

# **REPORT TO: Environment Overview and Scrutiny Committee**

---

**Date of Meeting:** 28<sup>th</sup> January 2016  
**Report of:** Ralph Kemp Strategic Commissioning  
**Subject/Title:** Quarter 2 Ansa and Orbitas reports  
**Portfolio Holder:** Service Commissioning Portfolio – Cllr. Sam Gardner

---

## **1.0 Report Summary**

- 1.1 The two reports are the second 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. They operate through an agreed management fee paid monthly under a contract with the Council for service delivery.

### **Ansa Environmental Services**

- 5.2 Ansa continue to successfully meet their performance targets across all their areas of work – from hitting recycling targets, to meeting thousands of residents through the waste volunteer programme to maintaining the number of green flag sites.
- 5.3 The construction of the Environmental Hub has led to a re-profiling of the savings associated with the re-letting of the waste disposal contract that was to be delivered in 2015/16 through the existing Crewe Depot. The re-profiling of savings has been fully mitigated by improvements on the household waste recycling centre contract, including reducing the bonus element. Overall, Environmental Operations (including Bereavement) projected a potential budget pressure of £0.2m against a net budget of £27.4m, which is a relatively small variance.
- 5.4 Approximately £0.1m of the potential pressure relates to a forecast shortfall in Markets income. This continues the trend of a gradual decline in income over the last few years, specifically in Macclesfield, where low rents of vacant shops and a major trader leaving

have contributed to the shortfall. Negotiations over the projected transfer of Crewe Markets to Crewe Town Council are continuing.

### **Orbitas**

- 5.5 Although complaint with other kpis Orbitas is reporting amber on its market share KPI down 7.86% which they attribute to Core Bereavement income due to the ongoing refurbishment works at Crewe Crematorium.
- 5.6 Bereavement Services projected a potential budget pressure of £0.1m based on the mid-year income forecast against a net income budget of £1.3m. This relates to a realignment of the original proposed income growth over a period of five years to gradually build market share. The core bereavement income budget, including first year growth is forecast to be achieved.

### **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](mailto:Ralph.kemp@cheshireeast.gov.uk)

**Ansa Environmental Services Ltd**

**Cheshire East Council – Scrutiny Update**

**SECOND QUARTER FEEDBACK REPORT**

**July – September 2015**

**Ansa Environmental  
Services Ltd**

# **Quarter 2 Report July – September 2015 Corporate scrutiny**





## CONTENTS

### Introduction

### Key Achievements this quarter

#### Awards

#### Activities and Events

### Business Development

### Risk Management

### Assurance

### Safety, Health, Environment and Quality

### Performance

#### Contractual and Operational KPI's

#### Financial

#### People

## Introduction

The main focus this quarter has centred on our exit from Pym's Lane depot, the planning and design for Environmental Hub, and associated works.

The Environmental Operations teams across the company have continued to deliver high quality services, with our Parks and Grounds team being recognised for their high standard of work with First Prize for the professional category of Best Stand at The Nantwich Show.

## 🍀 Key Achievements this quarter:

### 🍀 Awards

#### **Nantwich show – First Prize for professional class Best Stand**



In July, members of Ansa's Parks & Grounds teams supported Cheshire East Communications Team in developing and delivering their stand at The Nantwich Show held at Dorfold Park Nantwich in July. Activities included building a temporary path/hardstanding area, flagpoles were installed and erected, the grass was hand mown, benches/entrance posts/planters/ baskets were sited and planted up. All their hard work was recognised with the First Prize for Best Stand in the professional class category.

Ansa's Business Development team also attended the Nantwich Show with their interactive fair-ground themed stand. The stand was a great success with over 180 visitors playing the recycling dance mat challenge. Other recycling- themed games included Humus Hoopla, Recycling Coconut Shy and Love Food Hate Waste Play Your Cards Right

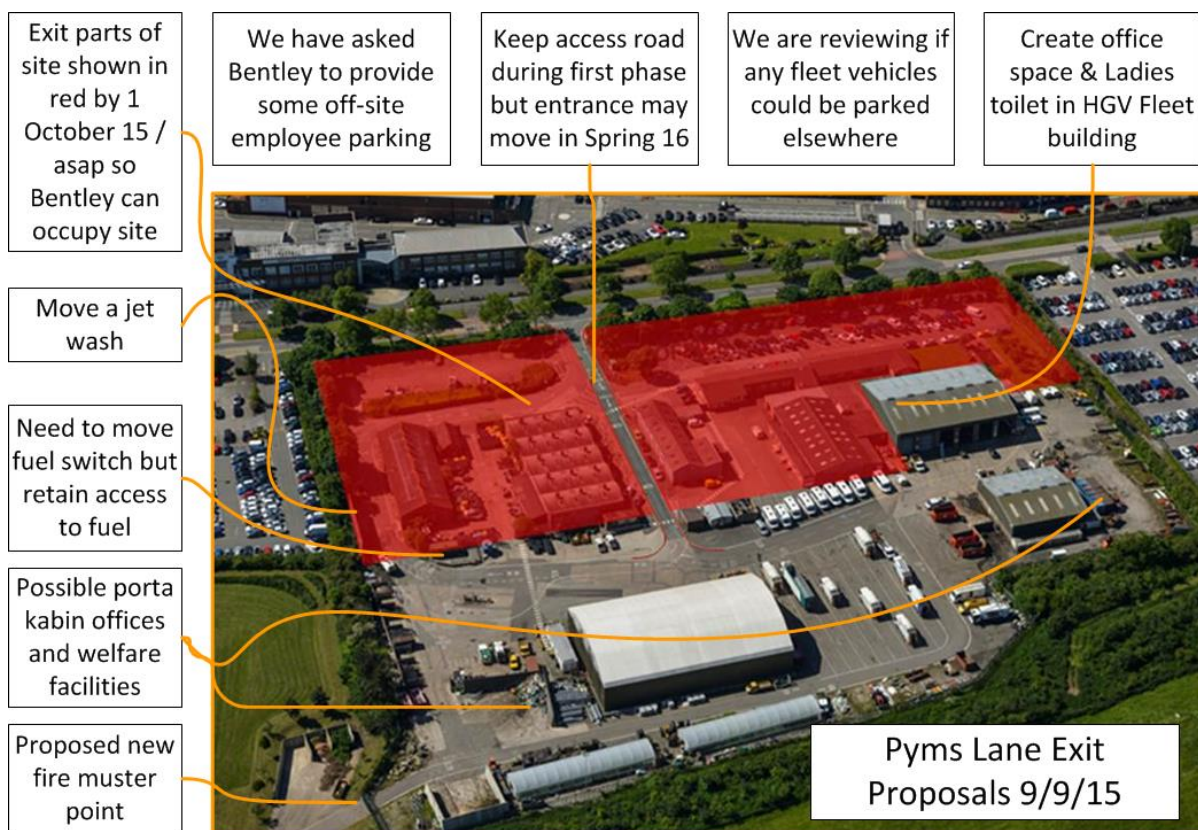




## Activities and Events

### Vacation of Pyms Lane

A significant amount of time and energy has been devoted this quarter to ensuring the efficient vacation of the Pyms Lane site ready for Bentley to take possession of the front half of the site from 1 December 2015. A second phase is likely to be agreed for Spring 2016. The third and final phase of the exit plan is due to take place by the end of Summer 2016. The photo below gives an idea of the scale of changes needed at the Pyms Lane site to accommodate the phase 1 site handover to Bentley. Some employees have been asked to relocate to other sites from October to ensure that we can focus on carrying out enabling works at Pyms Lane following their exit.



