

<b>Daventry Comparator Group</b>	<b>County</b>	<b>Basic Data Population</b> *	<b>Area (Hectares)</b> **	<b>Population Density (Persons per Ha.)</b>
Babergh District Council	Suffolk	83,000	60,977	1.4
Daventry District Council	Northamptonshire	66,800	66,358	1.0
Hambleton District Council	North Yorkshire	85,000	130,674	0.7
Harborough District Council	Leicestershire	75,000	59,087	1.3
Kennet District Council	Wiltshire	77,900	96,405	0.8
Mid Bedfordshire District Council	Bedfordshire	119,000	50,125	2.4
Mid Suffolk District Council	Suffolk	84,400	86,762	1.0
North Kesteven District Council	Lincolnshire	86,700	91,933	0.9
North Wiltshire District Council	Wiltshire	126,800	76,555	1.7
Selby District Council	North Yorkshire	71,300	59,985	1.2
South Cambridgeshire District Council	Cambridgeshire	129,600	89,861	1.4
South Derbyshire District Council	Derbyshire	81,200	33,708	2.4
South Northamptonshire District Council	Northamptonshire	79,900	63,210	1.3
Test Valley Borough Council	Hampshire	110,300	62,592	1.8
Tewkesbury Borough Council	Gloucestershire	77,300	41,376	1.9
Uttlesford District Council	Essex	68,500	63,897	1.1
Vale of White Horse	Oxfordshire	113,800	57,701	2.0
West Oxfordshire District Council	Oxfordshire	97,000	71,236	1.4
North Warwickshire District Council	Warwickshire	61,700	28,341	2.2
Wychavon District Council	Worcestershire	109,900	66,161	1.7

<b>Rushcliffe Group</b>	<b>County</b>	<b>Basic Data Population</b>	<b>Area (Hectares)</b>	<b>Population Density (Persons per Ha.)</b>
		*	**	
Arun District Council	West Sussex	142,100	22,124	6.4
Sevenoaks District Council	Kent	111,500	36,912	3.0
Mid Bedfordshire District Council	Bedfordshire	119,000	50,125	2.4
South Bedfordshire District Council	Bedfordshire	110,900	21,216	5.2
Lichfield District Council	Staffordshire	94,900	33,029	2.9
Three Rivers District Council	Hertfordshire	86,000	8,854	9.7
South Staffordshire District Council	Staffordshire	103,200	40,599	2.5
Gedling District Council	Nottinghamshire	111,000	11,960	9.3
Bromsgrove District Council	Worcestershire	86,000	21,621	4.0
Rochdale District Council	Greater Manchester	207,300	15,757	13.2
North Wiltshire District Council	Wiltshire	126,800	76,555	1.7
East Northamptonshire District Council	Hampshire	111,800	51,301	2.2
Eastleigh Borough Council	Hampshire	115,000	8,065	14.3
South Derbyshire District Council	Derbyshire	81,200	33,708	2.4
Hinckley and Bosworth Borough Council	Leicestershire	98,200	29,644	3.3
Maldon District Council	Essex	55,200	36,246	1.5
North East Derbyshire District Council	Derbyshire	98,600	27,474	3.6
Rushcliffe Borough Council	Nottinghamshire	106,900	40,794	2.6

\* Authority's own estimate at June 1999 from RA return

\*\* Taken from ONS as at 1 April 1998

## 7.2 The Consultation had three distinct phases

- Clarifying and confirming the scope of the Review
- Identifying the key issues of concern to Stakeholders
- Discussing the proposed service improvements with Stakeholders

## 7.3 Clarifying and Confirming the Scope of the Review

7.3.1 Consultation results show that service users consider the cleanliness of the environment a matter of considerable importance. In response to the question "How important is it to you that you live in a clean environment" (on a scale 1 – not very to 5 – very) all groups asked answered in the range 4 to 5. In the MORI Survey, carried out in 1999, those responding said they considered Refuse Collection the second most important Council Service and Street Cleansing the fourth. These results confirm the importance of ensuring the services, covered in the Review, are properly resourced and carried out and continually improved in a way that is acceptable to its users.

7.3.2 The consultation also broadly confirmed the issues of most importance and concern to users as being:-

- Dog Dirt
- Litter
- Fly tipping

In response to queries about services considered good or bad the more consistent responses were: -

- |        |  |
|--------|--|
| • Good | Refuse Collection<br>Wheeled Bins  |
| • Bad  | Grass Cutting<br>Fly tipping<br>Weed Clearance<br>Lack of Composting Scheme<br>Non removal of Dog Dirt<br>Withdrawal of Free Bulky Service<br>Insufficient Litter Bins |

The above broadly confirms the concentration in the Review on the four main areas of: -

- Dog Dirt
- Litter
- Flytipping
- Grass Cutting

Stakeholder groups also indicated that they considered the Council should be more proactive in both educating people to keep their environment clean and fining or prosecuting them when they spoil it with litter, fouling and tipping.

