

**To:** City Executive Board

**Date:** 12 September 2012

**Report of:** Head of Direct Services

**Title of Report:** STREETSCENE SERVICE REVIEW OUTCOMES

### Summary and Recommendations

**Purpose of report:** To approve the outcomes of the Streetscene Service Review which involves agreeing service standards, adjusting work methods and adjusting staffing needs and budgetary requirements.

**Key decision?** No

**Policy Framework:** Cleaner Greener Oxford

#### **Recommendation(s):**

1. To note the outcomes of the Streetscene Service Review and the service improvements and staffing reductions detailed in paragraph 5.
2. To adopt the service standards for the Streetscene Service as detailed in Appendix A. These improvements will involve the procurement of new machinery to remove cigarette ends more efficiently, to provide consistent chewing gum removal, to lease Big Belly compactor bins and to achieve Grade A standard for litter removal when we carry out our cleaning schedules.
3. To note that the establishment of the Streetscene Service will be reduced by 4 FTE staff from 1 April 2013, by means of natural wastage, as detailed in paragraph 5.
4. To note that the Streetscene revenue budget will be reduced by £80,000 per annum from 1 April 2013, as detailed in paragraph 8.

## **1. Summary**

- 1.1 A review of the Streetscene Service has been undertaken to ensure that it meets high service standards and represents value for money. External challenge was sought and this report details the improvement recommendations arising from the review together with the staffing, financial and vehicle procurement consequences of these improvements.

## **2. Introduction**

- 2.1 Direct Services operates a Streetscene service that comprises street cleaning, grounds maintenance (but not formal parks and fine turf locations),

public conveniences, abandoned vehicles (including bicycles) and market operations.

- 2.2 The Council has not previously agreed any service standards for Streetscene operations, but the standards have evolved to meet the needs of a heavily used City Centre and have been adapted to keep the rest of the City clean and tidy.
- 2.3 The service faces significant additional challenges to most Cities because Oxford has one of the largest student populations in England and also receives some 9.3 Million visitors per year. Although Oxford is prosperous in many ways, 10 out of its 85 “Super Output Areas” are amongst the 20% most deprived in England. This and the transient population of the authority present unique difficulties for the Streetscene service.
- 2.4 As part of the Council wide assessment of value for money (VFM), the Streetscene service has been comprehensively reviewed to evaluate whether it provides VFM commensurate with the level of service provided. To ensure that there has been external challenge and validation, the Association of Public Service Excellence (APSE) was engaged to review the service and their findings are summarised in this report.
- 2.5 The APSE review had the following objectives and deliverables:

Objectives:

- To understand the cost and quality balance in order to identify the scope for service improvements and overall cost savings.
- To ensure that there is a well defined service that can be agreed by members and that this service should be based on quality achieved rather than frequency inputs to further improve customer satisfaction and ensure that the service is using cost-effective machinery etc.
- To provide recommendations that will ensure that the Streetscene service represents VFM.

Deliverables:

- To produce a report that could be suitably validated and accepted by both the Direct Services Board (now the Trading and Business Development Board) and City Executive Board which demonstrates necessary VFM criteria, identifies gaps in performance and recommends an improvement plan.
- To explore opportunities for income generation.

### **3. Background**

- 3.1 In 2009, APSE carried out a review of the service, which focused solely on the City Centre. That report concluded there was scope for improvement and in particular advocated a more joined up approach to the service because, at the time, part of the service was managed by City Works and the rest managed by Oxford City Homes. The Streetscene functions for the whole City were amalgamated in the formation of Direct Services. The 2009 review also produced an improvement plan outlining some detailed operational changes for the City Centre which was implemented and led to big improvements.

- 3.2 As part of the Council wide agenda to test VFM and following on from the 2009 review, the Direct Services Board undertook a review of the service and engaged APSE to carry out a diagnostic workshop with members of the Streetscene team to examine the operation to identify strengths, weaknesses and the scope for service improvements and cost savings.
- 3.3 Following the workshop, APSE were asked to take a more detailed look at key aspects of the Streetscene delivery and make improvement recommendations, as detailed in 1.5 above. This work involved direct work study observations of the operational teams, comparator analysis and assessment of the overall structure i.e. productivity levels, benchmarking, organisational structure and appropriate resource allocation to validate the Streetscene operation. Alongside this external scrutiny, the Direct Services Board reviewed budgetary information, benchmarking data, performance indicators, staffing levels, plant and machinery, service standards and schedules of work.

