

Executive Decision Report

Cleansing Services Spending Review

Decision to be taken by: Assistant City Mayor – Energy and
Sustainability

Decision to be taken on: 10 March 2017

Lead director: John Leach



City Mayor

Useful information

- Ward(s) affected: All
- Report author: Stewart Doughty
- Author contact details: 37 3789
- Report version number: 2

1. Summary

To agree the proposals of the Cleansing Services spending review to achieve savings of £0.7m, as part of the wider Spending Review programme.

2. Recommendations

- 2.1. To approve the revenue savings in the Parks & Open Spaces budget to realise savings of £0.7m per annum in Cleansing Services by 2019/20 as part of the Council's spending review programme.
- 2.2. To reflect the anticipated savings in the approved budget and budget strategy, and to reduce the budgets by £365,000 in 2017/18, £508,000 in 2018/19 and £700,000 in 2019/20 and thereafter; and
- 2.3. To delegate authority to the Director of Finance to determine the specific budget ceilings affected.
- 2.4. To instruct Officers to monitor cleanliness standards and provide quarterly performance reports to the Assistant Mayor on service standards.

3. Background

- 3.1. The Council needs to make significant savings to ensure it continues to operate within the reducing budget it has available, following the austerity measures put in place by the Government. In order to do this the Council has introduced a programme of spending reviews and Cleansing Services with Waste has been given an indicative savings target of £2.5 Million. It has been suggested that £0.7 Million should be from Cleansing Services which represents 27% of the net budget for this service area or 14% of the gross budget of which £2.3m is income related. Cleansing services are vital to the quality of local life and support the potential for future investment in the City.
- 3.2. It is recognised that a clean quality local environment supports a vibrant City and supports the sustainability and growth of the business and tourism offer, and:
- 3.3. secures quality, long term commercial investors

- 3.4. attracts and retains workers with scarce skills
- 3.5. meets landowners' and tenants' legal obligations and liabilities
- 3.6. deters anti-social behaviour and some criminal activities
- 3.7. secures the approval of electors, for whom local environmental quality is a fundamental test of an administration's efficiency and effectiveness
- 3.8. creates environments that are more easily maintained and less subject to vandalism.
- 3.9. It is critical that service reductions within Cleansing Services are carefully managed to minimise these wider implications whilst recognising previous reductions which reduced management posts in the service. As part of a previous budget saving programme in 2013, 2 Area Service Manager posts were removed to make a £70k saving, a further 3.6 management posts were deleted from the Cleansing team as part of an organisation review in 2015 to realign the Parks and Open Spaces budget. The management team overall has reduced from 13.6 Full Time Equivalent (FTE) to 8 FTE which equates to a 41% reduction in the management team.
- 3.10. The service generates an income for work recharged both internally and for external contracts, and service reductions need to be carefully managed not to impact on these income streams. During 2015/16 £2,137,000 income was received from internal customers, such as the Housing HRA, graffiti removal and waste collection and external customers which also included waste collection and graffiti removal.
- 3.11. It is expected that the level of saving asked for (27% reduction in the net budget) will not lead to an equivalent drop in service. However, it is clear the level of service will deteriorate and the risk of complaints will significantly increase along with challenge to statutory compliance. To help mitigate these risks it is proposed where possible to focus publicity and enforcement campaigns towards encouraging changes in public behaviour with respect to littering and to put in place a small reactive team that can blitz areas. The cost for this team would be generated through internal budget realignment.
- 3.12. It is also proposed to further monitor compliance and street cleansing performance in order that the City Mayor, Assistant Mayor for Energy and sustainability and Executive can be fully informed of the impact of the changes as they present. Without knowing the full scale of the impact until it is enacted it may be considered prudent to safeguard the opportunity to re-visit the outcomes associated with the review at regular intervals so that an assessment can be made against service outcomes and budget provided. This approach could be viewed as "a live trial" which would enable the City Mayor, Assistant Mayor for Energy and Sustainability and Executive to consider if an appropriate level of funding should be returned or retained by the service (or not if not required), whilst

monitoring service provision with a view to achieve further savings. See also paragraph 6.7.

