

REPORT TO: New Delivery Vehicles and Environment Overview and Scrutiny Committee

Date of Meeting: 6 November 2014
Report of: Ralph Kemp Strategic Commissioning
Subject/Title: Quarter 2 Ansa and Orbitas reports
Portfolio Holder: Service Commissioning Portfolio – Councillor David Topping

1.0 Report Summary

- 1.1 The two reports are the second quarterly reports to commissioning and scrutiny Ansa and Orbitas.

2.0 Recommendation

- 2.1 That the Committee examine the quarterly reports.

3.0 Wards Affected

- 3.1 All

4.0 Local Ward Members

- 4.1 All

5.0 Background to Ansa and Orbitas Quarterly Reports

- 5.1 Ansa and Orbitas were formed as wholly owned Council companies on the 1st April 2014 to deliver Environmental and Bereavement services. This is part of a move to becoming a Strategic Commissioning Council with these initial companies agreed at Cabinet on the 4th Feb 2014.

Ansa Environmental Services

- 5.2 In this second quarter Ansa Environmental Services reports anticipated annual costs within the agreed management fee. In doing so it is set to deliver the agreed 1.3 million of savings negotiated in the management fee for the first year.
- 5.3 The report does highlight three areas of pressure relating to savings associated with the garden waste shut down, the discount on chargeable garden waste bins and capital replacement of worn out bins.
- 5.4 The company continues to provide a high level of service reporting a green status on the contractual performance indicators. The commissioning team is currently working to fine tune the specification and KPI's as required by the contract in this first year.

Orbitas

- 5.5 In the first six months of Orbitas's operation there has been a 3% reduction in burials and cremations undertaken which is in line with a decrease nationally of 5%.
- 5.6 The report forecasts a shortfall in income meaning the Bereavement Services budget is currently projecting an overall annual pressure of £179,000 against a net budget of £1.3m. The financial pressure is due to a combination of issues. There is a positive reduction in the death rate in Cheshire East during the first six months of the year which also mirrors national reductions. This year there has been an increase in competition to provide local bereavement services with the earlier than anticipated opening of a nearby private facility and there has also been a noticeable reduction in the number of other service requests to date. OBSL are working with Cheshire East staff to consider a range of potential mitigations that can be delivered in year.
- 5.7 The company remains compliant with its other key performance indicators gaining a green flag for sandbach cemetery.

6.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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Ansa Environmental Services Ltd



PERIOD

Q 2 2014 (July- September inclusive)

DEVELOPMENT & PROGRESS

Successes and events

- Quarter 2 saw us build on our successes at The National Recycling Awards. Friends of Queens Park (ANTs) in Crewe were finalists at the Association for Public Excellence Awards (APSE) in the Best Public Voluntary Partnership working initiative category.



- Ansa also supported Cheshire East at The Cheshire Show, Tatton Flower Show and Nantwich Show.
- The Waste Awareness Team promoted the Love Food Hate Waste message and other environmental messages through a series of very successful events including; the Nantwich Baby Fair at Nantwich Civic Hall; the Primary Schools event at South Cheshire College; the Bollin Valley Taster Day at Riverside Park in Macclesfield; the Bump, Birth & Baby Fair at Macclesfield District General Hospital; the Cheshire County Show where our staff supported Cheshire East Council with the planting; the two day Nantwich Food & Drink Festival and the Fresher's Fair at MMU, Crewe.

Communications

- A series of staff Newsletters have been produced giving key information and advice on employee benefits, health, safety and welfare etc.
- Ansa is now on Facebook and Twitter promoting the services we provide.
- We also engage with Facebook users via the Waste & Recycling Facebook page for Cheshire East Council on key subjects including Love Food, Hate Waste, the benefits of reusable nappies, consultations on key documents, the Nantwich Food & Drink Festival etc.
- Adverts have been placed in a series of match day programmes with Crewe Alexandra Football Club and Macclesfield Town Football Club

to stress the need to make better use of the food they buy which can result in a saving of up to £60 per month. We are also placing a Christmas advert to make people aware they can have extra cash this festive season by following our top tips.

