whether its enforcement activity bears unusually heavily, or not, on any identifiable group – and indeed, if there was such evidence, whether it was discriminatory. Advice must be sought on to how to deal with the problem of measuring whether there might be inequalities in enforcement, and in particular on how to gather systematic information on the racial characteristics of those enforced against without making an already difficult situation worse.

11.6 E-government.
The Division has made excellent progress towards national e-government targets. The “Mayrise” complaint management system was installed at minimal cost, and now provides a highly effective way of logging, referring on, and tracking all complaints and enquiries from residents and Members. E-mail correspondence is becoming standard between officers and those Members and residents who are comfortable with it. The Division’s Internet site is highly informative, and extensive opportunities exist for on-line fault reporting about waste management matters, and for the completion of various on-line application forms. Other Internet service improvements in prospect include:

- on-line bookings and payments for the Too Big for the Bin service
- ordering and paying for recycling bags on-line
- on-line payment of Fixed Penalty Charges

11.7 The Markets Office is on the brink of introducing swipe cards to simplify the identification of traders and enable them to make cashless payments. Enforcement managers are committed to finding a solution to the problem of facilitating data communications out on the street – this is a major service improvement priority where Waste Management will work closely with colleagues in similar street-based services.

44
11.8 The future development of Mayrise will include:

- mapping of complaints so that hot-spot maps can be produced through a geographical information system – as a basis for prioritising enforcement activity
- mapping abandoned vehicle reports
- mapping physical assets such as recycling centres, litter bins
- remote capture of data from on-street inspections
- mail tracking (there is already a chasing system for overdue correspondence)

11.9 Mention was made earlier in this report of SITA’s use of GPS (something Westminster have explored recently). The OSC/RERC expressed an interest in whether transponders could be used that would warn commercial premises of the approach of the refuse collection vehicle, so that refuse might be left out in a timely fashion. The aim would be to reduce the amount of refuse left on the street for hours prior to collection. Officers will investigate these suggestions as part of the technical work on the procurement.

11.10 Sustainability.
The requirement on Review Teams to examine sustainability issues has been acknowledged. As would be expected waste reduction and recycling initiatives have always been central features of the Council’s successive Environmental Policy Statements since the early 1990s. The Division has several staff whose principal task is to make local waste management more sustainable, through education, publicity, and the development of innovative waste minimisation, re-use, and recycling schemes.

11.11 As a contribution towards the delivery of the Council’s Air Quality Strategy, the Division’s vehicles run on liquefied petroleum gas (lpq). The contractor was required to consider the best practicable fuel choice for the refuse vehicles, and opted for low-sulphur diesel. Waste Management officers will take on responsibilities for enforcement action against the drivers of vehicles whose engines are left idling while stationary.

11.6 Community safety  There are many references elsewhere in this report to the Division’s work on community safety. The Division is proud of its track record of close co-operation with the Metropolitan Police Service on enforcement. The special enforcement team’s entire work programme is conceived and delivered jointly with the Police. There is very close co-operation all year round, and at every level, to improve community safety at Carnival. It is a major priority for the Division to ensure that this unusually close relationship with the Police continues to be cultivated and strengthened.

12 EFFICIENCY SAVINGS

12.1 Royal Borough Reviews should identify options to save 2% of the controllable costs under review. The determination of what is and is not
controllable in the Waste Management budgets is not obvious. This matter was dealt with at length in the Scoping Report to Cabinet in March 2002. It was noted in the Scoping Report that in broad terms the Waste Management operating budget comprised:

- net payments to contractors of £6.8m, comprised of expenditure of £8.1m and income of £1.3m
- a salaries budget of £1.5m
- other controllable expenditure of £600,000 and income of £350,000
- Central Support and Capital Financing Charges of £1.65m (non-controllable)

12.2 It was noted that the street trading budget was ring-fenced by law. In essence this is a net budget of zero, funded entirely by the street traders themselves. Consequently this budget sits outside the scope of the savings target, although the street trading operation itself was within the scope of the Review.

12.3 Waste disposal was excluded from the scope of the Review, as this function is managed by WRWA, and the Council’s expenditure on disposal is not currently controllable.

12.4 In the light of this information, the Cabinet noted that if payments to contractors were included in the definition of controllable expenditure, a 2% savings target would amount to £171,000. If payments to contractors were excluded the 2% savings target would be a mere £35,000.