### Preparing alternative spaces at Queens Park, West Park, Commercial Road and Pyms Lane

To facilitate the move of office staff due to be displaced from Pyms Lane in October, employees at our sites at Queens Park, West Park and Commercial Road have all been asked to make room for additional employees. This has involved a major clear out of documents as described further below as well as movement of stored tools and equipment to make room for additional desks. Where necessary, the walls of rooms converted from storage into offices have also been given a quick coat of paint. A number of employees have been diverted from frontline operations to support the relocation as part of trying to keep overall costs down of the interim arrangements.

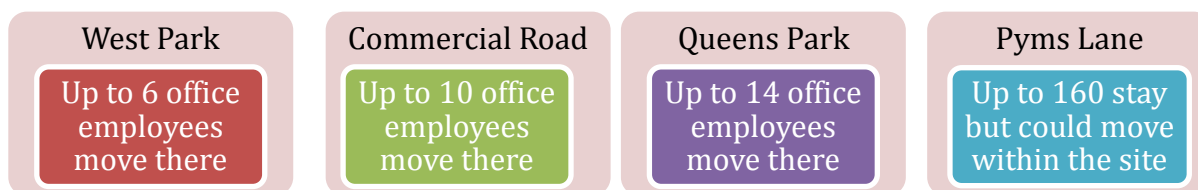
In addition, we have had to make new arrangement for ICT connections at a number of our sites and that work is still on-going. In a few cases we have also needed to put in additional electrical sockets. A temporary changing area has been prepared in the Fleet Stores area pending the arrival of porta kabins on site.



## Depot Development Stakeholder Group

The latest meeting of our Depot Development Stakeholder Group took place in August. The meeting prompted some lively debate and generated a number of useful ideas and suggestions of how the Company can make a success of its move to the new depot in Middlewich. The discussion also focussed on ways in which we can support our employees in making the move with ideas of what we can include in our Travel Plan and how best to get the involvement of the wider workforce. As a result of suggestions, arrangements were put in place for two smaller groups to meet so that issues specific to their Business areas could be considered and reported back to future meetings.

All employees were consulted about the interim moves and issued with letters as appropriate:



One of the two meetings was held with Fleet employees to discuss how best to mitigate the impact of changing their current canteen area into office space for other employees. We propose to make some temporary changes within the HGV workshop building to fit in a Ladies toilet and extra desks. This will allow the Business Support team to remain on site together with Fleet. There will also be some hot desks to support managers and other office employees who may not need to be at Pyms Lane every day but whom still need to maintain contact and be available on site part of the week. This is expected to be for about 6 months after which we hope that the new offices will be ready in Middlewich.

We also propose to hire in some porta kabins to provide welfare facilities, meeting rooms and a frontline supervisor's office space. This will include a kitchen facility with a seating area, showers, toilets and a changing area. Employees would potentially need to park off site and we have asked Bentley to provide some car parking spaces which they have agreed. Some of the Fleet parking arrangements may also need to change however we are hopeful we should have sufficient space within the site for Fleet vehicles. These arrangements could last for about 12 months after which the new site should be available.

### Confidential shredding, filing and project

In order to get ready for the move, Support launched a Scanning Project documents are being sorted into a) existing paper record, b) keep electronically, c) scan / archive or d) the right is a photo showing the sheer documents collected over a fortnight confidential shredding.



### scanning

Business and keep

shred. To volume of ready for

Employees are being encouraged to minimise printing, to make more use of electronic filing and to scan documents rather than maintaining paper files. This should help minimise printing, waste and future storage requirements at our new depot, reducing our carbon footprint and helping to make our processes more streamlined and efficient.

### **Emptying of external site areas and buildings 2, 3, 8a, 8b, 9 and 10**

As part of preparing for the vacation of Pym's Lane, we have undertaken an exercise to identify a) what should be kept at Pym's until we are ready to move, b) what can be relocated now, c) what should be scrapped / sold, d) what should be disposed of and e) what needs to be replaced.

A couple of before (left) and after (right) photos of our main route into Pym's depot are shown :



Ansa has

redistributed essential items amongst our other depots and sold some items for scrap. We have been actively engaging with our employees throughout this period, gaining their ideas on the best way to move forward.



The photo to the left shows a meeting to discuss the temporary relocation of our Resistant Materials Workshop to West Park pending the move to Middlewich. In the same meeting we also discussed future design options for the new Hub site.

Where appropriate, following liaison with Councillors and community groups, some items including stone and flags have been designated to support community projects like Ford Lane allotments. In addition to this, we have also sought to track down the ownership of items that had been left on Pym's Lane for a number of years that were unrelated to Ansa's operation. This led for example to the re-purposing of a container previously used by the Community Rangers. These activities together should allow us to vacate Pym's Lane on a phased basis without undermining our operation and ensure that we make most effective use of space both during the interim period and after our move to Middlewich.

### **End of life equipment**

During this process, we have further developed an assessment of which assets are nearing end of life and will therefore need to be replaced in advance or following the move to our new depot. Some items in the vehicle workshops for example are between 20 and 25 years old and will need replacing imminently. This project gives us the opportunity to review those items and formulate a rolling replacement programme.

We are working closely with Wates, the main Contractor for the new site, and other suppliers to identify what remaining items would be suitable for re-use at our new Environmental Hub site.

### **New Environmental Hub site**

In addition to progressing with the vacation of Pym's Lane on a phased basis, we have continued to work closely with CEC and Wates to support the Planning process, finalise designs and develop target costs.

### **Activities and Events**



### **Update on “Step Up”**

In our last quarterly report, we proudly announced the launch of Step Up – our programme for Team Leaders which is designed to identify and develop staff with the potential to fill key leadership positions within the Company. We are pleased to confirm that two of our first keen participants have already begun their initial two week placements which will be assessed by incumbent Team Leaders, before they embark on a number of mandatory training events designed to provide them with key leadership skills. We have also developed the programme so that each of our volunteer participants is aware of when they will embark on Step Up.

## Activities and Events

### Community Engagement and Events

#### Year 7 Recycling Challenge

Secondary schools in Cheshire East are invited to take on the Love Food Hate Waste Challenge to show what they know later in the year. Five schools have signed up for the Upcycling Challenge, which gives them a set of items including an old bicycle to improve or 'upcycle' in an interesting way. Jon Hutchinson from Groundwork Cheshire is leading this project for Ansa. The challenge leads on from the Junior Recycling Officers scheme in primary schools.

#### Primary Pupils Enjoy Action-Packed Activities at

Children from local primary schools enjoyed an week of fun activities at South Cheshire College 10th July. Primary College 2015 gave over 1,000 children the opportunity to try new and exciting ranging from calligraphy and cheerleading to dance.

Primary College brought together youngsters and Nantwich primary schools, to give them a Cheshire College at a young age. It aimed to give youngsters a variety of learning experiences, many of which aren't normally available to them, and gave children from a variety of schools and backgrounds the opportunity to play together and have fun.



