

To: Members of the Cabinet

Date: 22 October 2010

Our Ref:

Your Ref:

**Please contact:** Steve Pearce

**Contact Number:** 0151 934 2046

**Fax No:** 0151 934 2034

**e-mail:**

steve.pearce@sefton.gov.uk

Dear Councillor

**CABINET - THURSDAY 28TH OCTOBER, 2010**

I refer to the agenda for the above meeting and now enclose the following report(s) which were unavailable when the agenda was printed.

<b>Agenda No.</b>	<b>Item</b>
<b>4.</b>	<b>Transformation Programme and Initial Budget Options</b> Report of the Chief Executive
<b>15a</b>	<b>Development of a Zoned Waste and Recycling Collection System</b> Report of the Operational Services Director

The Chair has agreed that Item 15a be considered as an urgent item at the meeting.

Yours sincerely,

M. CARNEY

Chief Executive

This page is intentionally left blank

# Agenda Item 4

**REPORT TO:** Cabinet

**DATE:** 28<sup>th</sup> October 2010

**SUBJECT:** **Transformation Programme and Initial Budget Options**

**WARDS AFFECTED:** All

**REPORT OF:** Margaret Carney  
Chief Executive

**CONTACT OFFICER:** Margaret Carney  
Chief Executive and CFO

0151 934 2057

**EXEMPT/CONFIDENTIAL:** No

## **PURPOSE/SUMMARY:**

To report the progress of the Transformation Programme, Prioritisation and to seek approval for some initial budget options which will reduce the 2011/12 – 2013/14 budget gap. The report also discusses the emerging risks associated with externally funded activities.

## **REASON WHY DECISION REQUIRED:**

The Council is forecasting a significant budget gap over the next three years and decisions are required to ensure that any actions taken to eliminate the gap can be implemented in a timely way. In addition it is important that Cabinet is made aware of the risks associated with the significant amount of external funding which is currently underpinning Council spending.

## **RECOMMENDATION(S):**

### **Cabinet is recommended to:**

- i) Consider the specific budget proposals contained in Appendix A and recommend to Council those which can be implemented.
- ii) Authorise officers to prepare for implementation immediately pending final decisions of Council.
- iii) Note the progress on the Prioritisation process related to external funding and in particular the level of risk associated with currently funded activities.

**KEY DECISION:** No. This report is not a key decision in itself but forms part of the process for setting the Council's budget and Council Tax.

**FORWARD PLAN:** Yes. Setting the Council's budget and Council Tax is included on the forward plan.

# Agenda Item 4

## IMPLEMENTATION DATE:

Following the expiry of the call-in period for this meeting.

### ALTERNATIVE OPTIONS:

Not to agree the issues identified will increase budgetary pressures on the Council.

### IMPLICATIONS:

#### Budget/Policy Framework:

#### Financial:

The options and actions proposed in this report will support the Council's budget setting process for 2011/12 and seek to reduce the currently predicted MTFP budget gap of ~£53m over the period 2011/12 – 2013/14.

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2009/ 2010 £</b>	<b>2010/ 2011 £</b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>
Gross Increase in Capital Expenditure	N/a	N/a	N/a	N/a
Funded by:				
Sefton Capital Resources	N/a	N/a	N/a	N/a
Specific Capital Resources	N/a	N/a	N/a	N/a
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure	N/a	N/a	N/a	N/a
Funded by:				
Sefton funded Resources	N/a	N/a	N/a	N/a
Funded from External Resources	N/a	N/a	N/a	N/a
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

#### Legal:

Formal budgetary decisions must be made at full Council.

#### Risk Assessment:

Early decision making in relation to budget issues will help to mitigate the impact of the consequential changes by giving sufficient time to undertaken the required formal consultation / notification processes. Particular risks associated with activity funded from external sources is contained within the report

#### Asset Management:

None

### CONSULTATION UNDERTAKEN/VIEWS

Strategic Director Health & Well Being,  
Strategic Director Children, Schools & Families,  
Strategic Director Communities,  
Safeguarding, Early Intervention & Prevention Services Director,  
Assistant Chief Executive  
Head of Personnel,

Head of Finance,  
Assistant Director Operations.

