

REPORT TO: Environment Overview and Scrutiny Committee

Date of Meeting: 24th March 2016
Report of: Ralph Kemp Strategic Commissioning
Subject/Title: Quarter 3 Ansa and Orbitas reports
Portfolio Holder: Service Commissioning Portfolio – Councillor Sam Gardner

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. They operate through an agreed management fee paid monthly under a contract with the Council for service delivery.

Ansa Environmental Services

5.2 Ansa are maintaining their high standards across the breadth of services they are delivering. A key factor in this quarter was the need to reduce the levels of contamination within the recycling (silver bin) stream. This challenge was tackled through leafleting, stickers, a social media presence and greater vigilance on the part of the collection crews.

5.3 The work to reduce contamination resulted in more bins being unemptied and thus the levels of reported missed bins increasing. The campaign has succeeded in reducing levels of contamination significantly; a key factor in ensuring the recycling reprocessor accepted all our loads.

5.4 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 non requirement of planned inflationary growth and an increased bonus. .

5.5 Approximately £0.1m of the potential pressure relates to a forecast shortfall in Markets income. This continues the trend of a gradual decrease 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

- 5.6 Bereavement Services projected a potential budget pressure of £0.2m based on the Third Quarter Review 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.
- 5.7 Within year, core bereavement income is currently reporting a £0.1m shortfall against a £2.4m income target. The shortfall is due to a reduced service as a result of the contract refurbishment at Crewe Crematorium between July and December 2015.
- 5.8 This Quarter, Orbitas are forecasting a £173K shortfall in Core Bereavement Income due to the disruption to service resulting from the ongoing refurbishment works at Crewe Crematorium. The Crematorium Refurbishment is due to complete this month and the Crematorium will shortly be back to full capacity as a far more attractive facility.
- 5.10 However, to counter balance this lost income being experienced at Crewe whilst works are ongoing, Macclesfield Crematorium has increased performance by 12% compared to 2014/15 contributing an additional income of £77k.
- 5.11 The Electricians and Handyperson's service are reporting a combined forecast surplus (£24k) due to holding vacancies in the service and a forecast reduction in the minor adaptations spend.

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

Cheshire East Council – Scrutiny Update

THIRD QUARTER FEEDBACK REPORT

October – December 2015

Ansa Environmental Services Ltd

Quarter 3 Report October– December 2015 Corporate Scrutiny



ansa

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Key Achievements this quarter:

Awards

ISO 9001 certification

We were pleased to announce this quarter that we have been awarded ISO 9001, the internationally recognised certificate of quality.

ISO 9001 is a set of standards related to quality management systems and is designed to help organisations ensure that they meet the needs of customers, shareholders and employees. The certification of compliance with ISO 9001 recognises that the policies, practices and procedures of Ansa, ensure consistent quality in the services that it provides to its customers.

Certification demonstrates that we have robust, demonstrable systems and processes in place and also proves commitment to delivering high quality services in a sustainable, safe and cost effective way, providing assurance that it is compliant with all regulatory requirements applied to its sector.

To be awarded ISO 9001, we were assessed by an external, independent Certification Body approved by UKAS (United Kingdom Accreditation Service). The Auditors collected evidence to check that quality processes were in place to carry out necessary services.

The Auditors also established that Ansa allocates satisfactory attention to customer needs and communicates well with employees, meeting the quality standards of ISO 9001 in all areas. Organisations that are awarded the certificate, usually receive it pending correction of non-conformances and other observations that are raised. However, the external Auditors were so impressed with Ansa that they issued the award with no reservations or conditions, which is a rarity.

Activities and Events

An outstanding display of over 3,000 knitted poppies welcomed visitors to Memorial Square in Crewe during November to mark Remembrance Sunday and Armistice Day. Ansa's Grounds team played a key role in the delivery of this project.

'The Poppy Explosion' was a community art project to commemorate the First World War and was co-ordinated by Crewe and Nantwich Senior Forum. The poppies were knitted by Crewe and Nantwich Senior Forum members who were supported by Cheshire East Council as part of their Cheshire East Reflects First World War programme. Cheshire East Reflects brings together all aspects of the local authority with community groups and organisations within the Borough, as well as partners such as the Imperial War Museum North.