#### College

action-packed from 6th – primary school activities drama and

from 30 Crewe taste of South



Volunteers and Ansa staff facilitated a food preparation session and a composting session for the children as well as recycling and Love Food Hate Waste games.

## Activities and Events

### Waste Reduction Volunteer (WRV) project

---



There are currently 28 active Cheshire East-based who promote home composting and food waste reduction across Cheshire East.

From July 2015 until the end of September 2015 the volunteers have:

- Attended 26 community events.
- Engaged with 1,797 residents, which averages as having 69 worthwhile conversations about waste reduction per event.
- Given 133.5 volunteering hours to the project

### **Highlights from the quarter**

- Ansa's Waste Reduction Volunteers had a unique opportunity to work in partnership with CVS Cheshire East at the RHS Tatton Flower Show. Their garden, in conjunction with 'Knutsford GROW' inspired volunteering as well as helping to promote the local Voluntary & Community Sector in the 'Blooming Beds' section of the Show.



### **Street cleansing community support**

Community litter picking groups have been supported by Ansa's Street cleansing teams. Ansa's street cleansing teams have:

- Attended meetings of five different community litter picking groups to offer advice and input into the group's future plans.
- Collected sacks of litter from 15 litter picking groups following their activities. This included litter collected by a Brownie group in Middlewich.
- Supplied equipment to support community activities on six occasions.
- Supported two 'In Bloom' villages with additional clean-ups before judging day.

### **Highlights from the quarter**

- Ansa was able to offer some support to the families affected by the Bosley Fire by providing them with hard hats. This enabled the families to return to their properties to collect personal items.
- Ansa supported the Nantwich Food and Drink Festival by providing bins, litter picking equipment and bag. The litter collected throughout the weekend was then collected.

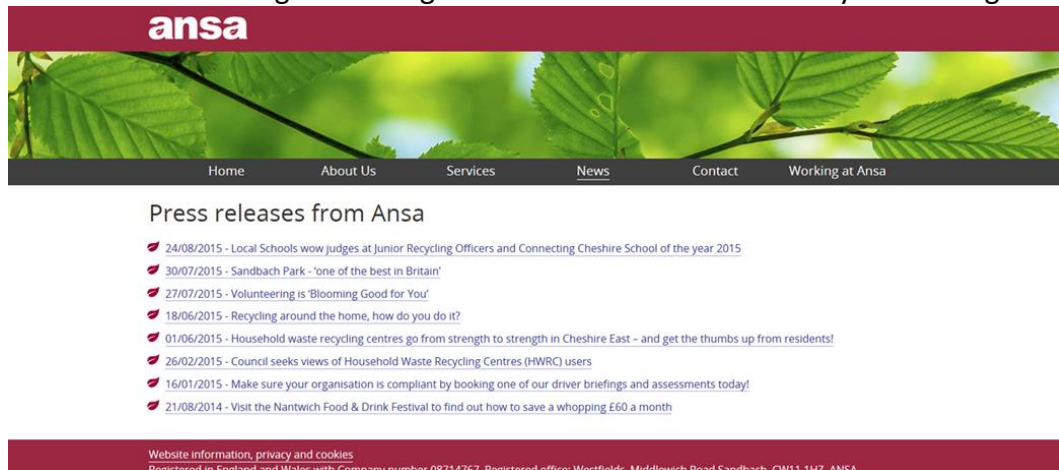
## Business Development

### The Ansa website

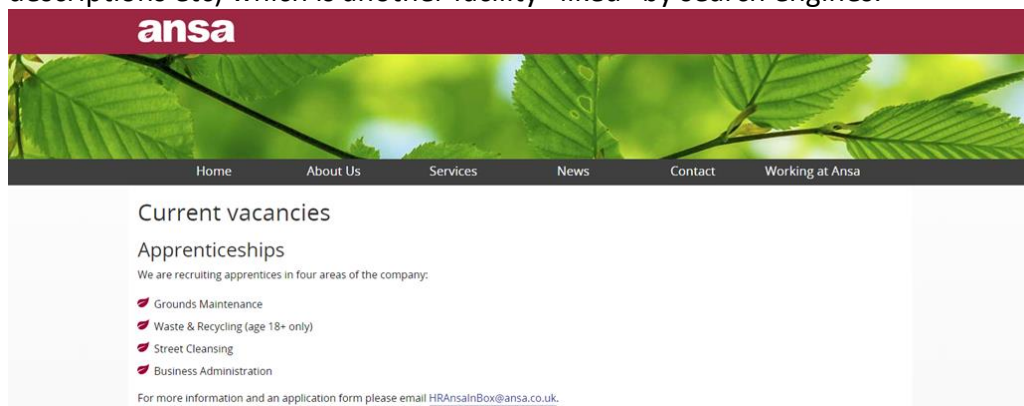
A solid start has been made to making the website [www.ansa.co.uk](http://www.ansa.co.uk) more than an online brochure and more a business tool.

New pages have been created to add more functionality and to drive site visitor engagement:

**News section** – New pages for “news” were created. Now all news releases (Ansa generated and relevant Cheshire East) are posted to the site as soon as they have been approved. This keeps the website fresh and also has the advantage of adding new content which is “liked” by search engines when they index the site.



**Recruitment** – A new “Working for Ansa” section has been created and job vacancies have been advertised there. This acts a resource for HR and also adds new content and creates internal weblinks (links to job descriptions etc) which is another facility “liked” by search engines.



## Technical Officer (Macclesfield)

We are currently recruiting for a Technical Officer role, initially based in Macclesfield.

The role of Technical Officer is required to provide support to frontline service delivery through the development, management and maintenance of routing and scheduling data sets. The successful applicant will assist both the Waste and Street Cleansing services to ensure efficient service delivery through use of dynamic routing tools and analysis of data such as yields, property counts, and productivity, in order to manage scheduling/routing data through each phase of the information lifecycle ensuring data quality and data coverage.

Subject to Planning Permission, Ansa is expected to relocate to Middlewich in the near future. Until then, the post holder will be based at Macclesfield but must be able to work anywhere in the Cheshire East Borough.

Deadline for applications **Monday 28th September 2015 at 5pm.**

✓ [Technical Officer job description \(PDF, 33KB\)](#)

✓ [Technical Officer person specification \(PDF, 9KB\)](#)

✓ [Technical Officer job advert \(PDF, 157KB\)](#)

To apply, please email your request for an application form to [jobseast@cheshireeast.gov.uk](mailto:jobseast@cheshireeast.gov.uk) or call 01244 972244.

Website information, privacy and cookies

Registered in England and Wales with Company number 08714767, Registered office: Westfields, Middlewich Road, Sandbach, CW11 1HZ. ANSA Environmental Services Limited is a company owned and controlled by Cheshire East Borough Council.

## Risk Management

This quarter a number of workshops for both staff and Board members have been delivered. Managing risk remains high on our agenda particularly during this transition time whilst different operational and personnel arrangements have been put in place to facilitate the exit from Pym's Lane.

The Leadership team have reviewed the risks as outlined below.

