

REPORT TO: New Delivery Vehicles and Environment Overview and Scrutiny Committee 05/02/14

Date of Meeting: 5 November 2014
Report of: Ralph Kemp Strategic Commissioning
Subject/Title: Quarter 3 Ansa and Orbitas reports
Portfolio Holder: Service Commissioning Portfolio – Councillor David Topping

1.0 Report Summary

1.1 The two reports are the third quarterly reports to commissioning and scrutiny for 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 third 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 continue to highlight three areas of pressure that ANSA has absorbed as part of the service delivery. These relate to savings associated with the garden waste shut down, the discount on green waste additional bins and a pressure associated with providing new / replacement bins which has increased this year beyond budget expectations.

5.4 We are investigating with Ansa the 30% rise in requests for new and replacement bins. To this end we are working with the web team, call centre and Ansa bin delivery staff to ensure bin replacements are done as a result of a genuine need as opposed to for example because they are old/dirty or if it is a regular request from the same property. Bins in the past were rolled out as part of large scale introduction programs and hence we have assessed the age of bins in use and the need for capital replacement on a request basis in

future years. Finally we are working to pass on costs for bin supply at new large scale property developments to developers, through a charge for bins to the developer as in the case in many local authorities. This will be subject to a future portfolio holder decision on 26th Jan 2015.

- 5.5 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

- 5.6 In this third quarter Orbitas is forecasting that it will deliver services within the management fee at an operating profit before tax of £55,000.
- 5.7 In the period 1st April to 30th Nov 2014 Orbitas has seen an increase in burials and cremations slightly above the three year average. This is against a slight decrease in the number of deaths registered compared with the previous year.
- 5.8 The rise in burials and cremations has resulted in the year to date figure for this element of Orbitas income being £42,000 ahead of the expected budget position. It has also improved the end of year forecast for income against the Bereavement Services budget. This is now projecting a reduced income which relates to the lower than expected death rate of £122,000 compared with the quarter two forecast of £179,000. This is against a net budget of £1.3m. It is anticipated in the final quarter this income gap can be closed further.
- 5.9 The company remains compliant with its other key performance indicators. As part of the contract requirements the commissioning team is currently working to fine tune the specification and KPI's as required by the contract in this first year.

6.0 Access to Information

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

Name: Ralph Kemp

Designation: Corporate Manager Commissioning - Waste and Environmental Services

Tel No: 01270 686683

Email: Ralph.kemp@cheshireeast.gov.uk

Ansa Environmental Services Ltd

Cheshire East Council – Scrutiny Update

THIRD QUARTER FEEDBACK REPORT

Quarter 3

October – December 2014

Ansa Environmental Services Ltd



PERIOD | October 2014 – December 2014

PROGRESS TO DATE

Successes and events

- Children from schools across Cheshire East attended a series of fun and interactive events during September and October where they found out more about the role of a 'Junior Recycling Officer' and were given the opportunity to take part in fun games to learn more about recycling.

Events were held in Crewe, Congleton and Macclesfield and the JROs are now working with our Waste Education Officer and their teachers to raise awareness of recycling within their schools in preparation for the Junior Recycling Officer of the Year event in March 2015.



- Ansa staff supported the planting of a million bulbs during this period at over 100 sites across Cheshire East including town centres, highway verges and major parks which could see flowers blooming from the end of February until early May dependent on the weather.
- A number of very successful school events have been held including –a Recycling Assemblies for a variety of primary schools in the borough reaching out to over 100 pupils. We also supported a Year 7 Recycling Challenge for 181 pupils at Malbank High, Nantwich