ANSA groundsmen prepared the site in readiness for the installation and for the Remembrance Services. The Ansa team supported the Forum members, painstakingly arranging the 3,000 knitted poppies within the tree branches to create the dramatic effect.

Adrian Lindop, chair of Crewe and Nantwich Senior Forum, said: "After attending the service on Sunday November 8 and Wednesday November 11, I am delighted to say that the trees, which Graham (Ansa Team Leader Grounds) dressed with the poppies, looked spectacular, with many people saying how well they looked. It made the two days special."



Positive About People With Disabilities

Ansa's commitment to people with disabilities has been recognised by Jobcentre Plus and the Company is now able to display the Disability Two Ticks symbol. This recognition is given to employers who agree to take action to meet five commitments regarding the employment, retention, training and career development of disabled employees.



Activities and Events

Junior Recycling Officers Launch events

Three Junior Recycling Officers Launch events took place this quarter in Congleton, Crewe and Macclesfield. These involved:

- 91 pupils from 44 Cheshire East Primary Schools and Academies
- 43 adults : teachers, teaching assistants, bursars, site managers, parents and governors
- 14 members of staff & volunteers, including Business Development, Business Support, Waste Reduction Volunteers, an Ansa apprentice and CEC apprentices.
- sessions on Love Food Hate Waste, Composting, the Silver Bin (with Phil the Bin in person), Connecting Cheshire and textile recycling with the Salvation Army
- the carrier bag competition for schools to make a bag out of recyclable materials, which attracted some excellent entries

Connecting Cheshire

- Planning has commenced for a Spring competition for schools to design and make a model from recycled materials with the theme 'Superfast' with the Connecting Cheshire team has started, ready for January.

All Hallows Catholic College, Macclesfield

Contact was made with the Head of Geography for All Hallows Catholic College and a Recycling Assembly and a visit to Danes Moss Household waste recycling centre (HWRC) were arranged.

- Assembly delivered to 200 Year 7 pupils (with Phil the Bin) and 15 staff on 3.11.15
- Visit to Danes Moss Household waste recycling centre for 14 Year 7 pupils on 4.11.15

School Interaction

Ansa has organised and delivered workshops or assemblies attended by over 600 children from 14 primary and secondary schools in Cheshire East. Recycling and Environmental awareness were the key themes covered.

Real Nappy Incentive Scheme

The Real Nappy Incentive scheme has been very successful this year with increasing numbers taking up the scheme compared with last year. The total number of applications to the scheme has risen to 76, up from 53 in 2014.

A new suite of promotional material has been produced. Based upon the old material but refreshed with the latest information. The scheme is run in conjunction with Go Real – the Real Nappy Information Service.

Activities and Events

Waste Reduction Volunteer (WRV) project

During this quarter, the Waste Reduction Volunteer project conducted an audit of project volunteers. The review, has confirmed that we have a total of 22 'active' volunteers who volunteer for the project on a regular basis. Additionally, there are a further 16 Cheshire East volunteers who have been trained through the project, have not supported an event in the past 12 months but who still wished to be considered as volunteers and state that they will volunteer again. In Q3, the volunteers have:

Attended 13 community events, engaged with 577 residents and donated 70.5 hours to the project.

Highlights from the quarter

The One World Week at Alsager presented a huge opportunity for the Waste Reduction Volunteer project. As well as speaking to 80 visitors, the Waste Reduction Volunteers met local MP Fiona Bruce who was very interested in the project. As a result Fiona Bruce issued a press release about the work the Waste Reduction Volunteers do.

Partnership working with Peaks and Plains Housing Association



Ansa has been working in partnership with Peaks and Plains Housing Association as part of their Cheshire East Energy Saving Project. Ansa jointly funds practical cookery sessions as part of this wider project helping residents to save money and throw away less food.

This partnership project has continued into this quarter. In addition to the eight sessions already delivered earlier in the year, there have been another five sessions this quarter, totalling 13 since the project started. These practical cookery sessions have allowed Peaks and Plains to engage with 56 adults and 33 children about food waste minimisation.

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 two different community litter picking groups to offer advice and input into the group's future plans.
- Collected sacks of litter from 12 litter picking groups following their activities.
- Supplied equipment to support community activities on seven occasions.
- Ansa's Street Cleansing team worked in partnership with the Probation Service to clear vegetation from the alleyway to the rear of Walthall Street and Ruskin Road, Crewe.