PEOPLE	L	O	I	PROCESSES	L	O	I
Industrial unrest – low productivity, poor morale	2	4	8	IT Failure	3	3	9
Inability to recruit and retain (skills and key posts)	2	3	6	Inadequate Data Management Systems	3	3	9
Increased absenteeism (impact of move to Middlewich; ageing population)	2	3	6	Loss of Opportunity (caused by need for CEC Client approval; Legal/ Assets)	3	3	9
				Major breach of SHEQ practices	2	3	6
				Inability to move away from Support Services (slow reaction, costly, ANSA not top priority)	3	2	6
CUSTOMER	L	O	I	FINANCE	L	O	I
Risk of litigation (claim culture eg. accident in park)	2	3	6	Inadequate systems	3	3	9
Failure to meet political aspirations	3	3	9	Inability to respond quickly to changes e.g. economic climate, price of fuel, UPM global change in ability to deal with waste	4	3	12
Culture of risk aversion leading to desire to over-control	3	3	9	Inability to fully anticipate and respond to expectations and changes by CEBC (Management Fee)	3	3	9
				Failure to attract new income streams	3	4	12
				Liability for any future pension deficits	4	4	16

High Level risk matrix – Reviewed September 2015



## Assurance

Ansa Environmental Services has produced its first set of Financial Statements, covering the trading period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2015.

The Company auditors, Grant Thornton, have been working through the summer reviewing the accounts and indications are they will be approved unqualified. This is an excellent outcome in our first year of trading and a reflection of the robust governance arrangements established when the company was created.

Within the company, a great deal of work has taken place reviewing policies and procedures, including the Scheme of Delegation, Health, Safety Environment and Quality (SHEQ), recruitment and retention, employee conduct and more. Work will continue over the remaining period to continue this work and further strengthen the company's governance arrangements.

Over the second half of the year, preparations will be made with our external auditors to develop our audit plan for the closure of 2015/16.

### **List of HR Policies**

Access to Personnel Records Policy	Resignation Policy
Adoption Pay and Leave Policy	Relocation & Excess Travel Policy
Agency Workers Policy	Safer Recruitment Policy
Attendance Management Policy	Secondment Policy
Breastfeeding Policy	Sickness Scheme and Entitlements
Capability Policy	Social Networking Policy
Dignity at Work Policy	Staff Conduct at Work
Dismissal Policy	Travel and Expenses Policy
Domestic Abuse Policy	Volunteering Policy
Drug Alcohol and other Substance Misuse Policy	Worklife Balance Policy
Employing People with a Criminal Record Policy	Whistleblowing Policy
Employment of Young People and Work Experience Policy	
Equality in Employment Policy	
Flexible and Mobile Working Policy	
Grievance Policy	
Gender Reassignment Policy	
Grading Policy	
Induction Policy	
Learning and Development Policy	
Leave and Time Off Policy	
Maternity Policy	
Parental Leave Policy	
Paternity Leave Policy	
Pay and Allowances Policy	
Pay Protection Policy	
Pension Discretion Policy	
Recruitment Policy	
Redundancy Policy	

## **List of HR Procedures**

Access to Personnel Records  
Adoption Pay and Leave Procedure  
Attendance Management Procedure  
Breastfeeding Procedure  
Buy Out of Hours Procedure  
Capability Procedure  
Dignity at Work Procedure  
Disciplinary Procedure  
Dismissal Procedure  
Domestic Abuse Procedure  
Gender Reassignment Procedure  
Grading Procedure  
Grievance Procedure  
Time Off for Jury Service Procedure  
Leavers Procedure

Maternity Procedure  
Overseas Visits Procedure  
Parental Leave Procedure  
Paternity Pay and Leave Procedure  
Recruitment Procedure  
Redeployment Procedure  
Redundancy Procedure  
Relocation and Excess Travel Procedure  
Restructuring Procedure  
Safer Recruitment Procedure  
Secondment Procedure  
Shared Parental Leave Procedure  
The Right to Request Flexible Working  
Volunteering Procedure

## Safety, Health Environment & Quality



We were delighted in July when two of our employees successfully completed the NEBOSH National General Certificate in Occupational Health and Safety

In addition to being the only females attending this externally provided training, our employees were also the only two to achieve an end of course Distinction! We are of course, very proud of their achievement and are already putting their new skills into practice both in helping with the safe withdrawal from our Pym's Lane site and in developing further health and safety training for our workforce.



Eight of our Senior Managers, including our Managing Director, attended a one-day IOSH Directing Safely Course during this Quarter. The course, for people with strategic responsibility for determining and implementing effective health and safety management within an organisation forms part of the Company's strategic approach to this subject.

## Corporate Social Responsibility

Ansa has continued to proactively seek ways to demonstrate the value it places in giving back to the local community

### **Ansa support for National Citizenship Scheme community event 24/8/15 helping to raise over £260 for *Ambitious for Autism*.**

Ansa employees rallied around 14 National Citizenship Scheme (NCS) participants, aged 15-17, and their 2 leaders, when their original community fundraising venue fell through at short notice, providing them with the perfect location for their event by giving them space at Queens Park. In order to make it happen, between Friday 5pm and Monday 4pm, Ansa employees volunteered some of their own time to help make the arrangements. The *Pickle Jar* (Queens Park Café) franchise holder kindly allowed the teenagers to base themselves close to the main Pavilion in case of adverse weather and to attract more visitors. Ansa staff worked hard to negotiate free use of a Bouncy Castle with the franchise holder, *Rubber Legs*, while ensuring stringent safety standards were met across 3 locations around the park.

The young people had been given £20 and less than a week to plan and hold a charity event and obtain raffle prizes in aid of *Ambitious for Autism*. They were thrilled to raise over £260 from a cake sale, raffle and bouncy castle event held at Queens Park. The charity had been selected as one of the participants has an autistic brother and she encouraged other families with disabilities to come along and support the event. It was lovely to note a mother with her child who normally used a wheelchair bouncing her child gently on the bouncy castle. The visitors seemed to have a great time and the young people commented that they had learned a lot from hosting the event and that it had helped them develop their team building skills. They went on to raise further funds the next day with a 10 mile walk from Crewe to Nantwich and back.



### **Macmillan coffee morning event raising £500.**

Ansa Business Support worked hard to create a coffee morning event at Lane site and secured a raffle prizes from the workforce. One even came in on her day daughter to help on the We successfully raised



employees Macmillan the Pym's number of wider employee off with her cake stall. £500.

### **First Seetec recruit joins**

Within the last quarter, we have welcomed into Parks & Grounds, our first person on a Community Work Placement. In conjunction with Seetec, Ansa is providing an extended period of work experience including the ability for an individual who has been long-term unemployed, to demonstrate that they can operate effectively back in the workplace and the opportunity to gain a positive work reference.

**Ansa**

Jonathon Lee joined the Ansa Parks & Grounds team in September 2015 as part of this scheme. The placement is for 30 hours per week, excluding breaks, for 26 weeks. In addition to the time on placement, the Jonathon will attend a Seetec centre for a minimum of 4 hours job support per week

Jonathon says “I’ve always had an interest in gardening but the opportunity to gain the necessary skills to develop a career in it has never been available to me. I’m pleased that Ansa have given me this opportunity.

Jonathon (right on the picture below) has been working with Stephen Hobson (Grounds Operative), stripping beds in preparation for the Winter bedding, which will be planted up in the next few weeks.



### **Other CSR activities**

This quarter we have also accommodated a request for a short-term period of work experience to a young person who is leaving care.