4. Current service provision

4.1. Leicester City Council participates in the Association for Public Service Excellence (APSE) annual benchmarking for cleansing services, against a range of 18 comparable authorities (appendix 1) on a number of key performance indicators, the 2014/15 results identified that Leicester City provides a cleansing service below the group average cost per household at a cost of £29.71 compared to the average of £34.83 and at a cost per head of population of £12.70 compared to the average of £15.05. With an overall quality band score of 116 compared to the average of 97.39 with the highest results for recycling at 82.37% compared to the average of 24.92%. This demonstrates that the service is currently providing a quality value for money service when compared to its comparator authorities.

4.2. Cost of street cleaning

The figures below show the expenditure on street cleaning. They don't include public conveniences, graffiti, skips and the utility team, but they do include litterbins and FIDO.

| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|-------------|------------|------------|------------|------------|------------|------------|------------|
| Total | £4,084,186 | £3,972,386 | £3,474,231 | £3,487,786 | £3,627,497 | £3,724,218 | £3,545,944 |
| City Centre | £1,326,402 | £1,135,404 | £1,168,139 | £1,253,838 | £1,254,438 | £1,327,030 | £1,252,469 |
| Districts | £2,757,784 | £2,836,982 | £2,306,091 | £2,233,947 | £2,373,060 | £2,397,187 | £2,293,474 |

5. Service options

5.1. All functions within the Cleansing Service team have been considered and a full range of service reduction options to be phased over a 3 year period were presented to the Executive and Neighbourhood Services and Community involvement Scrutiny as detailed below:

- Removal of the dedicated FIDO (faeces intake disposal operation) machine and operative
- Removal of the dedicated Bring Bank Team.
- Transfer of additional duties to other teams in order to reduce the am bin and bag collection and cleaning of car parks
- Review and reduce weekend cleaning of shop frontages and main gateways into the city

- Review how the Transfer Station is resourced
- Review the operation of the Graffiti team
- Redesign city centre cleansing schedules
- Redesign district cleansing schedules
- Remove one of the two mechanical brushes for district cleaning
- Replace the current corporate waste and recycling collections with a combined service to collect both mixed waste and recycled materials in one split body vehicle
- Consider the management / supervision and admin team.

5.2. In addition to the service reductions there is a small amount of additional income generation of £35,000 that can be realised. The saving options will include overall reduction in service teams and part of the savings will result in Fleet savings of £169,686 for a reduction in vehicles and fuel use (budget was transferred from Cleansing to Fleet in 2015/16)

5.3. The Housing Caretaker service is being reviewed by the Housing Division with a view to make savings to the Housing Revenue Account (HRA) and therefore this element will not be considered as part of this review.

5.4. The savings identified will be phased as follows:

- Year 1 April 2017 - £365,000
- Year 2 April 2018 - £143,000 (£508,000 cumulative)
- Year 3 April 2019 and thereafter - £192,000 (£700,000 p.a. cumulative)

6. Reduction impacts & threats

6.1. The Environmental Protection Act 1990 imposes duties under section 89 (1) and (2) on local authorities (LA) to keep clean public highways.

6.2. Part 1 of the Act seeks to encourage LAs to maintain land within acceptable standards, the emphasis being on a consistent and appropriate management of an area to keep it clean rather than how often it is cleaned.

6.3. There is a statutory requirement to ensure our land is, so far as is reasonably practical, kept clear of litter and refuse. Dog faeces are treated as refuse.

6.4. Cleanliness standards should not fall below a B standard and be cleaned to an A standard on a regular basis. Cleansing schedules should be set to meet this standard, including clearance from the night time economy by 8.00am the following day, this applies to weekends and bank holidays.

6.5. If acceptable standards of litter and refuse are not met, response times are set for each of the 4 categories by which land must be returned to an acceptable standard (see appendix 2). LAs that allow their land to fall below acceptable standards may be subject to a Litter Abatement Order (section 91) issued under the Environmental Protection Act (EPA) 1990. This would require the Authority to

bring the area up to the required standard by a time specified in the order and a fine not exceeding level 4 (£2,500) plus an additional charge of £125 for each day outstanding.