**CORPORATE OBJECTIVE MONITORING:**

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community			√
2	Jobs and Prosperity			√
3	Environmental Sustainability			√
4	Health and Well-Being			√
5	Children and Young People			√
6	Creating Safe Communities			√
7	Creating Inclusive Communities			√
8	Improving the Quality of Council Services and Strengthening local Democracy			√

**LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT**

Report to Cabinet 3<sup>rd</sup> December 2009 *Transformation Programme Update - Strategic Budget Review*  
 Report to Cabinet 8<sup>th</sup> July 2010 *Strategic Budget Review and Budget 2010/11*  
 Report to Cabinet 5<sup>th</sup> August 2010 *Consultation Framework on Budget Reductions*  
 Report to Cabinet 2<sup>nd</sup> September 2010 *Prioritisation And Strategic Budget Review*  
 Report to Cabinet 30<sup>th</sup> September 2010 *Transformation Programme Update, Prioritisation And Strategic Budget Review*

# Agenda Item 4

## 1. Background

- 1.1 Members will be aware from previous reports to Cabinet that the Council is forecasting a budget gap of £53m over the next three years. This forecast is based on a set of assumptions around Council Tax levels, government grants and spending pressures and was prepared prior to the Government's Spending Review. These forecasts may need to be revised in the light of the Spending Review announcement due on October 2010.
- 1.2 Cabinet has received regular reports updating the financial position and has made a number of decisions which will reduce the budget gap

	£m	£m
<b>Forecast Budget Gap</b>		53.00
<b>Council 2 September 2010</b>		
Revenue budget savings	(2.40)	
Review of Capital programme	(0.95)	(3.35)
<b>Latest forecast gap</b>		<b>49.65</b>

It can be seen from the above that a significant budget gap remains

- 1.3 In addition to identifying the savings above Cabinet at its meeting on 2<sup>nd</sup> September 2010 agreed a first stage prioritisation process to be undertaken relating to externally funded activity and approved the commencement of a number of negotiations relating to adult social care and some staff terms and conditions. Cabinet also noted that tactical savings options would be brought to a future meeting.
- 1.4 This report updates on identifying savings options and the prioritisation exercise on external funding. In addition it provides a schedule of initial savings proposals for members' consideration.

## 2. Transformation Programme Update

- 2.1 The 6 Strategic / Organisational Design project work-streams ("*Big Ideas*") continue to progress including briefing with the overseeing Elected Member groups.
- 2.2 A further "*Informing Sefton*" has been published advising staff of the decisions made by Cabinet 30<sup>th</sup> September 2010.
- 2.3 In September 2009 and June 2010 exercises were undertaken seeking Expressions of Interest for Voluntary Early Retirement/Voluntary Redundancy (VER/VR). The subsequent VER/VRs agreed have resulted in the following savings being generated:-

Year	Savings £000
2010/2011	2,473
2011/2012	550
2012/2013	48
<b>Total</b>	<b>3,072</b>

The opportunity to express an interest in VER/VR remains open to the workforce.

## 3. Prioritisation

- 3.1 The Council will need to continue to achieve efficiencies and/or downsize in lower priority areas to bridge the savings gap. This process will need to be effectively managed to ensure service impacts are minimised whilst achieving sustainable savings.
- 3.2 At its last meeting the first stage of the prioritisation process was approved. This stage related to externally funded activity. This process is ongoing and a full report will be presented to the next meeting of Cabinet. However at this stage it is important that Cabinet understand both the scale of this funding and the associated risks.
- 3.3 Cabinet may recall that the Council's controllable budget is estimated to be £227.426m. The analysis of existing external funding has identified that almost £53m of this budget is from external funding. In addition a further £9.2m is made up of contributions from other public sector organisation. This is summarises below

Source	£m	% Controllable Budget
Area Based Grant *	28.673	12.6%
Specific Grants	24.233	10.7%
Other Public Sector Contributions	9.2	4.0%
<b>Total</b>	<b>62.106</b>	<b>27.3%</b>

\* Excludes Connexions (Contractual Service) and previously agreed savings

- 3.4 The risks associated with this external funding vary depending on the type of grant and decisions to be made by the Government as part of the Spending Review.