#### 7.4 Identifying the issues of key concern to Stakeholders

7.4.1 Having established the importance of the service areas to the public, parishes, Chamber of Trade and staff (residents in the District) the particular shortfalls in service expectations were considered in deciding on the key issues for consideration of improvements required.

7.4.2 In addition to the above Stakeholder groups information was available from the Tidy Britain Survey which confirmed a broadly satisfactory street cleaning service except for

- Unsatisfactory clearance of litter from rural verges (winter problem because no grass cutting operation)
- Weed treatment and clearance
- A small number of litter hot spots, especially in the urban core

7.4.3 The following therefore were considered to be issues requiring priority attention.

- A more effective and rapid on site response to
  - Fly tipping
  - Dog fouling deposits
  - Concentrations of litter
- A higher standard of grass cutting
- A review of litter bin provision
- Consideration of implementing education programmes or enforcement measures
- Improve weed control measures
- Extend the composting scheme

*(See Action Plan 3.1, 3.2, 4.1, 4.2, 4.3, 5.1, 6.1, 7.1, 7.2, 8.1)*

#### 7.5 Discussing the proposed service improvements with Stakeholders

This has been the final stage of consultation.

*(NOTE: - Clean Team still awaiting all responses from Stakeholders)*

## 8.0 Compete

8.1.1 The services included within the scope of the review with the exception of dog Fouling have been subject to the Compulsory Competitive Tendering (CCT) regulations during the past twelve years. The Council's, Direct Services Organisation (DSO) has been successful in winning the tenders except for the Street Cleansing Contract which was won by UK Waste Ltd. (later to become Onyx UK Ltd) in 1989 but was won back by the DSO in 1993.

8.1.2 The CCT history is detailed below: -

<b>Contract</b>	<b>Commencement Date</b>	<b>Contract Period</b> (including extension period if applicable)
Grounds Maintenance 1 (grass cutting work North of the Trent)	1990	1996
Grounds Maintenance 2 (grass cutting work South of the Trent)	1991	1997
Grounds Maintenance 3 (parks, cemeteries etc)	1992	1998
Grounds Maintenance A (Grounds Maintenance 1 x 2 combined)	1997	2004
Grounds Maintenance B (formerly Grounds Maintenance 3)	1998	2005
Refuse Collection	1989	1996
	1996	1999
Street Cleansing	1989	1993
	1993	1999
Refuse Collection, Recycling,  Street Cleansing (services combined into one contract following consultation)	1999	2008

8.1.3 The Refuse Collection, Recycling and Street Cleansing Services were re-tendered as a single contract in 1999 following a Section 15 notice served by DETR in regard to losses on the services in the financial year 1996/97. No external bids were received and DETR authorised the Council to accept the DSO's tender with actual effect from July 1999.

8.1.4 The costings basis of the contract, however, was changed with effect from April 2000 as a result of the following service reductions caused by the Council's financial difficulties: -

#### Refuse Collection

- Withdrawal of the free bulky collection service.
- Withdrawal of the free Saturday civic amenity service.

#### Street Cleansing

- Reduction by half of service level in Swadlincote Town Centre.
- Reduction of cleansing in main shopping areas from twice a week to once a week.
- Reduction in cleansing litterbins and bus shelters from eleven times a year to four times.
- Reduction in cleansing lay-bys from twenty six times a year to four times.
- Reduction in cleansing car parks from six times a year to twice a year.
- Closure of seven public toilets.

8.1.5 A zero-based budget was produced based on the labour, plant, vehicles, sub-contractors, materials, and overheads, resources required to achieve the revised levels of service. The budget included a 2% allowance for inflation rather than the 5% increase which would have been due under the terms of the CCT contract.

8.1.6 The opportunity was taken at the same time to re-organise the client and DSO staffing structures into a blended unit with the objective of avoiding some of the duplication of systems brought about by CCT. Two posts (Engineering Manager and Customer Services Assistant) were deleted from the service's establishment as a result of the changes.

8.1.7 A distinct service monitoring team, however, has been maintained to measure performance against both national and local indicators.

8.1.8 Service costs and performance information is detailed in the Baseline Assessment.

### 8.1.9 Dog Warden Service

This service was not subject to CCT. However, the kennel facilities for the stray dog collection is provided for by an external contract, which was retendered in August 2000. Details are provided within the Baseline Assessment.

### 8.2.0 Assessment of Current Competitiveness

8.2.1 A report has been commissioned from a consultant (Techman Consultancy Services Ltd) to assess the current competitiveness of the service.

8.2.2 Techman has considerable experience over the years in assisting Councils across the country to submit contract bids and to evaluate tender submissions under the CCT regulations. This consultant is now assisting Councils in Best Value Reviews and has gathered and developed a large a database of comparative information.