#### **4. Improvements Since 2009**

- 4.1 The following key extracts from the APSE report highlight the direction of travel for the service:-
  - 4.1.1 'It is clear that the service has undergone considerable improvement since APSE carried out a review in 2009. Performance is high and whilst this study identifies some possible ways to further reduce them, costs, though still well above average, have decreased. This reflects well on both management and workforce and indicates a positive direction of travel.
  - 4.1.2 The 2009 report did not involve a work-study but the APSE team interviewed staff at all levels and carried out a number of site visits. The report concluded that there was considerable scope for improvement and in particular advocated a more joined up approach to the management of the public realm generally and the adoption of a more focussed, performance managed approach to street scene. It is clear from current performance measures, as well as from on-site observation and interviews, that considerable progress has been made. Service standards and corresponding frequencies are now in place and appropriate machinery has been introduced.
  - 4.1.3 Performance, as measured by the national indicator NI 195, an indicator that is designed to measure Local Environmental Quality and covers litter, detritus, graffiti and fly posting, is remarkably good. The indicator has been developed to measure cleanliness of the local environment as a member of the public would see it. The diagnostic report provides further detail but the NI195 score of 0.5% is the highest amongst comparator authorities within the APSE Performance Networks benchmarking group and amongst the highest, if not the highest, in the country.
  - 4.1.4 There is little doubt that this high level of performance matches the aspirations of the Council and is consistent with the image that the City wishes to project to the rest of the world. However, this level of performance, as might be expected, is matched by above average cost, a summary of which is shown in a table in paragraph 4.2. Cost per household at £45.19 however, is some way from being the highest within the Performance Networks family group of comparative authorities, which is £72.07. However, this represents a higher than average cost compared to an average

of £30.17 for the family group. Cost of the service per head of the population (excluding central establishment charges) is £19.12 compared to a family group average of £13.38. Oxford's costs for the service have also reduced from 2009/10 where the cost of the cleansing service per household was £66.21 and the cost per head of population was £24.58. This shows that the service has successfully managed to reduce the costs of the operation over the last year, while still providing a high level of service.

4.1.5 APSE has produced a bespoke performance report comparing Oxford with other larger towns and cities, many of them with large student populations, and some London boroughs. This report shows that the average spend per head of the population and per household is higher within this group at £17.94 and £40.71 respectively. These are much closer to the comparative figures for Oxford which on this comparison come out as third rather than fourth quartile. Performance in terms of the NI 195 score is far better than for any of the other cities in the group; the closest to Oxford's score of 0.5% is 1.5% whilst the average for the group is 4.86%.

4.2 The following table compares service costs with Oxford's family group of local authorities:-

	Cost per household		Cost per head of population	
	2010/11	2009/10	2010/11	2009/10
Oxford City Council	45.19	66.21	19.12	24.58
<b>Family Group</b>				
Highest	72.07	66.21	33.01	27.53
Average	30.05	35.36	13.38	15.15
<b>Other Large Towns &amp; Cities</b>				
Highest	72.07	74.90	33.01	34.30
Average	40.71	58.57	17.94	22.58

## 5. Improvement Recommendations

The following is a summary of the improvement recommendations provided in the APSE report which it is intended to adopt:-

### 5.1 Productivity

As a result of work study observations, APSE consider that productivity was at 98%. The required improvement of 2% by revising the work schedules will result in the saving of 2 FTE staff totalling £50k.

### 5.2 Organisational Structure

By creating an additional administrative support resource of 2 FTEs, the role of team leaders and supervisors could be changed and one tier and management removed. The main change would be to take high levels of administration away from supervisors and team leaders to allow more time for on-site management of the workforce, together with education and enforcement activities. This will save 4 FTEs. The net result of these changes will therefore be a saving of 2 FTE staff totalling £60k.

### 5.3 Use of Machinery

5.3.1 Current methods of work to remove cigarette ends are very time consuming and tend not be to 100% effective because they are difficult to pick up, particularly in tight locations. Machines with a vacuum hose would considerably assist with this and improve efficiency. It is intended that two such machines will be purchased as part of this year's vehicle replacement

programme instead of two Applied walk-behind sweepers (already within the programme) at no additional capital cost. Equally the revenue costs of maintaining these new vehicles will be the same as for the Applied sweepers. This change in work methods will also allow 2 FTEs to be saved totalling £50k.

- 5.3.2 Whilst there is fairly heavy use of mechanical sweeping in the City Centre to clear the channels etc, together with street washing, this is far less so in the suburbs and this can impact on standards. To achieve an improved standard in street cleanliness, the large sweeper and street washing vehicles will be double shifted which will require an additional 2 FTEs costing £50k together with increased fuel and tipping charges amounting to a further £20k. Therefore the net additional cost of this change will be £70k.
- 5.3.3 The Council has machinery to remove chewing gum but currently it is not used regularly because this is an additional task to the normal work schedules and tends to only be undertaken when the service has spare capacity e.g. when an employee is temporarily added to the Streetscene Team to undertake litter picking duties (usually for medical reasons) so that trained staff can be released to undertake chewing gum removal. The impact of chewing gum removal on the streets is significant and it is intended that this should be part of the normal work schedule. This change will require an additional 2 FTEs costing £50k.