### Area Based Grant (ABG)

ABG is a non-ringfenced grant. As such although specific elements may be identified, the Council is free to spend this resource on any of its priorities. The Council does not yet know how much ABG funding it will receive after this financial year and of course this is likely to be affected by the Spending Review. The currently estimated gap of £53m assumes a 25% reduction in this grant. Any activity currently funded by ABG which is reduced or stopped will contribute towards the budget gap. Should the Government reduce ABG by more than 25% and assuming no corresponding increase elsewhere the Councils savings gap will increase.

### Specific Grants

These are, in the main ring-fenced funding streams and include grants such as Sure Start, ERDF, LEGL. The current estimated gap of £53m assumes that these grants will continue. If these grants are reduced or ceased then the Council has to decide if the activity should continue. If the Council decides to continue this activity then the gap increases. If the Council reduces or ceases the activity then the appropriate exit strategy will need to be implemented. This includes staffing implications and/or commissioned activities. The specific risks associated with all these activities are currently being assessed and will report to the next meeting of Cabinet. .

# Agenda Item 4

## Other Public Sector Contributions

The Council currently receives an estimated £9.2m in external contributions from other public sector organisation. Examples include contributions for the PCT and other local authorities where the Council is the accountable body. There is a risk that funding organisations will look to withdraw their contributions as part of reductions in their funding sources. Work is ongoing to confirm the associated values, timeframes, staffing implications and exit strategies.

- 3.5 The work undertaken to date had identified at least 780 employees who are funded from external sources. This includes staff on the full range of employment contracts including permanent and casual. In addition the external funding supports a significant amount of commissioned activity from other organisation particularly the Voluntary, Community and Faith Sector.
- 3.6 The process agreed by Cabinet at its last meeting is progressing and it is anticipated that a full report will be presented to Cabinet in November. This report will include an assessment of priority for all this activity.

## **4. Tactical Savings Options**

- 4.1 At its last meeting the Cabinet noted that in addition to the major transformation projects a series of tactical savings options were being developed. Appendix A contains those options which are ready for consideration at this stage. These total £2.7m and Cabinet is asked to consider these options and recommend those to be implemented. The Appendix identifies the activity and the impact of the reduction.
- 4.2 A high level equality impact assessment has been completed on the enclosed savings proposal and no disproportionate adverse impacts have been identified. The impact assessment has identified the need to establish the monitoring of take up in some services and the need to have clearer communication with those services users and staff affected.
- 4.3 Should these options be recommended immediately, Cabinet is requested to authorise the Chief Executive to prepare for implementation. This would allow maximum time for consultation with affected staff and other organisations prior to any formal decision in December. This would also help to ensure that any savings are achieved in a timely manner.
- 4.4 The options identified at appendix A represent the next stage of approvals. Discussions of further savings proposals will be undertaken with Cabinet and Party Leaders over the next month.

## **5. Conclusion**

At the time of writing this report the Government Spending Review has not been announced. Therefore this report is based on the previous assumptions approved by Council. Assuming all the tactical savings options contained in this report are approved, the Council will have identified total savings of £6.05m towards the forecast gap of £53m. There are a number of activities ongoing including the remaining tactical savings options, the “Big “Ideas” programme and the prioritisation of externally funded activity. It is highly likely that a significant gap will still remain at the conclusion of these reviews.

At its next meeting the Cabinet will be asked to make further decisions covering the areas above. However in addition officers will commence preparation for the prioritisation of the



# Agenda Item 4

remainder of the Council budget to include all core funded activity, management structures and any prioritise externally funded activity.

Members will need no reminding that reductions of this scale will have a significant impact on the services the Council provides and how it delivers them. It is imperative that Members continue to review the options available and continue to make timely decisions. Failure to do this will result in significant risks to the Council's ability to bridge the savings gap.

## 6. Recommendations

### **Cabinet is recommended to:**

- a) Consider the specific budget proposals contained in Appendix A and recommend approval to Council
- c) Authorise officers to prepare for implementation immediately pending final decisions of Council
- d) Note the progress on the Prioritisation process related to external funding and in particular the level of risk associated with currently funded activities