- We have developed our selection of Ansa branded merchandise for our events and marketing, including pens, pencils, pencil sharpeners, pencil cases, paper clips and torches to name just a few.
- Worked with various housing associations to find ways to work with their tenants to promote recycling and love food, hate waste and re-enforcing environmental messages (such as fly-tipping).

Commercial Activities



- We are marketing Driver CPC and specialist training such as LGV, driving assessments, manual handling, abrasive wheels, trailer training and other bespoke courses.
- The LGV vehicle has already shown itself to be an asset with firm orders and enquiries for training from a variety of external customers such as Ringway Jacobs, Wakefield Council, CWAC and L&R Lining Co based in Ellesmere Port and Congleton.
- We are producing a graphic to promote the wide range of training available with Ansa which will be displayed on the rear of the training vehicle.
- We are in discussion with Ringway Jacobs regarding hiring our event trailer for events which will generate £100 per day for Ansa.
- Ansa's commercial waste collection offering has been further developed in Q2 working with CEC assets to service Council premises.
- We are holding internal and external driver briefing sessions for minibus drivers in Crewe and Macclesfield.

Staffing

- **Apprentices** - a considerable amount of work has been carried out to develop Ansa's own Apprenticeship Scheme. The scheme provides for up to 15 placements in its first year encompassing operational front line and office-based apprenticeships. Priority has been given to providing placements for children in or leaving care and Ansa has liaised with Cheshire East's Children's Services to promote the scheme. Our apprentices will be required to carry out a work-based project and in accordance with the Company's wish to

give something back to the community and add social value, wherever possible this will be a community based initiative.

- **Training** - training and development is key to ensuring that the Company operates effectively. In addition to regular, scheduled training, five Managers/Team Leaders are currently studying under the Institute of Leadership and Management and two employees have begun professional training in their job-related discipline. A Company Skills and Training Matrix has been established and following further development will form the basis for future succession planning. We have had our first LGV passes for Ansa.
- **Ansa Aces** - the Company's Recognition Scheme is now taking shape and will be ready to launch this winter. Colleagues and managers will be encouraged to nominate employees who they feel have gone above and beyond what would normally be expected of them and in doing so, have demonstrated that they are modelling the Company's values.
- **Ansa Code of Conduct for Employees** - the Code of Conduct has been developed in consultation with our Trade Unions and issued to every employee of the Company. This provides the workforce with a quick reference of the action and behaviours expected of them and what they can expect from Ansa in return.
- **Ansanet** - we have continued to develop the Company's intranet – adding HR policies and procedures; staff benefits and promoting the salary sacrifice schemes that are available to all employees.
- **Health & Wellbeing** - a number of health and well-being promotion events have been carried out. CTC, our physiotherapy providers, held on-site events where employees were able to have their blood pressure, weight and general health assessed. We have promoted cycling and our salary sacrifice scheme as part of the National Cycle to Work Day. CTC also returned to give advice about how to deal with, and prevent, back and neck pain over three days including National Back Care Day. The Company also gave mini-massages, workstation set up advice and exercises that can be done at the desk.

PERFORMANCE INDICATORS

Contract Based Key Performance Indicators (KPIs)

- 1. Increase customer satisfaction** – to be reported annually, survey completed. It is anticipated that the outcome will be reported in q3 update.
- 2. Maintain waste prevention volunteers** – Based on initiative established within CWAC and CEC shared service.

Target - 25

Current Number of Volunteers – 25

Community Volunteers – In excess of 250

Hours Secured Mid-Year – In excess of 4000hrs

Status - **GREEN**

- 3 Maintain reuse of household waste at a minimum of 977t** – waste predominantly collected from civic amenity sites and separated out for re-use.