12.5 Savings of this magnitude and more have been identified during the period of the Review and written into the Council’s 2003/04 revenue budget. As a consequence of the Division’s long-term strategy of reducing the provision of staffed public conveniences and replacing them with Autoloos, it was found that £25,000 could be saved from maintenance budgets. A further £20,000 was saved by deleting Repairs and Renewals budgets. But much more substantial net savings were achieved following the success of patient efforts to get WRWA to deal with the Borough’s recycling tonnages, enabling the Council and SITA to agree on the closure of Cremorne Wharf as a Materials Reclamation Facility. This complex set of inter-related arrangements (which was not negotiated easily) netted a saving of £250,000.

12.6 On the face of it the savings target has been delivered, and more, for “year one”. However this Report identifies the near certainty of substantial cost increases in future for Waste Management services, increases that are being forced, not contained, by current market conditions. With this in mind, and given the exceptionally good value obtained from the last procurement round, there is no real prospect of achieving efficiency savings when the contract is next let in 2005. If cost reductions are sought from the forthcoming procurement process, the service specification will almost certainly have to be reduced significantly.
12.7 For the future, then, the only real prospect of achieving any efficiency savings rests with that part of the budget, which does not go to contractors for services. Here there may be some scope for imaginative thinking. Hitherto the Council has wished to explore the option of disposing of premises at Pembroke Road. This has discouraged the development of alternative strategies for making more intensive use of Pembroke Road. However if the disposal of Pembroke Road now seems less promising, other options could emerge for equal consideration.

12.8 In broad terms, all Waste Management enforcement staff could be drawn together and based at Pembroke Road. SITA’s street sweepers could be dispersed from their current depots and re-located in small groups to work out of the Borough’s parks. This could free up two out of the three sub-depots run by Waste Management, either for disposal or redevelopment. The concentration of Waste Management staff in one location would undoubtedly improve internal communications and ensure more intensive use of the existing infrastructure. This alternative approach may well provide both capital receipts and revenue savings, and Members may wish officers to evaluate it as an option alongside the exploration of the benefits of disposing of Pembroke Road.

12.9 The Borough Valuer has been consulted on this twin-track proposal, and considers that it makes good sense. He has provided the Review Team with indicative valuations of two Waste Management depots.

13. CONCLUSIONS AND RECOMMENDATIONS

13.1 Quality of the service, and prospects for improvement
Having examined the results from the “Compare” and “Consult” exercises, it would be harsh to conclude that the Waste Management Service was not at the very least “good” (two stars) by regional and national standards. In the light of the proposals below it is considered that the prospects for improvement in the service are at the very least “promising”.

13.2 Uncertain prospects for short-term improvements through the contract
The current refuse collection and street cleansing contractor, SITA, states that it is losing very significant sums operating the present contract within the Royal Borough. If true, this must inhibit the scope for achieving short-term service improvements through the contract without increasing spending. A partnership approach to service improvement is proving difficult to achieve when SITA is under serious financial pressure. However it is recommended that Members should support officers’ efforts to sustain a partnership with SITA for the remainder of the current contract.
Recommendations on procurement

13.3 Likelihood of significant cost increase when the next contract is re-let.
The waste management industry in the UK has consolidated, and now has significantly fewer major players. The sharp competition that characterised the early days of outsourcing is over. As a result, the prices of waste management contracts have risen very rapidly in recent months. All the evidence points to a significant increase in costs when the next contract is re-let in the Royal Borough.

13.4. Options to contain this cost increase
It is recommended that every option to contain this likely increase in the cost of the next contract should be explored. This should mean giving serious consideration to a DLO bid, or (more probably) some form of hybrid solution sitting between a DLO and full out-sourcing. It should mean exploring options for the distribution of risk between the Council and the contractor, for example a partnership contract and/or open book accounting. Alternatively, or in addition, the option of breaking up the contract into its component parts should be explored. This could be a way of increasing competition by attracting medium size enterprises that might otherwise be deterred from bidding for an integrated contract of such high value.