6.6. For litter and refuse (see appendix 3)

Grade A: No litter or refuse

Grade B: Predominantly free of litter and refuse apart from some small items

Grade C: Widespread distribution of litter and/or refuse with minor accumulations

Grade D: Heavily affected by litter and/or refuse with significant accumulations

It is recommended that drug related litter is removed within 3 hours.

6.7. Due to the implications of the EPA it is proposed to phase the service reductions to ensure that standards can be monitored and available resources are best deployed to ensure acceptable standards are maintained across the City.

6.8. Part 2 of the Act contains advisory standards for graffiti and flyposting due to the impact these have on the quality of the environment and can lead to an increase in crime even if the litter is managed. Although not part of the statutory duties like litter, all LAs are recommended to manage these issues.

6.9. It is difficult to forecast the impact differing service reductions would have on the overall cleanliness standards, currently the pass rate for litter and detritus are very high with an overall satisfactory rate in 2015/16 of 89.92% for litter and 95.25% for detritus, these cleanliness standards have been steadily increasing year on year since the service reductions in 2010/11 which saw failure scores double after the removal of the Applied Sweepers from the districts with an overall reduction from 19 units to the current 4 (centre based).

7. The following risks have been identified:-

7.1. Public and business sector dissatisfaction in cleanliness standards.

7.2. Negative media coverage and reputational damage to LCC.

7.3. Impact on City footfall, return visits, tourism and business sector damage.

7.4. Public safety, potential trip hazard, collection of hazardous materials, 3rd party claims.

7.5. Flood risk, build up of detritus, drainage issues.

7.6. Loss of flexibility in responsive service and dealing with events.

7.7. Negative impact on look and feel of Leicester and community well-being.

7.8. Please see paragraphs 3.5 and 3.6 which discuss ways to help mitigate against these risks using publicity and enforcement campaigns to combat littering and the use of a small "Rapid Response Team" to target hot spot areas.

8. Staffing impact

8.1. Due to the pending spending review, a recruitment freeze has been in place for Cleansing Operatives to minimise the possibility of compulsory redundancies with the employment gap being covered with agency staff.

8.2. The proposed service reductions will inevitably result in a reduced establishment potentially by up to 21 FTE posts, however all of the front line operation posts could be contained within the current vacancies within the service areas impacted. Once the decision report has been approved a full business case would be developed with full staff and Trade Union consultation in preparation for an organisational review (OR) to achieve future years savings.

8.3. Front line job roles will be reviewed to see if they are fit for purpose.

8.4. In conducting this review management are mindful of the absolute need to support staff as appropriate, whilst recognising the implications of a significantly reduced budget. Staff welfare issues are a risk (stress, increased sickness levels).

9. Process

9.1. It is proposed that a phased approach is taken to trial the service reductions and monitor impact. This will enable the Council to further consider its position, including any progress with the Waste Service element of the Waste and Cleansing Review.

10. Suggested Timeframe

| | | |
|-------|--------------------------------|---------------------------|
| 10.1. | Executive agree outline option | August 2016 |
| 10.2. | Undertake consultation | September - October 2016 |
| 10.3. | Decision Notice | February 2017 |
| 10.4. | Review schedules | February – March 2017 |
| 10.5. | Year 1 savings | April 2017 |
| 10.6. | Prepare OR Business Case | Mid 2017 |
| 10.7. | Organisational Review | January 2018 – March 2018 |
| 10.8. | Year 2 savings | April 2018 |

11. Details of Scrutiny

A presentation on the proposed savings was given to Neighbourhood Services and Community Involvement Scrutiny on the 30 November 2016. It was accepted that service changes needed to be made in a measured and careful way and combined

with community engagement and educational campaigns and using enforcement where necessary. Particular concerns were raised around the management of dog fouling on public spaces and people spitting chewing gum onto pavements, it was agreed to undertake a campaign to promote the use of the Love Leicester to encourage reporting.

12. Financial, legal and other implications

12.1 Financial implications

This report sets out savings proposals in connection with Cleansing spending review.

Colin Sharpe, Head of Finance
Internal: 37 4081

12.2 Legal implications

As explained in Paragraph 3 of the report, the Council is under a statutory obligation to ensure that highways are kept clean pursuant to s.89 of the Environmental Protection Act 1990 (as amended). The Council is required to comply with this obligation in order to avoid the potential for the service of Litter Abatement Orders and Notices under the Act.