#### 5.4 Litter Bins

- 5.4.1 Oxford currently has 674 bins placed across the City. The Council has recently carried out a full stock condition survey and has taken photos of them all. This works out as 4 bins per 1000 head of population, compared to the average of 7.21 across the local authorities submitting data to the APSE Performance Network.
- 5.4.2 The bins are placed at high litter areas, such as shop fronts, adjacent to bus stops and near to benches. In some cases there are recycling bins next to waste bins. This is primarily in the city centre and other high footfall locations like the Cowley Road. These are also present in the lay bys of the ring road. The bins are emptied at varying intervals depending on the need, so busier areas are dealt with more frequently. However, the APSE productivity study found that whilst emptying litter bins remained a priority throughout the day, this needs to be done at optimum times to ensure a balance between them becoming too full and being emptied whilst still relatively unfilled.
- 5.4.3 APSE stated that in examining good practice amongst other local authorities there are varying methods of dealing with different aspects of litter, including frequency and methods for emptying bins, different bins for different types of waste and feeding complaints information into the process.
- 5.4.4 Following this good practice advice, we have reviewed the number of litter bins provided, their type and their current locations. Whilst it is unlikely that we will add to the number of bins, there is a need for more cigarette end attachments or even separate cigarette end wall or post mounted bins at such locations as bus stops. We will also constantly monitor litter bin usage and move bins if necessary to cover changing litter trends and to respond to complaints information.

- 5.4.5 Several local authorities have now trialled or leased bins from Big Belly Solar Compact Bins or are looking to do so in the future. The bins include a solar panel which provides the power for an internal compactor. This gives the bins the capacity to hold up to 800 litres of waste, up to 8 times more capacity than the average street bin used by most local authorities. One of the big advantages of the system is that a wireless monitoring system option is also available. An email is generated and sent to the relevant team when each bin fills to 85% of its capacity. A second notification is then sent when it is filled up to 95% capacity. Thus the Council is able to move away from a potentially inefficient frequency led approach to emptying street bins when they may not actually need emptying, to a collection methodology based on 'just in time' principles.
- 5.4.6 It is proposed to lease some Big Belly Bins (they cannot be purchased outright) and placed in strategic, non City Centre locations, at an additional cost of £15k per annum. This will generate efficiency savings of 2 FTEs totalling £50k and £5k fuel savings. Therefore the net saving derived from this source will be £40k.

## **6. Service Standards**

- 6.1 The Council has never formally adopted service standards for the Streetscene Service. The APSE recommendations have been incorporated into the proposed service standard which is detailed in Appendix A and it is recommended that this standard should now be formally adopted for Oxford City Council.
- 6.2 The service standard detailed in Appendix A will ensure that the City's external environment is maintained to a high standard. It should also be noted, however, that the standard being proposed exceeds the statutory minimum. It is proposed that the service standards agreed by the City Executive Board will be published on the Council's website as a means of explaining the service to the public. Visual examples of these standards, as shown in Appendix B, will also be published to allow the public to monitor our service performance and bring to our attention any perceived shortcomings. Appendix C details the statutory minimum standard which members could adopt, but by doing so the visual appearance of the City would be worse, which could have an adverse impact on tourism, the local business economy and the health and wellbeing of local residents.

## **7. Employee Implications**

- 7.1 By adopting all of the APSE recommendations, the impact on staff numbers will be a net reduction of 4 FTEs. It is proposed to implement the changes over the next few months so that all new arrangements are in place for the 2013/14 financial year. The staff reductions required will be achieved by natural wastage between now and 31 March 2013, because the Streetscene service traditionally has a high turnover.

## **8. Legal Implications**

- 8.1 The legal implications are as set out within the body of the report.

## 9. Finance

9.1 All of the APSE recommendations have been costed and are shown in paragraph 5 of this report. This is summarised below:

<b>Subject</b>	<b>Reason</b>	<b>Cost (£)</b>	<b>Saving (£)</b>	<b>Net Budgetary Effect (£)</b>
Increased productivity	2 FTE staff savings	-	50,000	(50,000)
Organisational structure	2 FTE staff savings	-	60,000	(60,000)
Using vacuum machines	2 FTE staff savings	-	50,000	(50,000)
Double shifting large sweeping / washing vehicles	2 extra FTE staff Extra fuel and tipping charges	50,000 20,000	-	70,000
Chewing gum removal	2 extra FTE staff	50,000	-	50,000
Lease of Big Belly bins	Leasing cost 2 FTE staff and fuel savings	15,000 -	- 55,000	15,000 (55,000)
<b>TOTALS</b>		<b>135,000</b>	<b>215,000</b>	<b>(80,000)</b>

9.2 Therefore the overall effect of the changes is a net saving on £80k per annum, effective from 1 April 2013.

## 10. Risk

10.1 Since the staff reductions will be achieved by natural wastage, there are no specific risk issues identified in this report.

## 11. Conclusion

This review proposes that changes will be made to the service to both meet the street cleaning needs of Oxford City and also improve value for money. These proposals have been incorporated into the recommended service standards for the City which are detailed in Appendix A. The net result of implementing the improvements arising from the review will be changed methods of working, changed and increased use of machinery, improved productivity, staff savings and budget savings. All of the improvements can be put into place by 1 April 2013 and there will be no need to make any staff redundant. Consequently members are requested to adopt the service standard detailed in Appendix A and note the other changes detailed in this report.