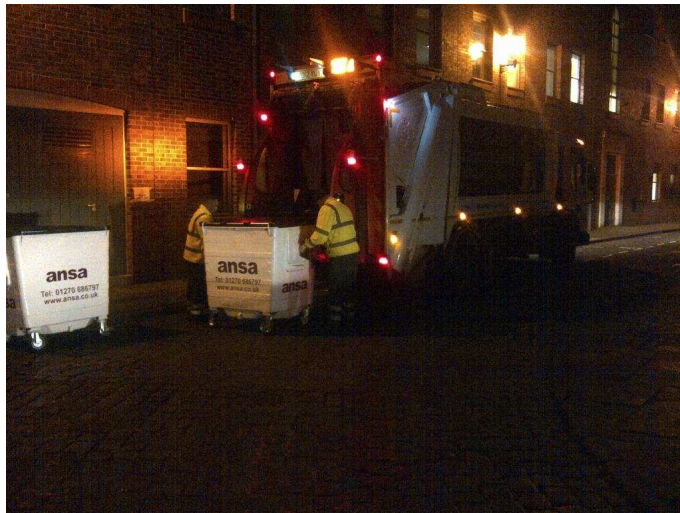
Communications

- Our Waste Reduction Volunteers have been busy this autumn. They attended the student survival day event at Reaseheath College to talk to students about 'Love Food Hate Waste'. The event was very busy and the WRVs engaged with students about using leftovers, storing food correctly, planning their shopping etc.
- The Waste Reduction Volunteers also attended a Health & Well being Fair at Nantwich Civic Hall last week organized by Crewe & Nantwich Senior Forum.

- Our communications team have been preparing the Christmas Waste Awareness Campaign which will be the reduction of food waste at Christmas as well as general Christmas recycling using the silver recycling bin that residents have at home. Key messages are, Reduce food waste this Christmas with Love Food Hate Waste , Use Silver recycling bin for additional Christmas waste such as wrapping and cards, Carry on Composting this Christmas- compost your festive fruit and winter vegetable peelings.

Commercial Activities

- November saw Ansa taking its first steps into the collection of waste from Cheshire East facilities. The launch of this commercial service, involved new routes being developed which we hope to build upon in the New Year. Ansa logoed commercial bins are now advertising our services across the borough.



- LGV training continues to be developed.
- A new opportunity has arisen which has seen us hire out our event trailer to third parties.

Staffing

- Ansa's own Apprenticeship Scheme was launched at the Apprentice Open Day event in November. Priority is being given to providing placements for young people in or leaving care and we are working with Children's Services at Cheshire East to promote the scheme.
- As part of our approach to health and wellbeing we offered all our employees the chance to get a flu vaccination free of charge.
- A number of our managers took part in the Movember campaign by starting off clean shaven on 1st November and then growing moustaches for the full month. Other staff also played their part by contributing to the collection.

PERFORMANCE

Contract Based Key Performance Indicators (KPIs)

- 1. Increase customer satisfaction** – to be reported annually.
- 2. Maintain waste prevention volunteers** – Based on initiative established within CWAC and CEC shared service.

Target - 25

Current Number of Volunteers - 28

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.** (Qtr 2 position, Qtr 3 data will be available in Qtr4)

