

**Report to the Finance & Performance  
Management Cabinet Committee and  
Audit & Governance Committee**



**Epping Forest  
District Council**

**Report reference:** *FCC-030-2008/09*

**Date of meeting:** *16 March 2009  
30 March 2009*

**Portfolio:** Environment

**Subject:** Audit Commission Inspection of the Waste Management Service -  
Progress against the Recommendations

**Responsible Officer:** John Gilbert (01992-564062)

**Democratic Services Officer:** Gary Woodhall (01992-564470)

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**Recommendation:**

**That progress on the action plan for the implementation of the recommendations of the Audit Commission following the inspection of the Waste Management Service in May 2008 be noted.**

**Executive Summary:**

This report is a follow up to the one considered by the Committee at its meeting in November 2008. At that meeting the Cabinet Committee received details of the Audit Commission findings and agreed with the proposed action plan and associated timeframes. The action plan then went forward to be considered by the Audit & Governance Committee at its meeting on 24 November 2008, when the action plan was noted. The Audit & Governance Committee requested that they be updated of progress against the action plan at its meeting in March 2009.

This report sets out details of progress against the agreed action plan

**Reasons for Proposed Decision:**

The Audit Commission's inspection report set down a number of recommendations with associated timeframes. It is important for the Cabinet Committee and the Audit & Governance Committee to be satisfied that satisfactory progress has been made against these recommendations.

**Other Options for Action:**

Given the importance of complying with the Audit Commissions recommendations, no alternative options are provided.

## Report:

1. Following the difficulties experienced by the Council caused by the demise of the waste contract with South Herts Waste Management in early 2006, the Audit Commission decided that it would conduct a full scale inspection of the Council's waste management service. This inspection took place during May 2008

2. The judgement was that the service was a "fair" one star service with uncertain prospects for improvement, with the "fair rating based upon:

- the Council having a good recycling performance, in the top quartile
- the Council collecting a wide range of recyclable materials, with good access to services and reasonable resident satisfaction levels
- the reliability of the waste management service having improved

However

- the Council's street cleansing performance was very uncertain, and it did not engage sufficiently with third party landowners in dealing with problems
- overall resident satisfaction with the waste service was low
- there had been insufficient engagement with the community in shaping the services being delivered
- there had been insufficient community education and information in support of the services
- service delivery was not consistent, with flats being excluded from recycling services
- the Council's approach to trade waste services was inconsistent
- the weight of overall waste being collected was rising rather than falling
- the service was expensive and did not represent value for money
- procurement arrangements were inconsistent

3. The following formed the basis of the "uncertain prospects for improvement" judgement:

- the Council was not demonstrating environmental leadership with no overarching corporate sustainability strategy
- the service could not demonstrate a plan for the delivery of national and regional waste management priorities
- the Essex Joint Municipal Waste Management Strategy (EJMWMS) had not yet been adopted
- poor management of change, especially the initial introduction of wheeled bins and alternate weekly collections
- performance arrangements within the new Environment & Street Scene Directorate not yet fully in place, and waste contract yet to be signed
- inconsistent application of procurement standing orders

However

- recycling rates and overall service reliability were improving
  - Council had the financial capacity to deliver planned improvements
  - the new Directorate structure had increased front line resources
- there was a clear commitment to improving service delivery

4. Irrespective of the disappointment felt by the Council with the outcome of the inspection, the Council has to address the recommendations contained in the report. The recommendations and their associated timescales were the subject of considerable

discussion with the Commission and they reflect, as far as possible, the Council's position and concerns. Appendix 1 transposes the Audit Commission recommendations into an action plan with progress to date in the right hand column.

### **Resource Implications:**

Current service cost overall is around £5.3 million per annum (including on costs) and therefore, in accordance with the Audit Commission's assessment of low, medium and high cost (see appendix 1), the following arises:

- |       |                                      |                      |
|-------|--------------------------------------|----------------------|
| (i)   | low cost (up to 1% of service cost): | £ 53,000 (less than) |
| (ii)  | medium cost (1% to 5%):              | £ 54,000 to £265,000 |
| (iii) | high cost (more than 5%)             | £265,000 plus        |

Implementing the Audit Commission recommendation 2, which they consider to be medium cost, is in excess of £265,000 and should therefore be described as "high cost". All the costs associated with changes to the waste management service are set out in the report to Cabinet of 19 January 2009 (see background papers).