Target – 977t

Mid-Year position – 575t

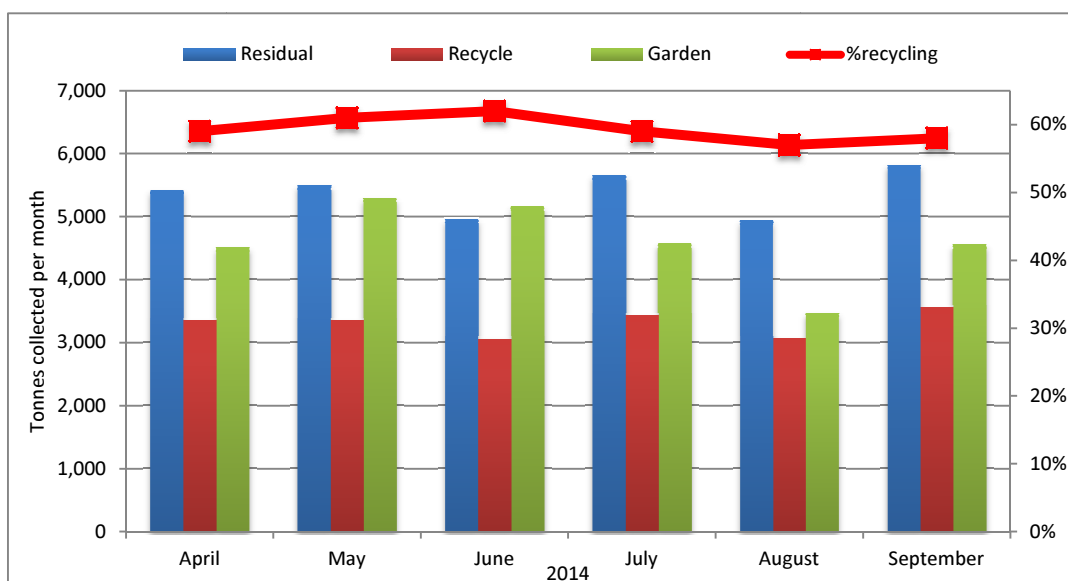
Status - **GREEN**

- 4. Continue to exceed national recycling target (50%) and current performance levels (2013/14) of 54%**

Target – >54%

Mid-Year position – 59.4%

Status - **GREEN**



5 Maintain the percentage of Local Authority collected residual waste sent to landfill – Historically 100% but reduced during 2013/14 to 57% following waste to energy initiative.

Target – <57%

Mid-Year position – <57%

Status – **GREEN**

6 Maintain at least four Green Flag Awards (in conjunction with Orbitas for Sandbach cemetery) (CEC currently have seven, four of which are controlled by Ansa)

Target – >4

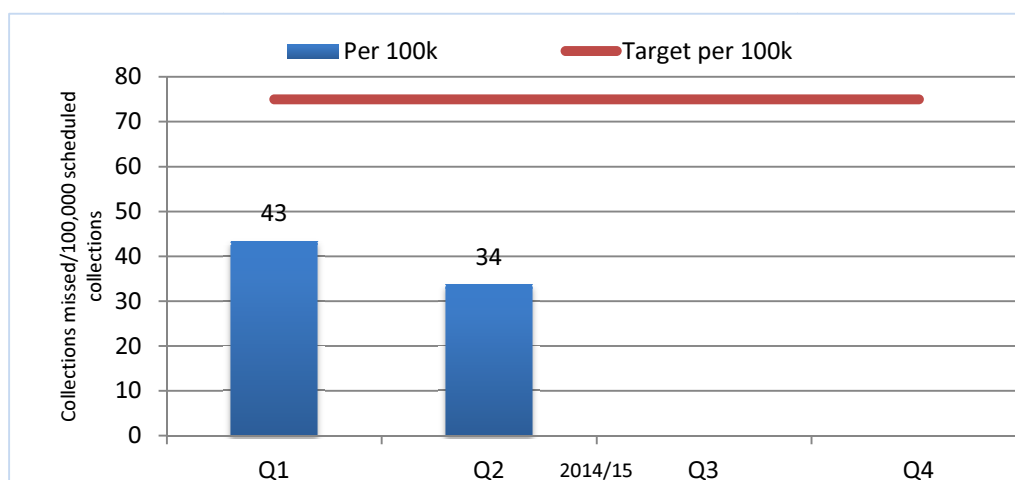
Mid-Year position – 4 currently secured.

Status – **GREEN**

Operational Performance Indicators

- **Missed collections** - the proportion of collections completed as scheduled during Q1 was 99.957%. In Q2 we worked with crews to further improve performance increasing completed collections to 99.964%.

The graph shows 2014/15's missed collection performance.