This page is intentionally left blank

Ref	Function	Owner	Proposed Saving over 3 years (2011-2014)			Savings Identified	Staffing Implications	Impact
			Staffing Implications (£)	No Staffing Implications (£)	Total (£)			
								<b>All savings are Cumulative Savings</b>
CS4	Stop CSF Schools ICT	P Morgan	30,000	0	30,000	Harnessing technology grant funding to support ICT services in schools has been cut. LA is reviewing central ICT support to schools. This grant has been halved, paper currently with schools for consideration.	1	One off saving. If schools require this service then LA may need to develop SLA to fund this support from school budgets
CS6	Education Psychologists	C Oxley	50,000	0	50,000	Reduced service - take out 1 vacancy.	1	Service delivery will be reduced but staffing complement remaining would be comparable with other areas
CS7	Performing Arts - discretionary grant	M McSorley	32,050	0	32,050	Discretionary Performing Arts awards - £35,000 budget per annum used for 5 or 6 students undertaking performing arts courses (that are not recognised or funded through FE or HE qualifications.) 'X Factor students' as we have had one student perform on X Factor and another on strictly dancing!	0	Young Students with potential talents would need additional support from other potential sponsors. Initial saving will be part year as students will have commenced courses.
CS - M10	School Improvement Service	D Roberts	70,039	0	70,039	Report on agenda, net saving identified.	0	Changing relationship with schools and the LA statutory responsibility may require commissioned service (regionally) to carry out LA functions
SCL1 (c)	Arts & Cultural Services	G Bayliss	90,000	0	90,000	Reduce public Arts entertainment programme and support to third parties Cultural Fund grants to cease	6	Reduced public Arts entertainment programme and support to third parties. Cultural Fund grants to cease
SCL10 (a)	Potential Charging Policy for Leisure Operations	G Bayliss	0	35,500	35,500	Increase burial and cremation fees by 2% above the rate of inflation from 1st April 2011. (Income £35,500).	0	Increase burial and cremation fees by 2% above the rate of inflation from 1 <sup>st</sup> April 2011. (Income £35,500)
SCL11 (b)	Service Development	G Bayliss	41,500	0	41,500	Stop / reduce cross departmental service development work.	1 Vacant Manager post deleted	Stop / reduce cross departmental service development work
SCL12 (c)	Tourism	G Bayliss	0	20,000	20,000	Relocate Tourism Offices to Southport Town Hall, however this is depending on accommodation strategy.	0	Relocated base.
SCL12 (d)	Tourism	G Bayliss	47,500	0	47,500	Delete post of vacant post of conference manager. No Impact.	1 vacant Manager post deleted	Delete post of vacant post of conference manager. No Impact
SCL14 (a)	Libraries (Management)	G Bayliss	68,000	0	68,000	Reduce Library Management and Admin Support.	2 Vacant posts deleted	Reduce Library Management and Admin Support

Ref	Function	Owner	Proposed Saving over 3 years (2011-2014)			Savings Identified	Staffing Implications	Impact
SCL14 (b)	Libraries (Management)	G Bayliss	139,000	0	139,000	Downsizing of library manager posts.	5	Downsizing of library manager posts. Some managers to take responsibility for two small to medium sized libraries
SCL15(a)	Sport & Leisure Centres - Review Opening Hours	G Bayliss	70,000	0	70,000	Reduction in opening hours across all Leisure Centres, including Bank Holidays, Saturdays & Sundays.	8 (mix of full & part time)	Reduction in opening hours across all Leisure Centres, including Bank Holidays, Saturdays & Sundays
SCL16 (a)	Sports & Leisure Centres	G Bayliss	28,000	15,000	43,000	Discontinue inspections and bench marking services. Drastically reduce the monitoring and performance management Crosby Leisure Centre & Formby Pool by the Council. Reduce spend around advertising and marketing related activity. The intention is to harvest this as part the Communications Integration Project.	1	Discontinue inspections and bench marking services Drastically reduce the monitoring and performance management Crosby Leisure Centre & Formby Pool by the Council Reduced spend around advertising and marketing related activity. The intention is to harvest this as part the Communications Integration Project.
SCL16 (b)	Sports & Leisure Centres	G Bayliss	0	13,000	13,000	Cease the annual contribution to Sefton Sports Council and MCSP.	1	Impact on Voluntary sports sector
CM2	Reduce Operational Services (OS) Management Structure	J Black	35,000	0	35,000	Possible grouping of functions more effectively to achieve savings.	1	Reduction in management of service. This may be affected by the outcome of the Performance PID.
CM4	Reduce Bulky Item Service Collection to 10 days	J Black	42,500	17,500	60,000	Reduction of one crew	2	Slight increase in fly-tipping, reduced service/public acceptability. Free of charge service is maintained, if demand generates excessive waiting times other control mechanisms could be considered.
CM9	Close All Attended Public Conveniences	J Black	75,000	25,000	100,000	Remove attendants and implement mobile cleansing service.	4	Option 1 Public/political reaction, saving includes the closure of the Market Street facility, no allowance for costs associated with retaining 2 locations as operating bases.
CM12	Stop Canal Patrols	J Black	40,000	0	40,000	Reduction in Sefton Security Staff.	2	Potential for decreased customer satisfaction, increases risk for anti-social behaviour (public safety & environmental issues i.e. flytipping)
CM13	Restructure Catering Service	J Black	20,000	0	20,000	Restructure the management/support function within the Catering Service/OSD.	1	Reduction in staff to deliver catering service will reduce the capacity of the catering service. A saving may not be achieved if the subsequent recharge to CSF (DSG) is reduced, the service simply becomes more efficient/competitive.