Health and Safety Site Inspections

As part of its regular inspection routine, Ansa has carried out nine Health & Safety Site Inspections during Quarter 3, involving its Trade Union partners wherever appropriate.

OHSAS 18001

Having successfully attained ISO9001, the Company will now be working towards achieving the OHSAS 18001 standard (sometimes mistakenly referred to as ISO 18001). This is internationally accepted as a method of assessing and auditing occupational health and safety management systems. Developed by leading trade and international standards bodies, it provides a framework for organisations to instigate proper and effective management of health & safety in the workplace


Health & Safety Training

Last Quarter two of our employees successfully completed the NEBOSH National General Certificate; one of these people is now further enhancing their skills and knowledge by progressing through the NEBOSH Diploma.

RoSPA

The management team has worked on collating data and demonstrating high Health and Safety standards as part of our submission for the RoSPA Occupational Health & Safety Awards. Last year we were honoured with the prestigious Gold Award. We hope to replicate that this year and have been working to that aim.

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) – to be reported annually.**

Cheshire East made the decision not to will carry out a satisfaction survey in 2015. They have stated that they intend to carry out the survey in the spring of 2016; results should 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-38

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 3 position– 930t (estimated figure)

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%

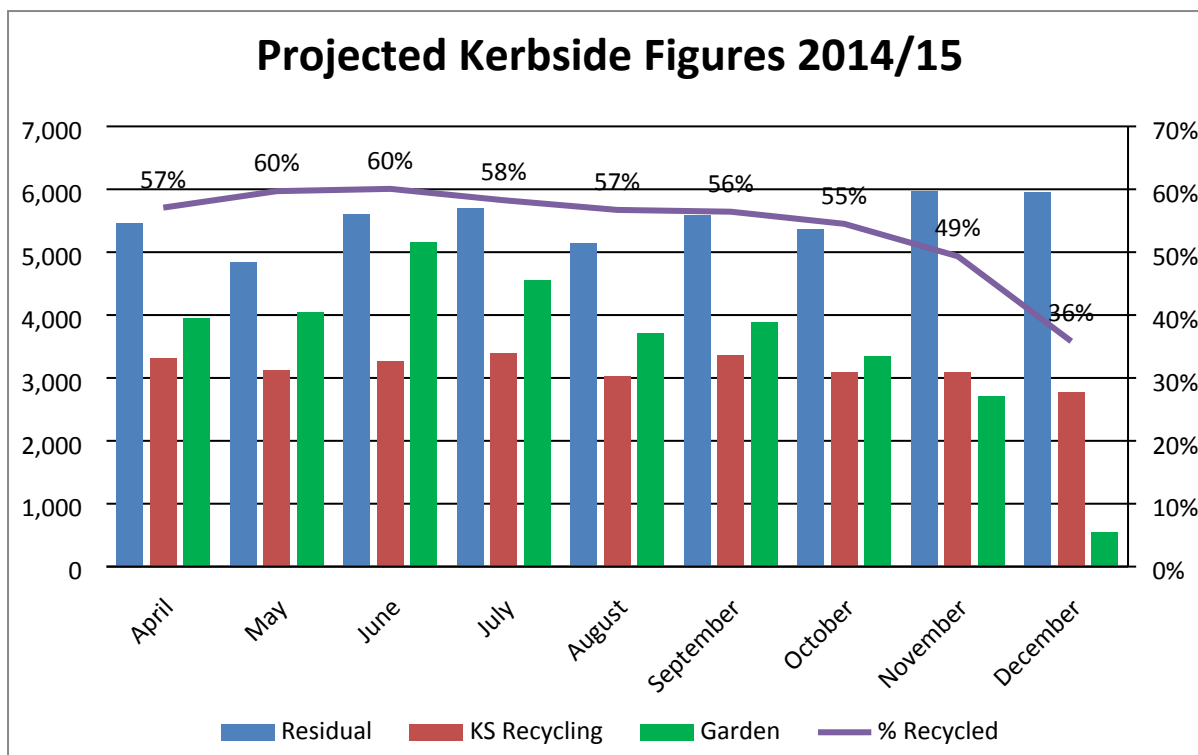
Quarter 3 – 52% (estimated figure)