Finally, we are pleased to report that we now have five Modern Apprentices working for the Company in Fleet, Business Support and Parks & Grounds. We continue to advertise our apprenticeships as widely as possible and have achieved some success through the erection of our Apprenticeship Banner just outside the Pym's Lane Depot.

## 🍷 Company Performance

- 🍷 **Contractual and Operational Performance** -reported at two levels – contract based key performance indicators (KPI's) and operational performance indicators (OPI's).

### Contract Based Key performance Indicators (KPI's)

#### **1. Maintain CE residents customer satisfaction levels within the waste collection service at or above 75% (Baseline – 75% satisfaction – Spring 2014).**

Cheshire East will carryout their satisfaction survey in the spring. Results will be available in the summer.

#### **2. To maintain and enhance the number of volunteers in – waste prevention, parks friends' schemes and clean teams (baseline 25 in 2013-14).**

**Target- 25**

**Current Number of Volunteers-28**

**Status- GREEN**

#### **3. We will increase the tonnage of materials re-used by 1% per year from a base of 977 tonnes in 2012/13 – waste predominantly collected from civic amenity sites and separated out for re-use.**

Target – Year-end -1,007t

Quarter 2 position– 600t

Status – **GREEN**

#### **4. Maintain the percentage of household waste sent for recycling, reuse and composting above the national target for 2020 of 50%**

Target – end of year >50%

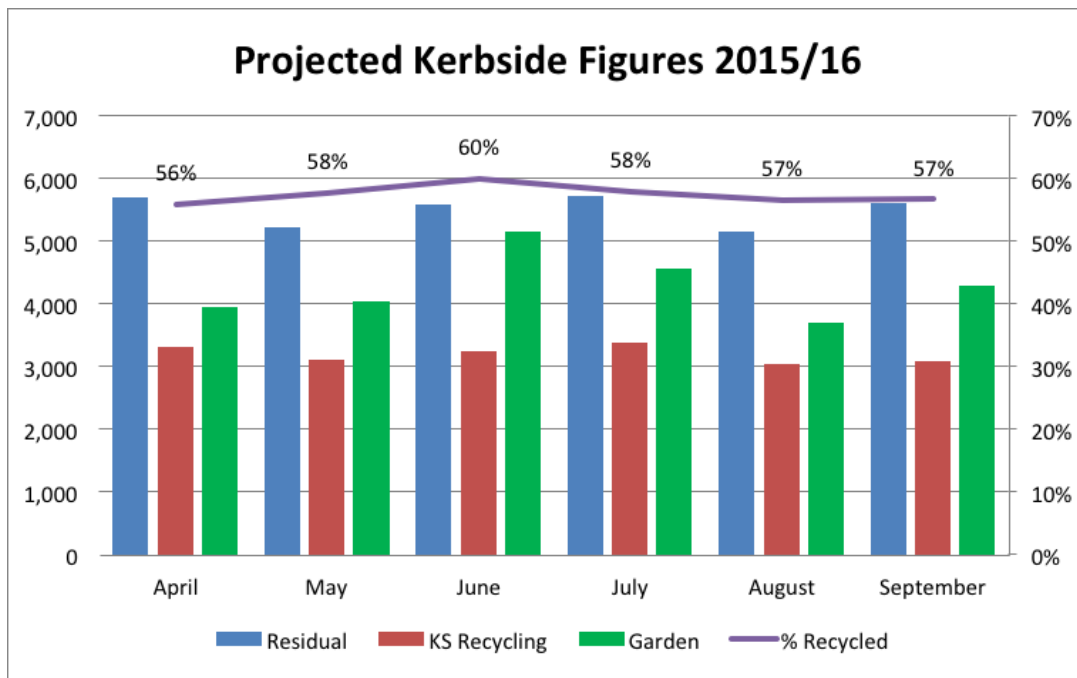
Quarter 2 – projected to be 57%

Status – **GREEN**

The graph below shows the quantity of household waste collected at the kerbside only and the corresponding recycling performance.

Recycling tonnages remain steady.

At the current rate CEC are exceeding the national recycling target of 50% of household waste sent for recycling, reuse and composting. **Please note:** Historically, in the first half of each year, recycling figures are higher due to garden waste input this is reduced in the latter part of the year.



**5. Reduce the percentage of waste going to landfill to 0% by 2030 (expressed as a percentage of total waste and recycling)**

Target – Baseline of 38.5% in 2013-14 –

Quarter 2- 30%

Status – **GREEN**

Increased from quarter 1, 25%, due to the scheduled shut down of the Hanford energy from waste facility. Residual waste that would normally be directed to this site was sent to landfill during this period.

**6. Maintain at least four Green Flag Awards per annum (CEC 2014-15 outturn - maintained, 4 of which are maintained solely by Ansa- Bollington Recreation Ground, The Moor Knutsford, Congleton Park and Sandbach Park)**

Target >4

Quarter 2-4 currently secured

Status- **GREEN**

**7. Increase the use of waste for energy generation (expressed as a percentage of total waste and recycling) (Baseline 5.85% in 2013-14)**

Target > 5.85%

Quarter 2- 11%

Status- **GREEN**

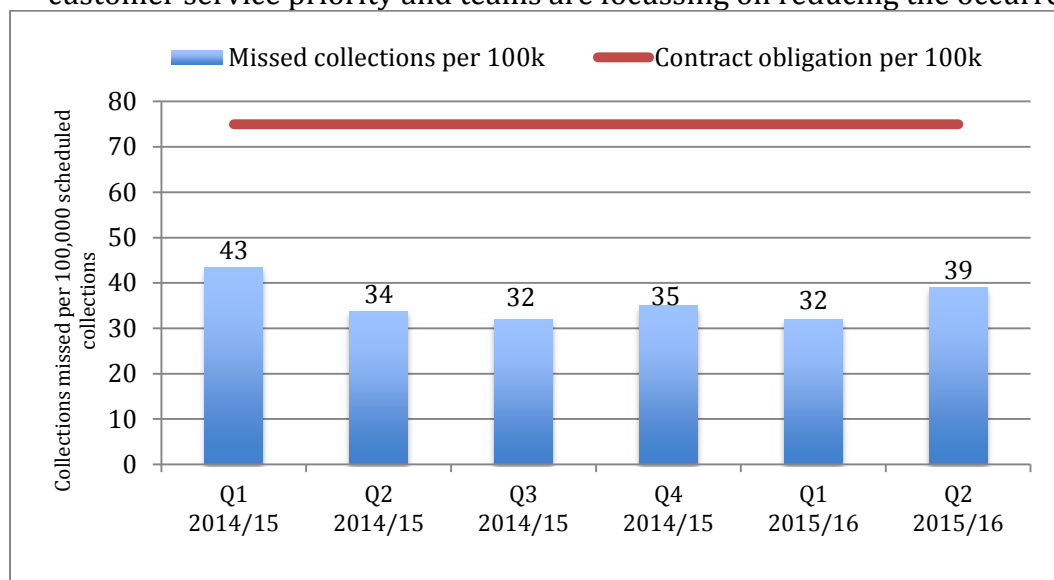
Slight reduction from quarter 1, again due to the scheduled shut down of the Hanford energy from waste facility.