Target – 977t

Mid-Year position – 587t

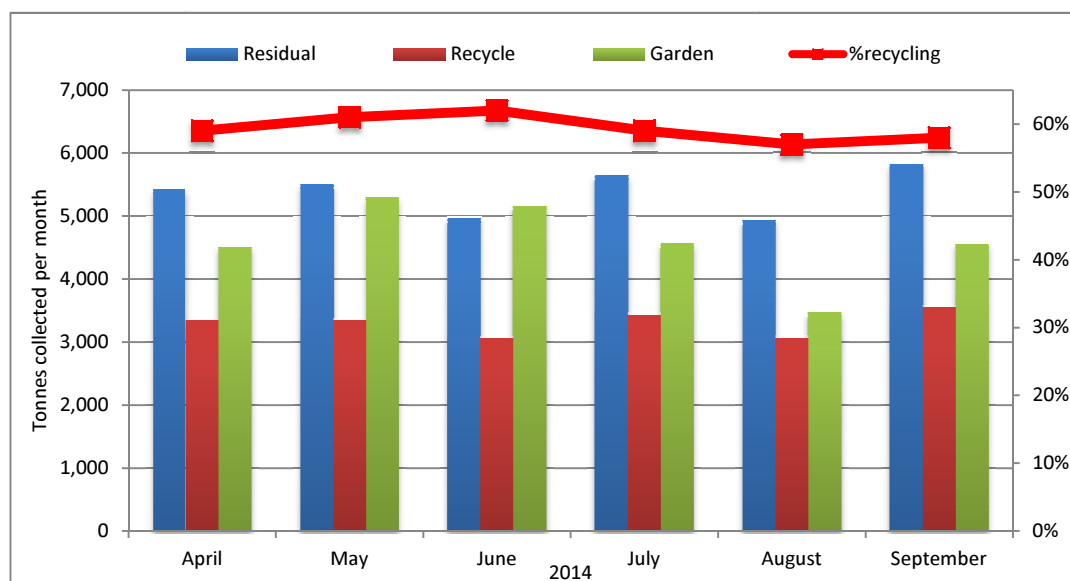
Status - GREEN

- 4. Continue to exceed national recycling target (50%) and current performance levels (2013/14) of 54%.** (Qtr 2 position, Qtr 3 data will be available in Qtr4)

Target – >54%

Mid-Year position – 58.6%

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.

(Qtr 2 position, Qtr 3 data will be available in Qtr4)

Target – <57%

Mid-Year position – 24.8% (part year result)

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 - Bollington Recreation Ground, The Moor, Knutsford and Congleton Park.)

Target – >4

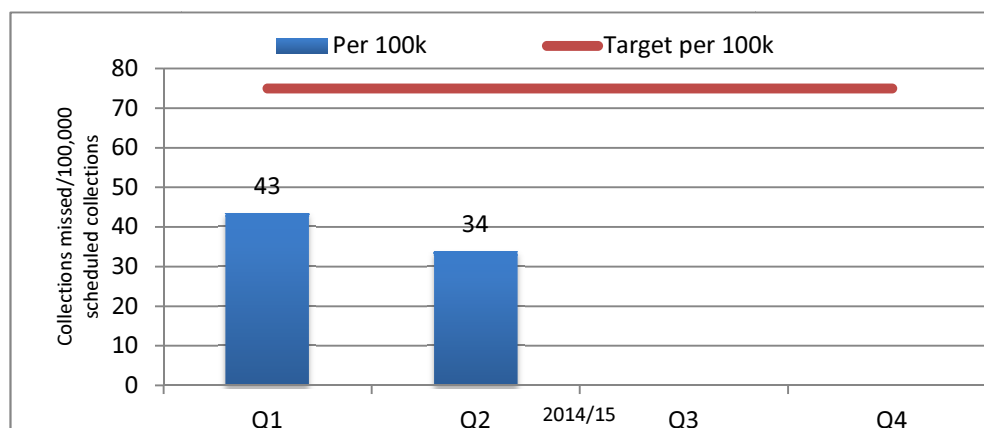
Mid-Year position – 4 currently secured.