Status – **GREEN**

The graph shows the quantity of household waste collected at the kerbside only and the corresponding recycling performance, **please note:** The December data and some of the November data is estimated and is based on previous years 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 3- 30% (projected figure)

Status – **GREEN**

Data not yet received for quarter 2, however it is projected to be in line with the target

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 3 - 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 3 - 11% (projected)

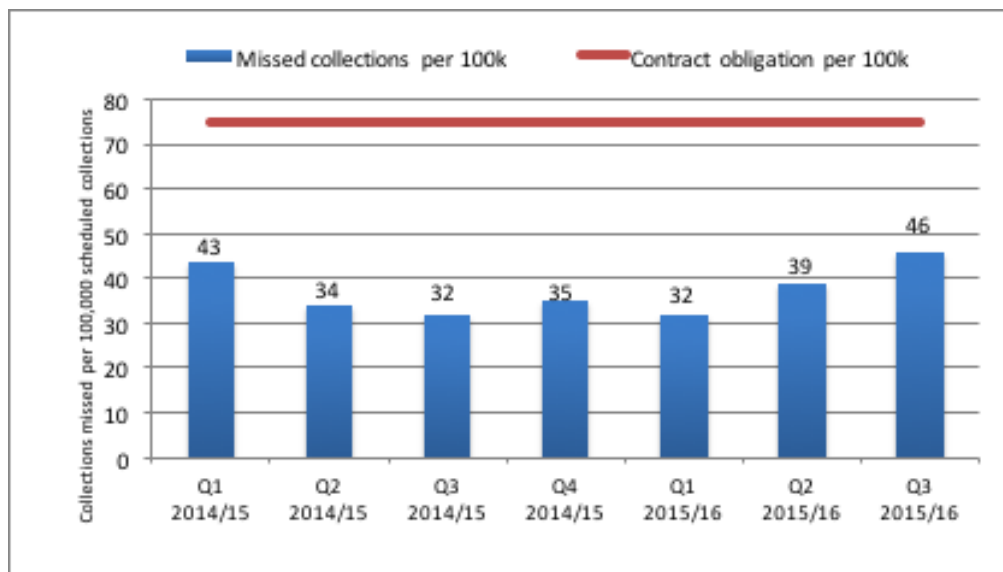
Status- **GREEN**

See target 5.

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

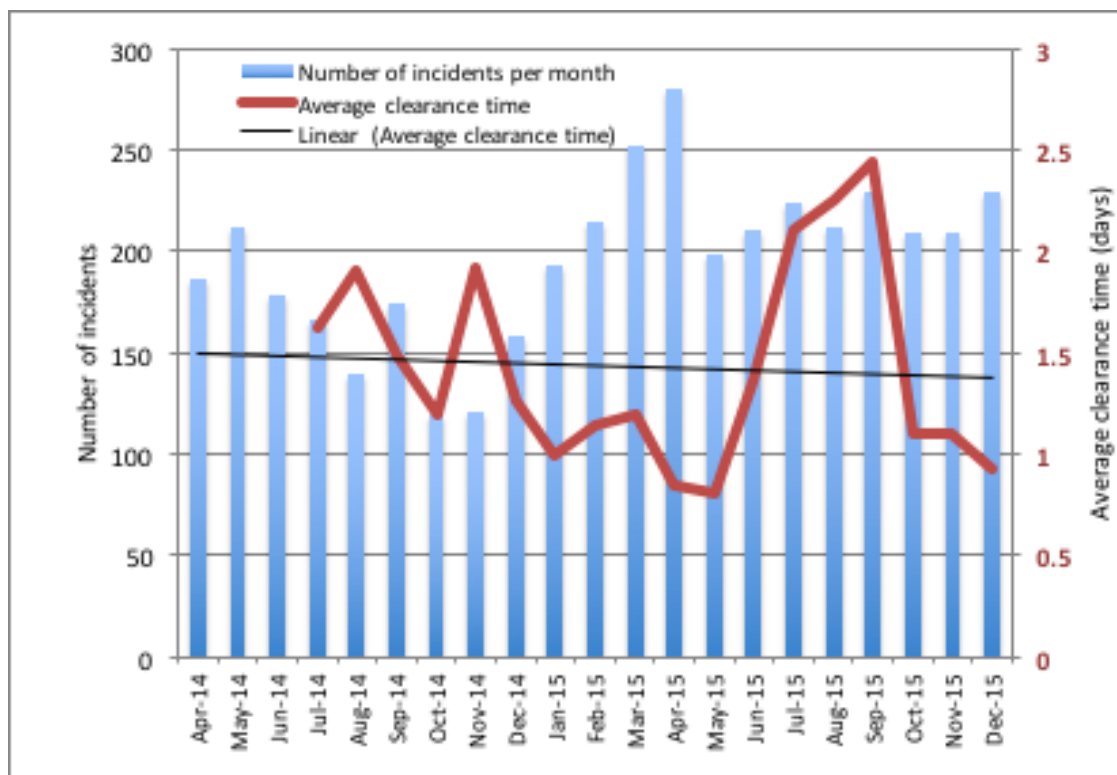
There has been an increase in missed collections in quarter 3 due to the impact of the drive to address recycle contamination (especially in the south of the Borough) and the “leave it loose” campaign. Whilst contamination over the period has reduced, reports of missed (contaminated) containers have increased. In some cases the identification of households contaminating their bins has been difficult due to communal presentation of containers, this is particular prevalent in the high density residential areas of Crewe town centre. This issue has compounded the issues we are already dealing with associated with the hotspot areas where fly-tipping and excess waste is a daily occurrence.