Ref	Function	Owner	Proposed Saving over 3 years (2011-2014)			Savings Identified	Staffing Implications	Impact
CM16	Review of Transport Provision - focus on Specialist Transport Function	J Black	0	0	0	To be determined.		Needs more work to quantify the impact and levels of reduction of Current overspend. Ongoing review of the area, new system (Cleric) will be implemented later this year and this should provide greater clarity as to how the overspend can be reduced early 2011.
CM20	Integrate Strategic Housing Function	A Lunt	153,000	64,000	217,000	Resources in base budget identified for providing 'fit for purpose' strategic housing function.	1	Merging strategic housing function with investment programmes will negate requirement for additional resources with NO impact on service quality. However, if the Housing Market Renewal team is affected by future cuts, up to and including complete cessation of activity, then there would be no strategic housing function provided. Provision of a housing strategy is a statutory function. Therefore, there would be a requirement to resource the strategic housing function if both this saving were taken and HMR activity were to cease post March 2011.
CM21	Reduce private sector housing support	A Lunt	53,968	0	53,968	Deletion of two posts - one frozen senior housing practitioner post and 40% of a Technical officer post (vacant and released by Vacancy Panel).		Revised management and working arrangements enables deletion of posts although there will inevitably be a reduction in the services provided, commensurate with the loss of posts
CM22	Reduce HMR Support	A Lunt	137,301	0	137,301	Deletion of two vacated posts during 2010-11 followed by 2 redundancies in 11-12.	2	Allocation of workload of vacated posts means that service standards can be maintained via efficiencies. During 2011-12, changing nature of activity will mean that certain areas of activity will need to be ceased, requiring 2 redundancies / redeployments
CM23	Increase Charge to Schools for Energy Advice	A Lunt	0	10,000	10,000	Increased income to reflect level of service.	0	No impact other than increasing income thus reducing cost of service to mainstream funding
CM24	Charge schools for Env Education or stop service	A Lunt	0	17,500	17,500	Requiring Environmental educational service to be funded by schools.	2	Service required to continue until December 2016 or ERDF funding of £390k would be subject to clawback
CM29	Introduce a charge for Development Control advice	J Alford	0	30,000	30,000	Charges to be agreed, but based on pAS (DCLG) guidance. Unlikely to be a Merseyside-wide scheme.	0	Reasonable expectation in light of DCLG comments and experience elsewhere but will be market-led, so difficult to predict take-up, especially in first year
CM30	Review Planning Technical Support	J Alford	50,000	0	50,000	Savings will be achieved via VR/VER.	2	Reduce levels of junior mgt, reduce levels of information, concentrate customer service.
CM31	Rationalisation of PCN processing and administration of Disabled Blue Badge resources	S Waldron	30,000	0	30,000	Reduced level of resources required to manage representations to Penalty Charge Notices and other administrative services. Reduction in staff administering the Disabled Blue Badge scheme.	1	1 No Senior Clerk post to be deleted - VR/VER - currently undertaking 'back office' PCN processing duties and other administrative duties. Blue Badge Scheme - Deletion of 50% of Sc2/3 Clerical Post (vacant) and 30% reduction in OT resources purchased from the PCT. Service development would indicate overall level of senior clerical Support in the team can be reduced. But to allow a full post to be deleted would also need to remove counter service in Pavilion Building and rely fully on the One Stop Shop service to deal with all face to face representations. Similarly administrative duties for the Blue Badge scheme can now be maintained with reduced level of resource as scheme development has been concluded. Actions already taken to deliver savings of £30k.