13.5 Process for resolving complex policy issues that will determine the next contract specification
It is recommended that the Cabinet Member and his Lead Members should meet senior officers regularly and frequently over the next year to deal with several important policy questions raised in this Final Report that can only be fully resolved during the forthcoming procurement process. Officers have set out a draft agenda for these discussions at Appendix A. It is proposed that the answers to the policy questions raised in this agenda should help shape the next contract specification. The Cabinet Member may wish to consider raising significant policy questions with the Residents’ Panel and with Residents’ Associations, and will wish to engage the Cabinet and the OSC in the consideration of policy change and costs.

13.6 Early launch of the contract procurement process
Officers will place a preliminary advert in the EU Journal in May or June 2003, seeking to draw potential bidders into open discussions about the waste management service. Following these discussions – and in the light of guidance from the Cabinet Member and the OSC - officers will prepare a Key Decision report before Christmas 2003 giving firm shape to the direction of the procurement process during 2004.
Service specific recommendations

13.7 Recycling
External funding has been obtained for a major service improvement that has been written into the Council’s Local Public Service Agreement. This involves the creation of a network of recycling wardens whose job will be to increase participation in the Council’s recycling scheme. There will be substantial new investment in green bins, and blue bins for residents on estates and in mansion blocks, to complement the work of the wardens. **The Division’s stretch target is to increase the percentage of residents participating in the Council’s recycling service from the 44% identified in the 2000/01 Roadshow to 55% by the end of year 2005/06.**

13.8 For over ten years the Royal Borough has been in the lead in developing an infrastructure to promote voluntary recycling by residents (a local MRF; split-back collection vehicles; twice weekly kerbside collection etc). Despite this exceptional effort, the tonnage of recyclable material captured (8%-9% of domestic waste) remains well short of the statutory performance standard for recycling (22% by 2005/06). It may be that the demographic and physical characteristics of the Royal Borough put limits on the amount of domestic waste that can ever be recycled without fundamental changes in the law. Nevertheless it is **recommended** that Members support the Division’s efforts to attack the issue afresh in an effort to get closer to the performance standard. Stronger feedback loops should be created in an effort to persuade residents to feel pride and ownership in their recycling rate, ie that they are not simply helping the Council achieve its targets. In particular every effort should be made to secure external funding for 2004/05 and beyond to sustain the network of recycling wardens, and the promotion of increased recycling should be a theme in the Council’s publicity campaigning (see 13.14 below) if external funding, or parking income, can be tapped for this purpose. However it has to be accepted that there will be many competing demands upon parking income once the Council begins fully to enjoy its new “flexibilities and freedoms”.

13.9 It is **recommended** that the Division should try to break free from the statistical difficulties imposed by the government’s different calculations of the Royal Borough’s performance standard on recycling, and should assert that its mission is to maximise the recycling of **municipal** waste – that is all waste collected by the Council, domestic and commercial.

13.10 Waste reduction
It is **recommended** that, however difficult it will be, a new emphasis should be placed on waste reduction as a national and local policy objective. Recycling is not enough on its own to ensure sustainable waste management. The Division should redouble its efforts to reduce the municipal waste stream by promoting initiatives such as the Mail Preference Service to cut junk mail, re-use schemes for furniture, clothes, white goods, computers, flower pots etc, reduced paper use by businesses and public authorities, and home composting.
The complex task of measuring waste reduction needs to be addressed imaginatively, perhaps through surveys.

13.11 Street cleansing
The second major service improvement included in the LPSA is dependent on freedoms to be derived from a future regulatory reform order that may be made at some point in 2004. This improvement would involve using parking income to improve street cleanliness across the Borough, but particularly in the wards north of Notting Hill Gate/Holland Park Avenue. In the interim it may be possible to make some use of parking income in connection with the delivery of the Mayor of London’s Transport Strategy. Subject to funding becoming available, the Division’s stretch target is to reduce the percentage of streets classified as having significant or heavy combined deposits of litter or detritus by 30% in the streets north of Notting Hill Gate/Holland Park Avenue and by 20% in streets to the south. The new BVPI 199 will be used to measure performance. To assess whether the required percentage improvements have been delivered the 2005/06 BVPI results will be compared against the baseline results for 2003/04.

13.12 It is recommended that – if access to parking income can be obtained to help deliver the LPSA target on street cleansing – some of this should be used to increase investment in street washing and gum-busting.