Status – GREEN

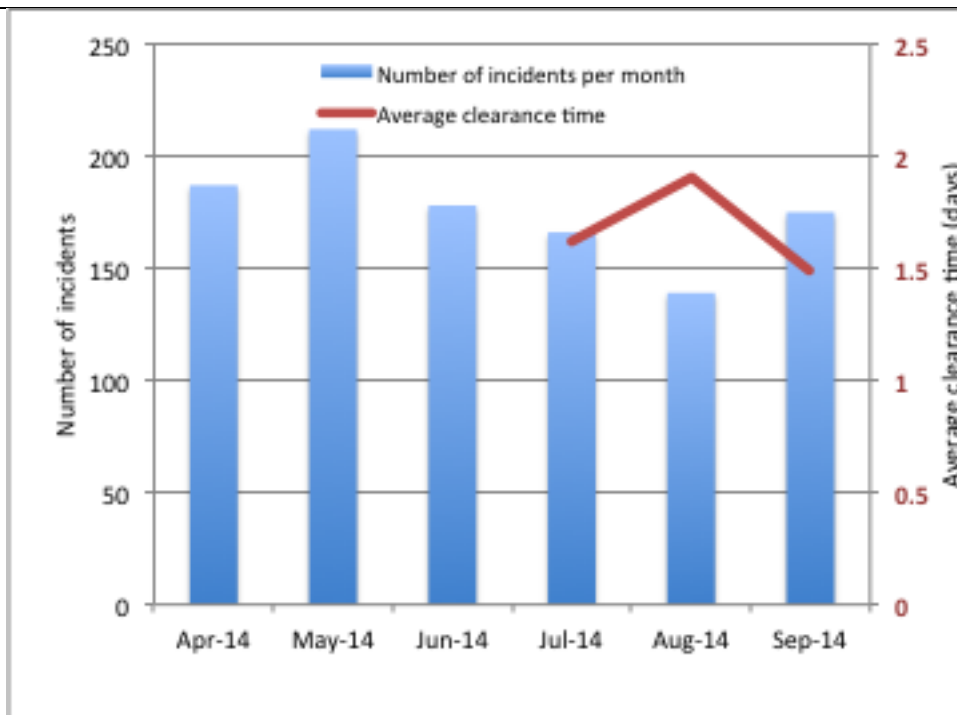
Operational Performance Indicators

- 6. 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%.(Qtr 2 position, Qtr 3 data will be available in Qtr4)

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



- 7. Flytipping performance** – in Q2 a total of 480 fly tipping incidents were reported compared to 577 in Q1. Ansa continue to carry out Waste Awareness/Prevention activities. (Qtr 2 position, Qtr 3 data will be available in Qtr4)



- **Waste Strategy** – Ansa has actively supported and contributed to the development of the Council's Waste Strategy.

FINANCES

- The Ansa Ltd Management Fee for 2014/15 is £25.5m (amended to reflect transfer of HWRC Contract costs back to CEC) and is **net of annual policy savings of £1.3m**, covering efficiency, contract and new company savings which based on the latest forecast are reported as delivered.
- Based on information to November, Ansa is on track to deliver the identified savings of £1.3m along with a further surplus once the absorbed costs associated with are resolved:
- Green Waste suspension
- Ansa incurring the cost of Green Waste
 - providing new and replacement bins

Cheshire East Council – Scrutiny Update

THIRD QUARTER FEEDBACK REPORT

Quarter 3

October – December 2014

1.0 INTRODUCTION

- 1.1 Orbitas is committed to continuous improvement and excellence in all that it influences and delivers. This report gives summary and detailed information on how we are performing financially and against the contract based Key Performance Indicators, KPIs); with other operational matters during the first three quarters of 2014/15.
- 1.2 Section 1 of this report provides details of the company's financial performance for mid year.
- 1.3 Section 2 provides a summary of the key non financial performance update.
- 1.4 Section 3 looks at the operational side of the business, during the first nine months since Orbitas was formed.

2.0 SECTION 1 – FINANCIAL INFORMATION

The table below shows the combined summary financial position for Orbitas, Bereavement Services Limited (OBSL) including the Electrician Service, for the 8 month period ended November 2014 and also the year end forecast:

	Qtr3 2014-15 £'000	Forecast 2014-15 £'000
Income	(877)	(1,244)
Gross Profit	(483)	(519)
Operating Profit before Tax	(250)	(55)

As reported above this shows a forecast operating profit of £55k for the year.

Income

Bereavement Income

The Income relative to the Service Contract is held and reported in Cheshire East Council's accounts. The Contractor Generated Income - Target Income relative to the Service Contract (CEC Accounts) is as follows:

	Budget 14-15 (£'000)	YTD Nov14 Target (£'000)	YTD Nov14 Actual (£'000)	YTD Nov14 Var (£'000)	Forecast 14-15 (£'000)
Contractor Generated Income	(2,405)	(1,444)	(1,486)	(42)	(2,283)

At the end of November, performance against profiled budget is showing a favourable variance of £42,000. Overall the number of cremations to date is slightly above the same period last year however Burials/Rights of Burial are slightly down.