FINANCIAL

AGAINST MANAGEMENT FEE

UPDATE-

QUARTER 2

- The Ansa Ltd Management Fee for 2014/15 is £27.2m and is **net of annual policy savings of £1.3m**, covering efficiency, contract and new company savings. At quarter 2 the contracted services are being delivered at forecasted underspend of £21,000.
- Based on information to September, the overall annual operational forecast for 2014/2015 is projected at **net profit of £315k** before tax, however, currently Ansa are absorbing the costs of items that are the result of decisions made after the setting of the management fee for 2014-15 or are the result of issues emerging in year that are beyond the management fee. These additional items are currently forecast at £294k and hence reducing the reported net profit to £21k. – The items relate to:
 - Green Waste suspension savings £50k
 - Ansa incurring the cost of the 2013-14 Green Waste (GW) discount /refund totaling £21k
 - £223k pressure associated with provision of new bins. Comprising of , newly developed properties (£52k) and replacing aged/end of life wheeled bins (in service since late 1980's) (£171k)

QUARTERLY PERFORMANCE REPORT

Mid Year Review

July – Sept 2014

Orbitas is committed to continuous improvement and excellence in all that it influences and delivers. This report gives summary and detailed information about its financial and non-financial performance together with other operational matters during the first half of 2014/15.

Section 1 of this report provides details of the company's financial performance associated with its Service Contract with Cheshire East at the midyear position.

Section 2 provides a summary of the key non financial performance update.

Section 3 looks at the operational headlines, during the first six months of operation.

2.0 SECTION 1 – FINANCIAL INFORMATION – Notes provided from Finance

3.0 SECTION 2 – NON FINANCIAL PERFORMANCE UPDATE

3.1 KPI 1 – Maintain current levels of cremation carried out (2690)

Number of Cremations for the period 1st April 2013 to 30th September 2014

The table below provides details of the number of cremations taken place at Macclesfield and Crewe Crematoria, for the period April to September inclusive, with comparative data in the same periods last year.

Month	2013/14	2014/15
April	188	218
May	274	253
June	227	209
July	232	238
August	214	187
September	178	181
Total	1313	1286

3.2 KPI 2 – Maintain Current Levels of interments carried out (356)

Number of full interments for the period 1st April 2013 to 30th September 2014

The table below provides details of the number of full interments taken place throughout all of the Council's cemeteries, for the period April to June inclusive, with comparative data in the same periods last year.

Month	2013/14	2014/15
April	31	38
May	48	38
June	31	11
July	36	32
August	17	25
September	24	24
Total	187	168

3.3 In summary there were a total of 1454 burials and cremations undertaken during the period 1st April to 30th September inclusive, compared to 1500 in the same period last year, a decrease of 46 (3%).

3.4 Information from the Office of National Statistics, shows that for the months of April, May, June, July August and September the number of deaths registered in England and Wales was 327,305 Compared to the same months in 2013 when the number of deaths registered was 344240. This represents a decrease of 16,935 (5%).

3.5 Information from the Office of National Statistics shows that for the months of April, May, June, July, August and September the number of deaths registered in Cheshire East was 1291. This represents a decrease of 168 (11.5%) deaths in comparison to the same months in 2013.

3.6 **KPI3 – Working with Ansa, maintain at least four Green Flag Awards, (1 in Sandbach Cemetery)**
Green Flag Application

A KPI set for the Company was for the year 2014 to apply and be successful in attaining Green Flag status in one of the Council's cemeteries. I am pleased to advise that we have been successful, with an 80+ score.