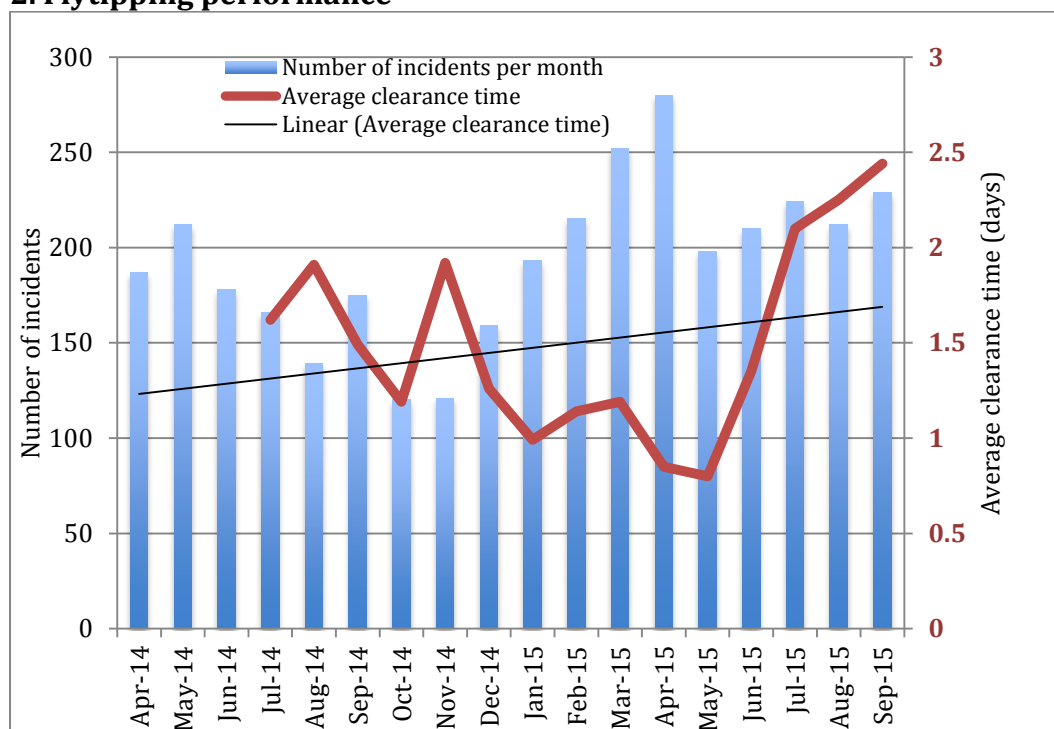
## Operational Performance Indicators (OPI's)

### 1. Missed Collections – Contract obligation to achieve less than 75 missed bins per 100,000 scheduled collections.

Missed collections in Q2 are slightly raised from the previous quarter. This OPI remains a key customer service priority and teams are focussing on reducing the occurrence of missed bins.



### 2. Flytipping performance -



At the start of Q1 the number of flytips peaked with response times dropping below one day. Since April 2015 the number of flytips experienced has stabilised, however the size of the tips has increased. This has resulted in Ansa resources being stretched and taking longer to respond and effect clearance.

## Financial Performance

Ansa Environmental Services Ltd has a revised Management Fee for 2015/16 of £25.378m (revised from £25.572m to reflect revised Support Service buyback for 2015-16). The Management Fee is Ansa's primary income stream for the Service Contract with Cheshire East Borough Council (CEBC) and accounts for 89% of Ansa's total turnover. The Management Fee reflects the impact of the CEBC's Medium Term Financial Strategy (MTFS) for 2015-16 and is therefore net of £0.527m policy savings, temporarily re-profiled against the backdrop of moving depots during the year and maintaining frontline operations (original target £0.764m).

Cheshire East Council – Environment Commissioners also hold a further £235k savings target of which £100k relates to HWRC Contract Savings which maybe allocated to Ansa to deliver subject to the novation of the HWRC contract and associated budget in year (savings to be allocated pro-rata as appropriate).

The £0.527m net savings target for 2015-16, set against the management fee comprise of the following:

<b>Net Saving</b>	<b>Saving Description</b>
£0.200m	saving through CEBC allocating additional one off Communities Funding to Ansa for Public Realm related works commissioned from the Grounds Team <i>£170k Planned delivery however £90k commissioned from subcontractors/materials therefore not 100% self delivered as planned due to influence from commissioner.</i>
£0.100m	saving through S106 capital funded works commission from Cheshire East Council and direct delivered from Ansa's Parks team. <i>£30k planned delivery due to delayed review of S106 database – planned programme now set out to Mar 17</i>
£0.123m	saving against materials through capitalisation by CEBC of wheeled bins – <i>Achieved – all bin purchased capitalised through CEBC Capital programme</i>
£0.239m	£0.239m efficiency savings to be achieved in year (currently achieved through vacancy management) - <i>Achieved</i>
<b>£0.662m</b>	<b>Total Gross Savings</b>
£0.135m	growth re Waste Contract Inflation/tonnage growth <i>Achieved</i>
<b>£0.527m</b>	<b>Net Savings Target</b>

## Income Statement

The Summary Income Statement in Table 1 below shows the cumulative year to date position to the end of September 2015 and forecast year end position based on activity to 30th Sept and known commitments/projections for the remainder of the financial year, NB. *before "technical pensions accounting" entries, any taxation liability and contract share arrangements.* This latest forecast projects a **net operational profit of £260k.**

*Appendix A(i) shows the detailed Income Statement Position, for the year to date (cumulative) position for the end of September 2015 (NB. before "technical pensions accounting" entries, any taxation liability and contract share arrangements).*

**Table1. Summary Income Statement 2015-16**

ACTUAL 2014-15 £'000		YTD TARGET Sep-15 £'000	YTD ACTUAL Sep-15 £'000	YTD VARIANCE Sep-15 £'000	ANNUAL TARGET 2015-16 £'000	ANNUAL FORECAST 2015-16 £'000	ANNUAL VARIANCE 2015-16 £'000
28,055	TURNOVER	14,000	13,702	(298)	28,221	28,615	394
23,482	COST OF SALES	12,342	11,847	(495)	24,686	24,513	(173)
<b>4,573</b>	<b>GROSS PROFIT</b>	<b>1,658</b>	<b>1,854</b>	<b>197</b>	<b>3,535</b>	<b>4,102</b>	<b>567</b>
4,092	ADMINISTRATIVE EXPS	1,755	1,684	(71)	3,458	3,764	307
0	OTHER OPERATING EXPENSES	0	0	0	0	0	0
0	OTHER OPERATING INCOME	0	0	0	0	0	0
<b>481</b>	<b>PROFIT FROM OPERATING ACTIVITIES</b>	<b>(98)</b>	<b>170</b>	<b>268</b>	<b>78</b>	<b>338</b>	<b>260</b>
0	INVESTMENT INCOME	0	0	0	0	0	0
448	FINANCE COSTS	39	39	0	78	78	0
<b>33</b>	<b>PROFIT BEFORE TAX</b>	<b>(136)</b>	<b>131</b>	<b>268</b>	<b>(0)</b>	<b>260</b>	<b>260</b>
0	CORPORATION TAX	0					
<b>33</b>	<b>PROFIT / (LOSS) FOR PERIOD</b>	<b>(136)</b>	<b>131</b>	<b>268</b>	<b>(0)</b>	<b>260</b>	<b>260</b>

The current forecast position reflects the achievements being made across the various business areas within Ansa, through procurement and contract management of key waste/fleet related contracts; delivery of efficiencies across the core contract areas (particularly across staffing and fleet management); and generating some new areas of business and increasing existing income streams. Some of these achievements being of a temporary/short term nature due to the interim arrangements linked to the move to Middlewich and subsequent re-routing of operations and related fleet/contract requirements next year.