3.0 SECTION 2 – Key Performance Indicators (KPIs)

3.1 Maintain three year average level of cremations carried out

Target – 2690

Average (April – November) – 1709

Actual (April – November) - 1740

Status – GREEN

3.2 Maintain three year average level of interments carried out

Target – 356

Average (April – November) – 242

Actual (April – November) – 225

Status – AMBER

3.3 Ministry of Justices Fines

Target – 1 or less

Actual – Nil

Status – GREEN

3.4 Number of exhumations due to erroneous burial

Target – 3 or less

Actual – Nil

Status – GREEN

3.5 Number of Local Government Ombudsman complaints upheld 2 or less

Target – 2 or less

Actual – Nil

Status – GREEN

3.6 ICCM Charter for the Bereaved Achievement

Target – Silver or Gold

Actual – Gold

Status – GREEN

3.7 Attain Green Flag Award at Sandbach cemetery (2014 only)

Target – Green Flag at Sandbach Cemetery

Actual – Green Flag status achieved with an 80+ score

Status – **GREEN**

- 3.8 In relation to KPIs 1 and 2 it should be noted that there were a total number of 1965 burials and cremations undertaken during the period 1st April to 30th November. This compares with the three year average during the same period of 1951, an increase this year of 14.
- 3.9 The above paragraph should be looked at in respect of the number of deaths registered within Cheshire East during 1st April to 31st October 2014 and the same period during 2013 ie 1953 and 2015 respectively, a decrease of 62.
- 3.10 The above KPIs were set by Cheshire East, however Orbitas believes that it should be demonstrating further its competitiveness, efficiency and cost effectiveness. Orbitas is therefore participating in the APSE Performance Network to allow us to compare performance of our services on cost, quality, environmental and productivity and outcomes with the performance of other Local Authority Bereavement Services throughout the UK. This information will not only be used for internal performance reporting, target setting, informing priorities and budgeting but also to highlight areas of improvement over time. Within Orbitas we strongly believe that any effective business change needs to be underpinned by data intelligence, to establish a starting point and identify future targets. By being part of the performance network we expect to be able to identify more readily achievable cost savings along with innovative approaches to service delivery as well as identifying value for many for all of our stakeholders.

4.0 OPERATIONAL MATTERS

4.1 Absence Monitoring

HR Report on Sickness Absence – Quarter 3: 2014/15

Overall sickness is lower this quarter in comparison to last year.

4.2 Events

- 4.2.1 APSE Performance Seminar – This was held at Blackpool and was about how better to understand performance to help make critical decisions. The plenary session was followed by Workshops, one of which was the Cemetery and Crematorium workshop, which raised a lot of issues on the bench marking scheme, to which Orbitas is now committed.
- 4.2.2 Tree of Light – The annual Tree of Light Festivals were once again a huge success, with over two thousand people attending, at Sandbach, Crewe and Macclesfield. The feedback from the people who were there, was that it was the “best yet”. A tribute to the hardwork that the staff put in to make these events happen.
- 4.2.3 Remembrance Walk (Macclesfield Cemetery) – Once again Fiona Ware’s annual walk of the war graves in Macclesfield cemetery was fully attended, and her detailed knowledge of the graves in the cemetery was extremely appreciated by everyone present.

4.3 Projects

- 4.3.1 The Valley Project (Macclesfield) - Following recent meetings, where the Client, and Assets were in attendance, it has been agreed that the Valley will be transformed into a Bog Garden, with a stream running through it. The dam will be restored, although the bridge will not be rebuilt. The Client has advised that a bid will be made to WREN for a grant to enable paths to be built and also benches.

- 4.3.2 Refurbishment of Crewe Crematorium – A planning application has now been submitted, once approval has been given, (there does not appear to be any contentious issues), tender documents will be sent out. The target start date is May with a finish date of September. During this period the Crematorium will be operating a three day week to allow long week end working. An analysis of the number of cremations undertaken during this period shows that we will still not be at full capacity+.
- 4.3.3 4.7.4 Alderley Edge Memorial Garden – Work has been carried out by Orbitas staff and the Probation Services to cut back an area, previously unused, at Alderley Edge cemetery to enable an memorial garden to be established. The initial plan is to divide the garden so that one third is dedicated to children with the other two thirds being for adults. Whilst the renovation work was being carried out asbestos was found in the area, this has subsequently been removed.
- 5.0 Improvement to Services**
- 5.1 Orbitas Local Funeral Service – A draft of the tender documents including specification has been given to (Ansa) procurement for them to draw up a Local Funeral Service Tender. It is anticipated that this will be advertised early in the New Year
- 5.2 Certification of Funeral Directors – a non-compulsory scheme which, if Funeral Directors meet the criteria, can be a part of. It will mean that when staff are asked to recommend a Funeral Director they will be given a preferred list, all of whom will be members of the Certification Scheme.
- 5.3 Licensing Scheme for Monumental Masons – This is a revision of the existing scheme, all monumental masons wishing to work in the Council's cemeteries must have a Licence to Operate, which means that they agree to conform to the criteria set out in the scheme