8.2.3 The information produced in his report has been drawn from the private sector, other Council run environmental services and Audit Commission Performance Indicators.

8.2.4 The main conclusions from his report may be summarised as follows: -

- The services under review are efficient, cost effective and competitive.
- The difference between the operational cost of Refuse Collection and the overall cost reported for Performance Indicators requires investigation.
- There is a high level of sickness which requires investigation.
- Central establishment charges (CEC) are "excessive", particularly payroll costs.
- The recommended service procurement option as per DETR Circular 10/99 Best Value is a continuation of the in-house service supported by "top up" from the private sector.
- Techman's report is included in the documents accompanying this report.

8.2.5 The Review Team's comments on Techman's main conclusions may be summarised as follows: -

Services under review are efficient, cost effective and competitive

8.2.6 This is borne out by the comparisons in the report in terms of price and quality.

Difference between operational costs and overall PI cost of refuse collection

8.2.7 The total operational cost for 2000/01, as detailed in the report, is £818,560. The total probable outturn overall cost for PI records is £1,118,490. The difference of £300,000 may be summarised in the main as follows: -

**Refuse Collection (Client)**

	£
Administration (staff salaries and associated on costs)	92,130*
Central establishment charges	11,370
Leasing costs of wheeled bins	90,310
Replacement costs of wheeled bins	4,260
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	£198,070

**Recycling**

	£
Administration (staff salaries and associated on costs)	43,610**
Central Establishment charges	7,160
Capital depreciation costs of recycling bins	20,790
Contractors (paper collections etc.)	41,920
Promotional expenses	11,180
(Income – recycling credits etc)	(68,220)
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	£56,440

**Composting**

	£
Administration (staff salaries and associated on costs)	12,490 **
Central establishment charges	2,350
Capital depreciation cost, and leasing costs of bins	10,340
Contract payment to composting facility	24,170
Promotional expenses	6,990
(Income – recycling credits)	(28,560)
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	27,780
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TOTAL	£282,290

\* equates to 1.99 full time equivalent number of staff

\*\* equates to 1.36 full time equivalent number of staff

The level of on-costs and overheads charged, as indicated in Techman's report on operational costs, gives cause for concern and will need to be addressed in the Best Value Reviews in those support services where the charges are generated. (See Action Plan 2.6)

#### High levels of Sickness

- 8.2.8 The Council is seeking to address this accepted problem with the recent implementation of an Absence Management Policy & Procedure. (See Action Plan 2.1)

#### Central establishment charges (CEC) are excessive, particularly payroll costs

- 8.2.9 The charges require further investigation and analysis to provide reliable comparison.

#### Procurement Option

- 8.2.10 The services are currently operated in the main by the DSO but do include a significant number of partnership arrangements: -

#### Recycling and Composting

29% of turnover is spent with the private sector. This will increase as the Council seeks to extend its recycling activities with the private sector.

#### Street Cleansing

27% of turnover is outsourced to the private sector.

#### Grounds Maintenance

9% of turnover is outsourced to the private sector.

- 8.2.11 The current arrangements will be developed as described in the Action Plan 9.2.

#### 8.2.12 Dog Warden Service

The re-tendering of the kennel contract has resulted in a saving of £3,782 between 1999/00 and 2000/01. Further savings are expected for the full contract year 2001/02.

- 8.2.13 The additional benchmarking referred to within Section 6.0 compare identified the following main points.

- Comparisons with operational costs (salaries, vehicles, materials, etc.) with other in-house service providers are very similar and SDDC are cheaper in some cases

- External contracts still carry costs such as kennel fees, vets fees, signs, bin collection and other overheads.
- There is no significant variation of external contract costs to that of operational in-house costs.
- Main significant variation due to overheads and on-costs charged to service
- External contracts do not cover other duties provided by SDDC Dog Warden e.g. noise complaints.

### 8.3.0 Conclusions

- 8.3.1 The Service's operational performance is efficient, cost effective and competitive.
- 8.3.2 The high level of overhead charges requires further analysis and investigation by the Council.
- 8.3.3 The high level of sickness needs to be addressed through the Absence Management Policy & Procedure.
- 8.3.4 The current management arrangements of a blended service unit are helping to deliver an improving service in a cost-effective manner.
- 8.3.5 The procurement option recommended by Techman represents the best way forward for the future delivery of the services in South Derbyshire.
- 8.3.6 The information provided by Techman indicates that current costs are competitive but this information will need reviewing with the passage of time. The competitiveness of the service will be reviewed every two years. (See *Action Plan 2.8*)
- 8.3.7 Dog Warden Service is comparable on-costs with both in-house and external providers. The Dog Warden Service for SDDC in fact provides additional duties over and above external contractor. Overheads require further investigation.