In reaching this favourable position, Ansa has absorbed within its forecast various pressures which are outside of the originally set management fee and for which Ansa will be seeking recognition in its share of the Contract Share calculation (See Appendix C for Indicative Share calculation).

Appendix A (ii) details the Early Warning Notices related to the items outside of the Management Fee/Contract.

Costs pressures outside of Management Fee and subject to Early Warning Notices total £429k and comprise:

- UPM Contract – as reported at the last Board meeting the market for recyclable materials is declining and hence the current contractor UPM is looking to reduce the income fee/tonne it currently returns to Ansa, in addition UPM are also seeking reimbursement for contaminated waste, initial projections predict a net cost pressure in year of **£217k** (being £117k income shortfall and £100k contamination charge).
- Public Realm saving - **£30k** un-achievable due to only £170k “Community” funding being available (original saving £200k). Furthermore, the initial assumptions behind the additional funding for Public Realm activities of £200k were linked to the works being under-taken in-house by Ansa thereby reducing core costs, the reality is that some of the work commissioned by CEBC has required subcontractors and materials (eg litter bins) and hence based on latest projections of the £170k funding available only £80k has been sourced internally resulting in a **£90k** unachieved saving.
- Green Waste policy saving - **£50k** unachievable due to CEBC not approving the originally planned policy change for a longer green waste suspension period resulting in Ansa not being able to progress frontline efficiencies in the green waste rounds.
- Markets and Public Conveniences are operated by Ansa as CEBC’s agent. This arrangement will be in place until such time that these functions transfer to Town Councils under CEBC’s Local Service Delivery (LSD) agenda. CEBC removed savings from its base budgets in 2013-14 for LSD and therefore it was recognised whilst setting the 2014-15 budget, that due to delays in transferring the functions in then unparished areas, there would need to temporary funding available. As a consequence, in 2014-15 an additional “top up” budget was included in the Ansa management fee totalling £42k, however as CEBC funded this from Cost of Investment it was not built into the 2015-16 Fee. At Quarter 2, Ansa are forecasting a pressure against the costs of operating Markets/Toilets of some £69k and whilst Ansa are seeking to make efficiencies in this area, the company is seeking recognition of this additional burden to an equivalent amount received in 2014-15, **being £42k**.

Further cost pressures to be managed by ANSA:

- Due to the timeline associated with moving to the new depot, the planned part year effect savings related to new rota-optimisation of **£50k** are currently not deliverable, however the company will be reviewing options regarding re-routing/operational work patterns in the interim period prior to becoming operational at Middlewich.
- The policy savings linked to the Parks Team recovering their costs against CEBC S106 and Capital schemes is currently forecast to deliver £30k against a £100k target, **£70k pressure**. The team have recently undertaken a review of the potential schemes against which they can charge “management fees” against in year, due to delays in reviewing the database for S106 and existing procurements already in progress, only a part year recovery can be achieved this year. The review has generated a forward plan of schemes for the next two years and the team are liaising CEBC Commissioners to commence work programmes in good time to deliver the full year saving in 2016-17.

The above pressures have been offset by, (£800k) improvements comprising:

- Waste Contracts improved forecasts (£183k) mainly attributable to the revised northern waste transfer contract (£135k), fully year impact approx. £188k.
- Reduced direct transport costs (£338k), including: reduced fuel costs - reflecting lower prices; reduced fleet costs (provision, short term hires maintenance) partly due to full year effect of fleet changes made in 2014-15 and also impact of the change in fleet provision in year, however it is envisaged that over the next 12 months there will be some growth in fleet costs due to former CEBC owned vehicles, which are very old, being replaced with forecast costs exceeding current budget provision.
- Reduced pay/allowances (£145k), after applying the £239k vacancy management savings reducing the total pay budget in year, these are considered to be temporary measures and not necessarily recurring in 2015-16.
- New external income generated from new and existing customers £88k.

Business areas that are currently generating external income streams (whether existing or new business) are currently being reviewed such that the clear identification of commercial turnover and related costs (including overheads) are appropriately recorded to enable clearer management information and reporting of commercial activity/income generation. Reporting at this level is necessary to appropriately identify any resulting profit and corporation tax liability (where trading is considered non-mutual in relation to the CEBC Group of company's).

### **Statement of Financial Position (Balance Sheet)**

Appendix B shows the Statement of Financial Position report as at 30 September 2015.

Debtors: Of the total £0.375m Trade Debt raised as at 30.09.2015, the profile of outstanding debt is as follows:

		£'000
Current debt	75%	280
Overdue 1-3 mnths	22%	81
Overdue 3-4 mnths	3.1%	12
Overdue 6+ mnths	0.4%	<u>2</u>
<b>Total</b>		<b><u>375</u></b>

An analysis of Creditors is set out in Appendix B. Ansa's Quick Liquidity ratio as at 30.09.2015 is 107% and therefore reflects that the ability to meet liabilities (payables due) is comfortably matched by the resources available to it at the date of the statement of financial position. The company's cash-flow position is supported through the payment mechanism associated with the services contract with CEBC.

### **Summary**

The permanent cost pressures and favourable forecasts identified at quarter 2 are being reviewed and considered beyond 2015-16 regarding their impact on the business plan and also the management fee negotiations with the Shareholder. A future report will update further on these issues. The operational position to date though reflects the ongoing focus and dedication by the business areas to contain spending and achieve the efficiency/savings targets at a time of operational disruption. The next 6 months during the transitional movements though will require the same degree of focus to ensure that the forecast position is delivered.

## People - employee related

### 1. Percentage of working time lost due to sickness absence

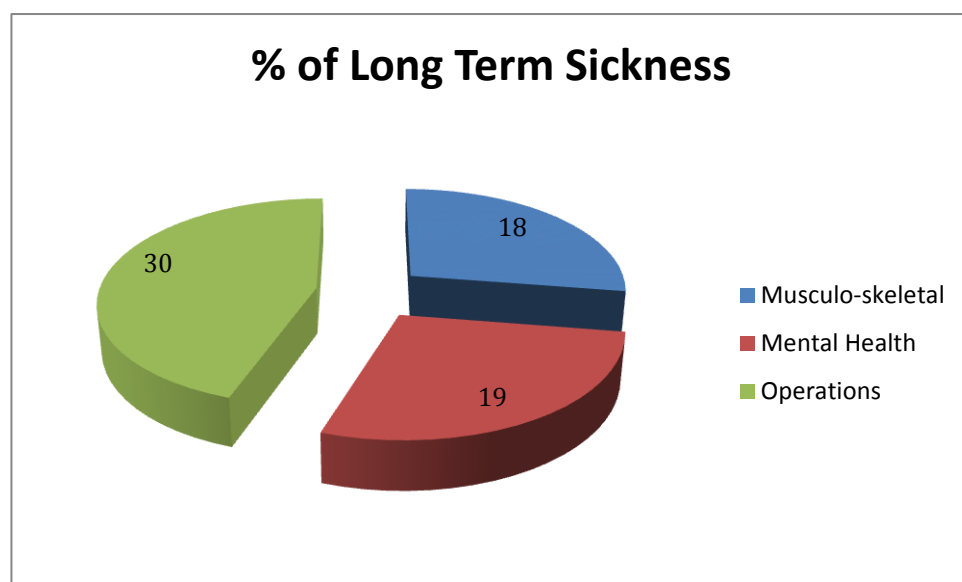
Over 65% of employees have maintained full attendance this financial year to date (April to August). This is an improvement over the same period last year when only 62% of employees had made this achievement.