To address the issue we are closely monitoring collections on specific rounds with abnormally high missed collections. This action will allow us to address any underlying issues to ensure this increase does not become a trend.



2. Fly-tipping performance

Fly tipping response times in quarter 3 dramatically reduced although incidents remained relatively stable as we focused on working closely with CEC's community teams.



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 currently Ansa's primary income stream for the Service Contract with Cheshire East Borough Council (CEBC) and accounts for 88% 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).

Cheshire East Council – Scrutiny Update

THIRD QUARTER FEEDBACK REPORT

October - December 2015

Orbitas Bereavement Services Ltd (OSBL)

OSBL acts as an Agent to the Council running the Council's Bereavement Services including crematoria located in Crewe and Macclesfield along with a number of cemeteries located across Cheshire East. All income generated from the bereavement service contract managed by OSBL is held and reported in Cheshire East Council's accounts. Over the course of the current financial year the anticipated income has reduced due to the short-term impact of the crematorium improvement works currently ongoing at Crewe. All costs associated with running the services through the Contract with Cheshire East Council are managed through the annual management fee that is agreed between the Council and OSBL for service delivery. The Management Fee costs are performing better than anticipated with savings currently being forecast against the anticipated provision.

Income

OSBL is forecasting at the end of Q3 £173k income shortfall position that takes into account a number of variants throughout the year.

They have explained this is due to several factors. Since the opening of the new privately run facilities in Northwich a number of services each week have been lost. This has been further compounded in the short-term by the ongoing improvement works that are taking place at the Crewe crematorium facility. In addition to the short-term issues associated the ongoing works there is also a positive shift away from burials with more families preferring cremations. This is also having an impact on the anticipated income profile.

However, to counter balance this lost income being experienced at Crewe whilst works are ongoing, Macclesfield Crematorium has increased performance by 12% compared to 2014/15 contributing an additional income of £77k.

Fees and Charges have increased from the 1st January 2016. This is expected to generate around £40k of additional income and has contributed to improving the forecast outcome.

Management Fee

Orbitas are forecasting an operating profit of £48k. This excludes the recovery of exceptional costs incurred of around £14k associated with vandalism and a gas pipe leak at Macclesfield crematorium. The company has replaced stolen equipment and installed preventative measures including additional security patrols and CCTV at the Crematorium.

Key Performance Indicators (KPIs)

These KPIs are set to monitor the performance through the ASDV management agreement.

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

- Target – 2013
- Actual (April – end of November) - 1,789
- Status – 224 units down (11%)
- The down turn in market share is attributed to the refurbishment work at Crewe Crematorium as well as leakage to Vale Royal Crematorium.

Ministry of Justices Fines

- Target – Nil
- Actual – Nil
- Status – GREEN

Number of exhumations due to erroneous burial

- Target – Nil
- Actual – Nil
- Status – GREEN

Number of Local Government Ombudsman complaints upheld

- Target – Nil
- Actual – Nil
- Status – GREEN

ICCM Charter for the Bereaved Achievement

- Target – Silver or Gold
- Actual – Gold
- Status – GREEN