Ref	Function	Owner	Proposed Saving over 3 years (2011-2014)			Savings Identified	Staffing Implications	Impact
CM32	Reduce local transport plan support	S Waldron	80,000	0	80,000	Savings identified due to significantly reduced level of funding anticipated as a result of the Government October 2010 CSR, plus increasing influence of City Region approach to LTP management and delivery including opportunities to co-ordinate delivery with partner authorities. Full details of where reductions to be made to be determined as funding and transport priorities emerge with LTP3 development. Timescale for this information being available may impact on ability to deliver full saving in 2011/12.	3	Resources to develop and deliver LTP programmes have previously been allocated to meet demands based on priorities at the time (i.e. Strategy development including Rights of Way Plans, Cycle initiatives etc). Emerging LTP3 priorities and much reduced levels of funding anticipated will change the level of resource required, hence a reduction and reorganisation is appropriate to meet these changing circumstances.
CM36	Restructuring of Environment Team.	M Long	81,000	0	81,000	Internal transfers proposed and held vacant or bumped vacancy as saving in 11/12.	2	Two posts are to be transferred elsewhere within the Council and will contribute to corporate objectives for the coast and Southport respectively. The re-allocation of tasks from PED to EP&TS and NIPD is under review but posts are being restructured to re-align staff with service priorities. This re-prioritisation takes account of the loss of two staff in the reduced scale and scope of activity.
CM38	VR for Senior European Officer	M Long	45,000	0	45,000	VR for post, held vacant as saving Date of VR to be determined on outcome of current external funding bids. Assume VR 2012.	1	PED is being restructured to re-align staff with service priorities. This re-prioritisation takes account of the loss of a member of staff in the reduced scale and scope of activity.
CM39	Reduce Regulatory Enforcement	P Moore	350,000	0	350,000	Removal of vacant posts & anticipated VR/VER requests.	13.5	Reduction in level of service provided. Will have negative impact upon Service Plan Targets and LAA/National Indicators.
CM40	Merge of Environmental Enforcement	P Moore	40,000	0	40,000	Removal of vacant posts and reprioritisation of workloads. <b>This is being proposed on the basis that the current ABG provision will be retained.</b>	2	Reductions in some areas of work
CM41	Integrated Sustainability Function	P Moore	58,000	0	58,000	Removal of vacant posts and reprioritisation of workloads.	2	Reductions in some areas of sustainability work
CM42	Increase fees for Network Mgt activities	P Moore	0	30,000	30,000	Increase income through raised fees & charges.	0	Marginal increase in costs for businesses
CE8	Review of Personnel	M Dale	120,000	0	120,000	Reduction in staff from integrated resource. 2 VR/VER expressions of interest already accepted. Further efficiencies being considered and possibilities of further VR/VER requests.	4-6	Reduction in level of service in time of greater need, motivational issues for employees engaged in difficult work. Employee related issues

Ref	Function	Owner	Proposed Saving over 3 years (2011-2014)			Savings Identified	Staffing Implications	Impact
CE13	No provision of food for meetings/training events (and no subsistence allowance)	Mike Fogg	0	20,000	20,000	Stop provision of food for meetings/training events and subsistence allowance. Approximately £12k relates to staff, £7k to members.	0	Negotiation necessary in respect of terms and conditions
CE15	CAA Fees	J Farrell	0	50,000	50,000	CAA scoping work and document storage stopped.	0	Government has stopped requirement for CAA, so there is no impact. This is funding LA would have paid to PWC for CAA work
CE16	Take on HMRI Conveyancing and Building Agreement Works	D McCullough	50,000	0	50,000	Charging for additional services.	1	Improved service for internal service providers
CE17	Legal Sundry Savings	D McCullough	0	17,850	17,850	Reduction in Lawtel, Lexcel, Books and Practising Certificates.	0	Manageable reductions with no impact on the services
CE18	Admin Staff Reductions	D McCullough	8,068	0	8,068	Further VER Savings.	1.5	Reduction in admin support for the service
CE20	Re-tender of Office Supplies Contract	T Crawford	0	50,000	50,000	Rationalisation of usage following re-tender and e-auction collaborative procurement exercise.	0	Manageable impact on service
CE21	Civic Attendants Service	Andrea Grant	140,000	0	140,000	Revised staffing structure and invest to save proposals including keys suited at Bootle and Southport Town Halls (to facilitate quicker opening and closing of the building, and improved AV equipment in meeting rooms to facilitate 'self-service' by meeting organiser. Reduced staffing to 'flexi time' with the exception of evening mtgs. Provision of PT working allows for casual overtime at flat rate to replace current system (all savings are approx and subject to JE).	Reductions in staffing from 12 FT and 2 PT civic attendants to 13 PT Porters and 9 PT Receptionists	
BI3 -1	Education Welfare	C Oxley	0	£50,000	£50,000	Reduced service - take out 1 vacancy.	1 vacancy	Service Delivery will be reduced
			<b>2,274,926</b>	<b>465,350</b>	<b>2,740,276</b>			