John McIvor, Principal Lawyer (Commercial, Property & Planning Team)
Internal: 37 1409

As explained in Paragraph 8.2 of this report, the proposed service reductions will have employment implications. Depending upon the number of potential staff redundancies, the obligation to collectively consult under TULCRA may be triggered. If triggered then the Council will have a duty to (1) inform and consult appropriate employee representatives, consultation must begin at least 30 days before the first dismissal takes effect (2) send notification to the Secretary of State. In addition, the Council will need to ensure that it has followed a fair procedure in relation to individuals, including consulting with them.

If the decision is approved, assistance from HR and legal can be obtained in preparing the business case and conducting the organisation review.

Julie McNicholas, Employment and Education Solicitor
Internal: 37 1432

12.3 Climate Change and Carbon Reduction implications

Reductions in cleansing services, particularly where vehicles and cleaning equipment are removed from service, would reduce carbon emissions from the fleet – although this impact may be tempered if the changes were to lead to greater use of remaining items.

In contrast, changes being considered to the operation of the waste transfer station could increase the carbon emissions resulting from Council activities if it led to a reduced capacity to segregate waste streams for recycling or composting. These options have a lower carbon impact than landfill. Any increase, however, would not be reflected in the Council's reported carbon footprint, which doesn't currently include the carbon emissions of waste disposal in its scope.

Finally, service reductions in the timeliness of removing detritus and fallen leaves could negatively affect Leicester's resilience to the impacts of climate change if it led to delays in rainwater from intense downpours entering storm drains.

Duncan Bell, Senior Environmental Consultant.
Internal: 37 2249

12.4 Equality Impact Assessment

The main impact of the proposed savings will be on the city's cleanliness standards as set out in the report. However, evidence has shown that there is a strong link between low cleanliness standards and increased anti-social behaviour. It is this subsequent impact which could potentially affect our ability to meet the third aim of our Public Sector Equality Duty – fostering good relations between different groups of people – if our local neighbourhoods become less friendly places to live in or to engage with others. Should this occur, this adverse impact would affect all protected characteristics.

Irene Kszyk, Corporate Equalities Lead
Internal: 37 4147.

12.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None

13. Background information and other papers:

14. Summary of appendices:

App 1 - APSE benchmark group

App 2 - DEFRA service standards – timeframe

App 3 - DEFRA service standard examples

15. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

16. Is this a “key decision”?

Yes

17. If a key decision please explain reason

The decision will result in revenue savings in excess of £0.5m.

Appendix 1

APSE Benchmarking Family Group

Belfast City Council

Brighton & Hove City Council

Cardiff Council

City of London

Dudley Metropolitan Borough Council

East Riding of Yorkshire Council

Fife Council

Gateshead Metropolitan Borough Council

Glasgow City Council

Hull City Council

Knowsley Metropolitan Borough Council

Leicester City Council

North Tyneside Metropolitan Borough Council

Nottingham City Council

Oxford City Council

Plymouth City Council

Warrington Borough Council

Wirral Metropolitan Borough Council

Wolverhampton City Council

| Leicester City Council Cleanliness Standards | | | | | |
|--|--|--|--------|-----------|----------|
| Category Zone | Area | Cleanliness Standard | | | |
| | | A | B | C | D |
| 1 | Leicester City Centre | ← | ← 6hrs | ← 3hrs | ← 1hr |
| 2 | Residential areas | ← | ← | ← 12hrs | ← 6hrs |
| 3 | All other areas (industrial, parks etc) | ← | ← | ← 1 week | ← 60hrs |
| 4 | A Roads | ← | ← | ← 4 weeks | ← 1 week |
| 5 | Private land including educational institutions, railway areas, supermarket car parks etc. | Please report problems through to us and we will take the matter up with the appropriate landowner | | | |
| Text | | | | | |



A Grade

– No litter or refuse.



B Grade

– Free of litter and refuse except for small items.



C Grade

– Widespread distribution of litter & refuse with minor accumulations.



D Grade

– Heavily littered with significant accumulations.