The Company has also seen a reduction in the amount of time lost to short term sickness (from 31% last year to 27% in 2015/16). Unfortunately, those employees experiencing long term ill health has increased which has led to an overall increase both in the average number of days lost per employee (up from 5 to 6 days) and the percentage of working time lost (up from 4.6% to 5.8% over the same period).

The cause of the highest percentage of long term absence (30%) is employees undergoing medical examinations and operations. This is followed by reasons connected to mental health (19%) with clinical depression being the major contributor and then musculo-skeletal conditions accounting for 18% of all long term absence.

Twenty-eight employees experienced long term absence over this year to date which equates to approximately 8% of the workforce. Over half of these have now returned to work, leaving a remaining 12 people still absent.

**Table 1 – Top Three Reasons for Long Term Sickness Absence**



We continue to address the issue of sickness absence through close monitoring of absences and accidents; provision of training; access to professional medical, physiotherapy and counselling services; and promotion of health awareness.

Within the last quarter, Ansa has trialled “Fruity Fortnight” promoting healthy eating by providing free fruit at all of our main operating sites every other Friday

as well as publishing Health Tips through e-mails, newsletters and posters.

**Table 2 - Absence data – Comparison Of April to August 2015/16 with the same period in 2014/15**

	<b>April to August 15/16</b>	<b>April to August 14/15</b>
Average Number of days lost per employee	6.01	4.93
Percentage of working time lost	6%	4.6%
Percentage of time lost to Short Term Absence	27%	31%
Percentage of workforce having zero absences	66%	62%
Number of employees absent more than once in this period	30	32
Total number of employees absent this period	120	135
Cost of Absence (Based on an average salary of £20,037)	£111,031	£90,947

## **2. Comparison of Accidents Occurring Year to Date 2015/16 with Year to Date 2014/15**

The number of accidents reported between April and August of this year has reduced by almost three quarters in comparison to last financial year and once again, none of these are RIDDOR reportable. Of the six accidents that occurred this year, two related to manual handling, two were caused by slips/trips and two involved an employee being hit by an object.

<b>Service area</b>	<b>Total accidents reported April to August 15/16</b>	<b>Total accidents reported April to August 14/15</b>	<b>Riddors</b>
<b>Waste</b>	3	12	0
<b>Grounds</b>	1	1	0
<b>Street cleansing</b>	2	2	0
<b>Fleet</b>	0	2	0
<b>Totals</b>	6	17	0



**Cheshire East Council – Scrutiny Update**

**SECOND QUARTER FEEDBACK REPORT**

**July – September 2015**

## Orbitas Q2 Report

- In this second quarter Orbitas is forecasting that it will deliver services within the management fee at an operating profit before tax of £4,000 Forecast Net Operating Profit, before technical accounting adjustments, pension and contract share arrangements

In the period 1<sup>st</sup> April to 30<sup>th</sup> Nov 2015 Orbitas Key Performance Indicators (KPIs)

### 3.1 Maintain market share (84%) based on three year average level of cremations and burials carried out

Target – 1272

Actual (April – end of August) - 1172

Status – **AMBER** (down 7.86%)

The down turn in market share may be attributed to the refurbishment work at Crewe Crematorium. £51,000 Forecast shortfall in Core Bereavement Income due to the ongoing refurbishment works at Crewe Crematorium

### 3.2 The company remains compliant with its other key performance indicators.

#### 3.2.1 Ministry of Justices Fines

Target – Nil

Actual – Nil

Status – **GREEN**

#### 3.2.2 Number of exhumations due to erroneous burial

Target – Nil

Actual – Nil

Status – **GREEN**

#### 3.2.3 Number of Local Government Ombudsman complaints upheld 2 or less

Target – Nil

Actual – Nil

Status – **GREEN**

#### 3.2.4 ICCM Charter for the Bereaved Achievement

Target – Silver or Gold

Actual – Gold

Status – **GREEN**

a) We need to comment on the Electricians Service Performance

b) We need to comment on the Handy Persons Service Performance

## Quarter 2 Review: 2015/16

- £4,000 Forecast Net Operating Profit, before technical accounting adjustments, pension and contract share arrangements
- £51,000 Forecast shortfall in Core Bereavement Income due to the ongoing refurbishment works at Crewe Crematorium

<b>Orbitas Bereavement Services Ltd</b>	<b>Target £,000</b>	<b>Actual Q2 £,000</b>	<b>Forecast £,000</b>	<b>Variance £,000</b>
<b>Turnover</b>	<b>1,655</b>	<b>789</b>	<b>1,662</b>	<b>7</b>
Cost of Sales	(1,107)	(492)	(1,082)	25
<b>Gross Profit</b>	<b>548</b>	<b>297</b>	<b>580</b>	<b>32</b>
Administrative Costs / Finance Costs	(548)	(203)	(576)	(28)
<b>Profit for the Financial Year</b>	<b>0</b>	<b>94</b>	<b>4</b>	<b>4</b>

## Performance

- Orbitas performed strongly in 2014/15, exceeding its profit target by £13,000.
- In a staff survey, 71% of employees proud to work for Orbitas, up from 37%.
- Achieved all KPIs
- Orbitas had no reportable accidents.
- Secured Gold Award from the ICCM Charter for the Bereaved.
- Worked with Volunteers to make improvements, inviting feedback and holding special events.
- Created a new memorial garden at Alderley Edge Cemetery.
- Partnership Working supporting;
  - WW1 Commemoration,
  - NHS Sunset of Life Module,
  - East Cheshire Hospice,
  - The Walking Bus,
  - The Community Payback Scheme.
- Donated £4321 through the ICCM metal recycling scheme to MacMillan Cancer Care charity.

## **Opportunities and Challenges for the Future**

- Maintain crematorium operation during refurbishment of Crewe Crematorium.
- The Crewe Crematorium refurbishment work is taking longer than anticipated and reducing operational availability which may impact upon contract performance indicators.
- On completion mourners will benefit from 50% additional seating capacity along with an enhanced customer experience.
- Developing the Orbitas funeral.
- The Valley Gardens of Remembrance Restoration Project, Macclesfield begins Spring 2016.
- Employee welfare facilities in Macclesfield and Crewe are also being improved and are on target for completion early 2016.
- Orbitas are introducing service improvements and working proactively with Funeral Directors to improve the range of services available.
- Orbitas are seeking ISO 9001 Quality Accreditation.
- Private crematorium facilities operating within our catchment creating increased competition.