This page is intentionally left blank



# Agenda Item 15a

**REPORT TO:** Cabinet

**DATE:** 28<sup>th</sup> October 2010

**SUBJECT:** Development of a Zoned Waste and Recycling Collection System

**WARDS AFFECTED:** All

**REPORT OF:** J G Black - Operational Services Director

**CONTACT OFFICERS:** Andrew Walker – Assistant Director – 0151 288 6159  
Gary Berwick – Cleansing Services Manager – 0151 288 6134

**EXEMPT/ CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

To seek approval to change the existing collection arrangements for residual & recyclable waste via the introduction of a zoned waste collection service from January 2011.

**REASON WHY DECISION REQUIRED:**

In order to make more efficient use of resources it is proposed that a new zoned system of waste and recycling collection be introduced across the Borough from January 2011, generating substantial savings. Such a decision requires Cabinet approval as it affects all wards.

**RECOMMENDATION(S):**

That Cabinet approves the implementation of a new zoned system of waste and recycling collection.

**KEY DECISION:** Yes

**FORWARD PLAN:** Yes

**IMPLEMENTATION DATE:** January 2011

# Agenda Item 15a

## ALTERNATIVE OPTIONS:

Maintain current collection arrangements. However, in light of evidence available from similar collection services nationwide, coupled with the ongoing development of new route optimisation software within the industry, the current collection methods operated within Sefton are no longer considered to deliver the most efficient use of resources in relation to waste and recycling services.

## IMPLICATIONS:

### Budget/Policy Framework:

**Financial:** An efficiency saving will be achieved as a result of implementing a zoned collection system due to the reduction in the number of vehicles and staff needed to service the collection requirements.

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2010/ 2011 £</b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>
Gross Increase in Capital Expenditure			
Funded by:			
Sefton Capital Resources			
Specific Capital Resources			
<b><u>REVENUE IMPLICATIONS</u></b>			
Gross Increase in Revenue Expenditure		-120k	-120k
Funded by:			
Sefton funded Resources			
Funded from External Resources			

**Legal:** None

**Risk Assessment:** None

**Asset Management:** None

## CONSULTATION UNDERTAKEN/VIEWS

STAFF AND TRADE UNIONS  
FD NO.:501 – THE INTERIM HEAD OF CORPORATE FINANCE AND ICT STRATEGY HAS BEEN CONSULTED AND HIS COMMENTS HAVE BEEN INCORPORATED WITHIN THIS REPORT

**CORPORATE OBJECTIVE MONITORING:**

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity		✓	
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities		✓	
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People		✓	

**LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT**

None

# Agenda Item 15a

## Background

1. In 2006 the Council agreed to a major change in the delivery of waste collection services, from the previous plastic refuse sack collection system to a wheelie-bin collection service. Grey (residual) and green (garden waste) wheelie-bins are now collected and emptied on an alternating weekly basis.
2. A route optimisation exercise was carried out, prior to phased implementation of the new alternating collection rounds. This resulted in the creation of four extended days of work for each individual crew based in a specific area, and on a specific route within the borough. Due to the scale of change, the alternating wheelie-bin collection service was introduced on a phased basis throughout the Borough between June 2007 and October 2008.
3. Having now operated the Alternating Weekly Collection system for some two years, the Cleansing Management Team has identified a number of issues and potential amendments to the service, which if implemented could generate substantial savings.
4. We currently operate an individual collection round in Sefton, whereby the same vehicle and crew collect from the same addresses, and the same vehicles are used to alternate between residual and garden/green waste on a bi-weekly basis. This system has proven to be somewhat restrictive, as it sometimes does not provide sufficient flexibility to respond adequately to service issues including breakdowns, restricted access, fluctuating tonnages (amount of residual and/or garden waste presented) and any changes to the number of properties to be serviced by each individual team.
5. Within the waste and recycling collection industry over the past few years, a great deal of work has been undertaken in developing alternative collection methods, including zoned collection services. It is believed that the introduction of a zoned collection system in Sefton would assist the Operational Services Department in addressing the above issues. Furthermore, the introduction of a zoned system would result in a reduction in the amount of staff/vehicles required, resulting in significant and ongoing savings of £120k per year.