13.13 Improving the effectiveness of enforcement
Members and the public continue to seek improvements in the effectiveness of the Division’s enforcement teams. However the likelihood of obtaining new net resources must be low. Improved effectiveness is likely to come only by changing priorities, and doing some things differently. However desirable it may be, officers do not expect Members to allocate additional money to create a patch system for enforcement to complement the existing teams. It is recommended instead that, in pursuit of improved efficiency, enforcement activity should be much more heavily concentrated on “hot spot” areas. Enforcement resources should be freed up for this work by minimising investigation of one-off problems outside the hot spots - one-off dumped bags should simply be cleared. Members’ guidance on enforcement priorities is being sought through the Regulation and Enforcement Review Committee, and the OSC Chairman has launched a hot-spot prioritisation exercise. These initiatives will be the foundation of a new more focused approach.

13.14 Setting new standards of civic responsibility
It is recommended that the Council should significantly raise the threshold of its “tolerance” of anti-social waste dumping and other behaviour, and should pro-actively assert that it expects nothing short of the very highest standards in waste management from local businesses and residents alike. But the Division needs to make it as easy as possible for responsible residents and businesses to manage their waste responsibly. High quality and inventive publicity to raise standards should complement enforcement. External funding, or the freedom to use parking income in connection with the street cleanliness target, will be required to realise this objective fully (expert
communications consultants, printing etc). Low cost methods (local Press, stiff letters to “suspects” etc) should be used until external funding is available. Publicity should be concentrated in the hot-spot areas as a key part of the drive to solve the dumping problems there. But generic “welcome packs” should be prepared for new residents and businesses, promoting high personal standards from the start of every citizen’s life or career in the Royal Borough.

13.15 Inter-Departmental co-operation on enforcement
It is recommended that Environmental Health, Planning Services, Highways, and Waste Management should work even more closely to deploy the full range of their different enforcement powers against dumping, refuse on private land, graffiti etc.

13.16 Improved enforcement at weekends
Given that new funds for extra enforcement at weekends are unlikely to be available, it is recommended that Members should support inter-Departmental endeavours to develop the current CCTV service into a proper Control Room and communications centre. This should provide a low-cost enhancement of the effectiveness and accessibility of enforcement services particularly at weekends, for example by providing round-the-clock administrative support, and “intelligence” about patterns of waste dumping.

13.17 Sustaining Highways and “special” enforcement activity
All the evidence suggests that Members and residents want robust street enforcement services. It is recommended that the Division’s “general”, “special” and black bag enforcement teams should be retained within Waste Management, with its strong tradition of uniformed street enforcement. There are close similarities in the work and style of these two teams and the black bag team. Keeping them within the same Division promotes the efficient delivery of shared training, and provides for flexibility in the deployment of officers across the enforcement teams to meet variations in demand or policy priorities. The enforcement teams’ commitment to the protection and enhancement of the street scene should be fostered. The closest possible working relationships with the Metropolitan Police Service should be sustained, and the Division looks forward to joint delivery of the new “reassurance” project. Pro-active efforts should be made by the enforcement teams to assist the Community Safety Officers to ensure that work on the street is fully co-ordinated.

13.18 Commercial waste collection strategy
The law allows businesses to choose their waste contractor; but it is recommended that the Council should consider as a matter of policy whether it should aim to secure as many commercial waste contracts as possible in the Royal Borough, with a view to driving up environmental standards. The Council could be using its existing domestic collection infrastructure to promote even harder a cost-effective, environmentally-friendly service involving fewer lorry movements, maximum recycling, and care for the streetscene
13.19 The Markets
It is **recommended** that the Royal Borough’s Markets should receive careful strategic attention over the next few years. The Council should not simply be a neutral administrator of the Markets, but should treat them as significant local assets. The case for infrastructure investment in Portobello Road and, separately, Golborne Road, should be investigated with a view to helping the Markets achieve sustainability and uplift. The Waste Management Division should work closely with Transportation and Highways, Planning Services, and Environmental Health to generate ideas for infrastructure improvement.

13.20 Public conveniences
It is **recommended** that the present balanced approach should be sustained: ensure provision of conveniences in areas of proven demand, while bearing down on costs. Unless there is a change of policy, no net real increase in the public conveniences budget is envisaged in future.