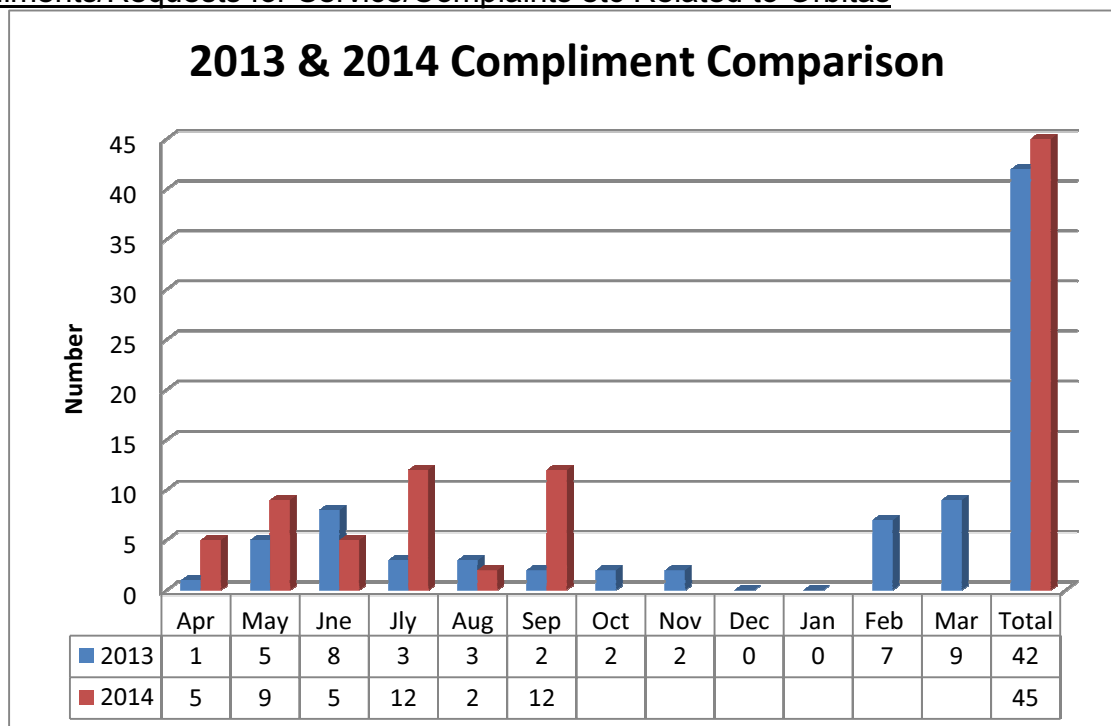
3.7 Other Agreed KPIs

Ministry of Justice fines to be one or less	Nil
Number of exhumations due to erroneous burial to be 3 or less	Nil
Number of Local Government Ombudsman complaints upheld 2 or less	Nil
ICCM Charter for the Bereaved to be Silver or Gold	No result yet

3.8 **Local Pls**
MP Letters

Letters received from MP's have been answered within 15 working days.

3.9 Compliments/Requests for Service/Complaints etc Related to Orbitas



4.0 SECTION 3 – OPERATIONAL HEADLINES

4.1 The Valley Project , Macclesfield Cemetery

Cllr Lesley Smetham, is leading on this project for Orbitas, and has had regular meetings with Assets. The last meeting was on 10th September, when it was agreed that Assets would look at the financial implications and report back.

4.2 Floral Tributes for WW1 Commemoration

July saw the completion of two floral tributes, located at Crewe and Macclesfield Cemeteries



4.3 WW1 Commemoration – Drumhead Ceremony



On Monday 4th August 2014 at 19:30, Orbitas Bereavement Services hosted a Drumhead Ceremony to commemorate the start of hostilities in 1914, Taking part in the Ceremony were the Royal British Legion, together with the Sea Cadets, Army Cadets and Air Cadets, representing the three armed services.

Historically, the drum was the method of communication used by the Army in the field. Its sound carried above the sound of battle, to direct and lift the spirit of the soldiers.

It was a small step to use the drums, 'piled up' to provide a makeshift altar for Church Services in the field and this subsequently became a formal tradition. In addition to field services, a Drumhead' will often be set

4.4 Cremation and Burial Conference and Exhibition

This conference is a well established and highly regarded event within the Bereavement industry, and is arranged by the Cremation Society of Great Britain; Federation of Burial and Cremation Association; and the Association of Private Crematoria and Cemeteries. It was therefore a privilege for Kevin to be invited to present a paper on "A New Approach to Bereavement Services" outlining the drivers for change and the associated benefits. The paper was extremely well received by delegates and generated a lot of interest, since the conference in July there have been 5 local authorities who have wanted to know more about Orbitas.

4.5 Refurbishment of Crewe Crematorium

A work package instruction has been sent to Assets to enable them to progress this project. It is

Anticipated that the work will commence in May with completion being end of September.

4.6 Hollywood visits Macclesfield cemetery

Thriller, The Messenger a new film, which features model Lily cole, and Hollywood star Joely Richardson recently used Macclesfield cemetery for scenes in this new film, due to be released Spring 2015.