## Zoning Details

6. Using the latest software packages available, and using historical data obtained from the current alternating collection service, such as weighbridge records and tracking information, a number of 'collection zones' have been identified within Sefton. These zones bring a number of vehicles together in an area to undertake collections, be they residual or green waste, resulting in a more efficient collection process.

7. The Borough would be divided into 8 zones, 4 in the north and 4 in the south, and all collections within a zone will be undertaken on the same (specified) day. For example, all northern crews could be deployed into the Formby area to carry out collections on an alternating basis every Tuesday, or all southern crews could be deployed in Maghull on an alternating basis every Thursday.
8. This approach would allow a smaller number of vehicles and staff to be used overall to provide the alternating collection service, freeing up resource for the Council for efficiency savings. In addition, most vehicles would only ever collect residual or green waste, thereby dramatically reducing the weekly washing requirement for vehicles moving from residual to green collection.
9. Recycling collections (paper, glass, cans, food) would continue to be collected on the same specified day to maintain current best practice. However, a zonal system would also allow the service provider to benefit from a reduced vehicle requirement, as per the residual and green waste service. This should therefore reduce the cost of the service to the Council when tenders are invited for the provision of this service in spring/summer 2011.
10. The Sefton Plus Contact Centre would also benefit by being able to clearly identify to customers that a particular zone would be collected on a specified day. This will help the customer in terms of potential missed collection (placing the bin out on the incorrect day) as all bins in a zone would be placed outside properties on a specified day. It will also assist the Contact Centre who will automatically know which zone is being collected from on a particular day, irrespective of historic crewing arrangements.

## **Implementing the Zoned Collection System**

11. Subject to Cabinet approval, it is envisaged that the zoned collection system would commence immediately after Christmas & New Year collection period, when alternating grey/green collection patterns are due to resume. This is the most appropriate opportunity to implement any change of collection day, as the current collection calendars expire in December 2010.
12. Residents will be informed by letter in November 2010 regarding the extension of current arrangements until January 2011. The letter will also contain details of Christmas and New Year collection arrangements, and also give notice of proposed changes in the New Year. In early January, once all of the festivities are ended, new calendars will be distributed to inform households/residents of future collection arrangements from January 2011 onwards. Residents will specifically be advised to check the collection day from January onwards as their day of collection may change from that period onwards, everyone will be reminded to place wheelie-bins out for collection by 6.30am as collection times may vary.
13. The distribution of new calendars will be accompanied by a range of additional methods of informing residents of the forthcoming changes. Press

# Agenda Item 15a

releases, media articles, posters, leaflets, information cards, and briefing packs for Members, Contact Centres, One Stop Shops, Libraries, Leisure Centres, etc, will all be utilized to ensure that the transition is as smooth as possible.

14. The trade unions have been fully consulted and accept the need for such a change. Refuse and collection staff have been advised of the potential to change collection methods and will continue to be informed/consulted if and when zoning proposals are agreed.
15. Whilst there is a considerable amount of work required behind the scenes to prepare for the implementation of a zoned collection system, the core policies for the current wheelie-bin and green box/caddy collection services will remain as they are now.
16. Staff will undergo practical training in various areas to improve familiarity, and to ensure they are fully aware of the new collection zones / areas, so that they will be ready to operate a zoned collection system from the New Year, subject to Cabinet approval.
17. Due to the bulky and large scale nature of the zoning information, further detailed information regarding zoning software, and the proposed zonal maps, will be presented by officers at the Cabinet meeting on October 28<sup>th</sup> 2010.