13.21 The profile of the service
It is **recommended** that the Division should raise its public profile. Despite maintaining a barrage of conventional (and sometimes highly innovative) publicity over the years, a disappointingly high number of residents claim ignorance of the Council’s recycling services, and do not even know that they should telephone Waste Management to get dumped rubbish cleared. However some Residents’ Associations are showing a desire to work with the Division on local experiments to test service improvements. It is **recommended** that Members should welcome this development, not least as a way to increase the visibility of the Division.

13.22 Budget savings achieved and in prospect
Waste Management has achieved significant budget savings in 2003/04, principally because SITA has been allowed to give up its management contract at Cremorne Wharf and WRWA has been persuaded to manage the Royal Borough’s recyclable waste instead. Looking ahead Members are **recommended** to explore further efficiency savings through the centralisation of enforcement staff, and dispersal of street cleansing operatives. This would free up to two out of three sub-depots for disposal or redevelopment. This option should be explored concurrently with the option of disposing of Pembroke Road depot and/or garage.

13.23 Regional relationships; the Mayor of London.
Local waste management depends in large part on collaboration with other agencies and local authorities. It is **recommended** that the Waste Management Division should make every effort to cultivate good relations with neighbouring Boroughs and external partners, particularly neighbouring “excellent” authorities and WRWA. The Division should also foster constructive relations with the Mayor of London aimed at conserving the proper autonomy of the Royal Borough in managing its waste, while encouraging the Mayor to take the lead on innovations best made at regional level.
A revised strategy for the Division

Taking account of the Borough Aims, the UDP, the many challenges and questions raised in paragraphs 6 and 7, and the analysis in the Compare, Consult, and Compete sections of this Review Report, the following revised high level aims for the Waste Management Division are **recommended** to Members for adoption:

1. to provide residents with highly effective, unobtrusive, waste management and street cleansing services at a reasonable price, and without pre-conceptions about whether service delivery should be managed in-house or out-sourced

2. to pursue the best practicable environmental options for the collection and subsequent disposal of each element in the municipal waste stream

3. to put a renewed emphasis on waste reduction as the best way to ensure the sustainability of local waste management

4. to maintain a robust pro-active enforcement service, vigorously protecting the street scene against the effects of anti-social behaviour, low-level street crime, and encroachment - concentrating time and resources on areas where problems are at their worst

5. to sustain a long-term, high-profile, and forceful educational and publicity programme, aimed at changing public and business attitudes towards waste, and asserting the aesthetic and economic value of clean, uncluttered streets

6. to make it as easy as possible for responsible residents and businesses to manage their waste responsibly

7. to sustain the long-term economic viability of Portobello Road Market, and to plan a new more vibrant future for the Golborne Road Market

8. to seek every opportunity to bear down on the net cost of public conveniences while maintaining some form of public provision in areas of proven high demand

9. to ensure the provision of a responsive waste management service to diverse residential and business communities, ensuring everyone gets an efficient, personal service however they choose to contact the Division

10. to conserve so far as practicable the autonomy of the Royal Borough in determining its waste management policies and practices, and in pursuit of that aim to seek constructive, collaborative relationships with sub-regional and regional agencies
11. to work co-operatively with colleagues in other Council Departments to promote better public health, crime reduction, and effective management of the public realm

12. to be restless in the search for continuous service improvements, fully exploiting the opportunities offered by new technologies

13.25 A new municipal waste strategy for the Council
The Council’s current statutory waste strategy deals principally with recycling, and recycling alone. The government has not made it mandatory for English local authorities to produce broader municipal waste management strategies. Nevertheless it is recommended that the Division should develop a new, concise local waste management strategy, focusing on the promotion of waste reduction and the best practicable environmental option for each element in the local waste stream. There is more to waste management than simply the promotion of recycling, valuable though that is.

13.26 Action Plan
An Action Plan is attached to this Report. Members are recommended to approve the Plan as the basis for the Waste Management Division’s work over the medium-term.
DRAFT AGENDA FOR THE CABINET MEMBER AND LEAD MEMBER

It is proposed that the questions relevant to the procurement process that are posed in paragraph 7, together with these more detailed points, should form an initial agenda for discussions led by the Cabinet Member with his Lead Members and senior officers. The discussions should help to develop a new contract specification. The Cabinet Member may wish to put some of these questions before the Residents’ Panel and/or Residents’ Associations, and will wish to engage the Cabinet and the OSC in the consideration of policy change and costs.

Refuse collection: the twice weekly service
Is twice weekly doorstep refuse collection an essential feature of the Royal Borough’s service to residents, or could Members entertain the possibility that some residents (eg those with front gardens) should only get a collection once a week? This could make the service cheaper, or free up resources for more frequent collections in waste dumping hotspots. Alternatively, might Members be prepared to invest new money to achieve even higher collection frequencies, either universally or in hotspots?

- Only 17% of residents live in houses. Could the Council contemplate asking the great majority of residents to keep putrescible wastes inside their flats (or in basement storage areas) for a full week?
- Could the Council contemplate the greater use of Continental style on-street “bring” facilities for putrescible and other wastes? If so, the second weekly collection could perhaps be dropped or reduced in some areas.
- With a twice a week collection service, it is impossible to give all residents at least two days between collections unless the service runs six days a week (Monday to Saturday), or four days a week (Monday and Thursday; Tuesday and Friday) requiring a radical change in collection rounds, and a waste of the capital invested in vehicles that remain idle on Wednesdays. Is this problem big enough to warrant the additional cost and disturbance of a Saturday service, or the risk associated with new collection rounds that would break a tried and tested patch system? (Experience suggests that any change of this kind inevitably leads to short or medium term service problems.)
- Could better value for money be obtained by using a double-shift system, ie with collections in the afternoon?
- Could residents tolerate night collections (perhaps using quieter vehicles) if that meant lower costs?
- Can the Council live with the possibility of complaints about inequitable treatment if residents are offered different levels of service depending where they live?
- The extra cost of collecting domestic refuse five times a week is much less than 2.5 times the cost of collecting refuse twice a week; are Members prepared to entertain the extra cost for the sake of achieving a startling increase in service?

Recycling
The Government requires the achievement of very demanding recycling targets (22% of waste, or 33%, depending on which of two web-sites shows the correct calculation). Is the Council prepared to consider forcing residents – on pain of enforcement action – to separate their waste into recyclable and non-recyclable
streams? Or is it preferable to continue to “educate and persuade”, an approach embodied in the LPSA target?

On-street mini recycling facilities are a cheap and efficient way of collecting recyclables, and – more to the point – of solving residents’ waste storage problems. But they are ugly and messy, and hard to locate without causing a noise nuisance. If a reasonable design solution could be found to these problems (especially now that single stream co-mingled collection will be acceptable to WRWA), would the Council actively champion the introduction of many more on-street recycling facilities?

**Commercial waste collection strategy**

Should the Council take the commercial waste portfolio – or part of it - back in house and aggressively pursue as big a share of the local commercial waste collection business as it can? Should the Council take back the management of bagged “shop waste” in order to increase environmental control of the street-scene, but out-source other commercial waste streams such as skips?

Should the Council take back the risk of running the portfolio itself? What happens if there is a deep recession, and the business loses serious money?

Would the Council bear any of the extra costs of new technologies (eg advance warning of the arrival of the collection vehicle; or providing refuse crews with on line monitoring of bag numbers paid for against bags presented) if it meant that commercial waste was left on the footway for much shorter periods of time?

**Street scene management: black bag enforcement**

Would Members be willing to prohibit residents and businesses from placing refuse on the footway for collection, except where the resident or business has absolutely no suitable storage facility for waste? This could help reduce innocent, or lazy, muddle about the Council’s rules on presentation.

But there is an argument that enforcement is hopeless in the worst hot spots, and that daily or twice daily “skimming” of all dumped bags is the best option.

The Too Big for the Bin service now costs £14 a time, and there is a two to three week waiting list. Officers are uncomfortable with this level of service, and fear it encourages dumping. But service improvement (eg a 48 hour response) would encourage demand and cost a significant amount.

**Street scene management: street cleansing**

Given that almost unlimited resources can be thrown at street cleansing in search of perfection, Members must decide as a matter of policy how much they want to spend on cleansing as opposed to other services. What is the right balance between investment and results in street cleansing?

SITA’s recent presentation to Members flagged up the industry’s dislike for outcome-based specifications as opposed to traditional frequency-based street sweeping. This implies that an outcome-based specification is, and will be, costly. Would Members entertain a reversion to a less satisfactory frequency-based specification to reduce costs?