### **Legal and Governance Implications:**

The Audit Commission report is important since it will form a critical part of future inspection arrangements including Direction of Travel, Use of Resources and Comprehensive Area Assessment. It is therefore essential that the Council can demonstrate a full understanding of the recommendations and is able to evidence progress against them in accordance with the agreed time frame

### **Safer, Cleaner and Greener Implications:**

The effective management and delivery of the waste management service is a key component of the Council's Safer, Cleaner, Greener initiative. The need for the Council to make progress towards the adoption of a climate change and environmental strategy is also key to the initiative

### **Consultation Undertaken:**

Sita as part of recently agreed (Cabinet: 19 January 2009) changes to the present waste management service due for implementation in late summer/autumn 2009

### **Background Papers:**

Wide range of information and data provided to the Audit Commission inspection team leading into or as part of the inspection process.

Previous reports to this Committee and Audit & Governance Committee

Report to Cabinet: 19 January 2009

### **Impact Assessments:**

Completion of the action plan and compliance with recommendations will ensure the equality

of service provision to all residents.

Progress towards and eventual compliance with the recommendations by the due date will have a positive impact on future Audit Commission assessments

**Appendix 1 – Inspection report recommendations and progress against action plan**

Recommendation	Progress as at October 2008	Progress February 2009 ( <b>Bold = completed</b> ) ( <i>Italic = in progress</i> )
<p><b>R1 (APRIL 2009)(High impact – medium cost)</b>  <b>The Council should clarify its strategic aims for a sustainable environment and develop plans that set out how these will be delivered by:</b></p> <ul style="list-style-type: none"> <li>• agreeing a strategy that sets out the Council’s response to its signing up to the Nottingham declaration on climate change;</li> <li>• developing a medium- to long-term plan that delivers the Council’s obligations under the Essex Municipal Waste Strategy and Environment theme of the new LAA once agreed;</li> <li>• developing robust implementation plans for the Council’s ‘safer greener cleaner’ initiative that is backed up with clear enforcement policies; and</li> </ul>	<ul style="list-style-type: none"> <li>• Officer working Group established under the Chairmanship of the Director of Planning. Group has met on a number of occasions. Bio-diversity plan and action plan complete. Energy audit undertaken and progress being made with establishing the base data for NI 185. Have registered with Defra in respect of the “Carbon Reduction Commitment”. Awaiting legal process to be completed for undertaking a green fleet review. The first draft of the Climate Change Strategy is anticipated for December 2008.</li> <li>• Council has formally adopted the Essex Joint Municipal Waste Management Strategy. Review underway to align the Council’s waste management service with the Strategy, with report proposed to the December 2008 Cabinet</li> <li>• “Safer, Cleaner, Greener” strategy document in preparation. This will be a high level document requiring a number of sub elements such as the review of current enforcement policies. This will follow the adoption of the basic strategy</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Nottingham Declaration has been signed and plan in place to deliver aims and objectives of the Declaration</b></li> <li>• <i>Climate Change Strategy being presented to SCG Panel on 24 Feb 2009</i></li> <li>• <b>Local Biodiversity Action Plan (LBAP) has been adopted and 5 year monitoring has commenced</b></li> <li>• <i>Creation and adoption of green travel plan is targeted for July 2009</i></li> <li>• <i>Implementation of actions identified in the Fuel Poverty Strategy targeted for later in 2009</i></li> <li>• <b>Public consultation between September and October 2008</b></li> <li>• <b>Cabinet agreed new service provision at its meeting in January 2009</b></li> <li>• <i>Cabinet to consider Inter Authority Agreement with ECC at its March or April 2009 meeting</i></li> <li>• <i>SCG Strategy considered by SCG Panel on 24 Feb 2009 and then to OSC and Cabinet for adoption</i></li> <li>• <b>Member training on the Council’s SCG Strategy has been conducted</b></li> <li>• <b>Council’s Rapid Response Unit is operational</b></li> </ul>

Recommendation	Progress as at October 2008	Progress February 2009 ( <b>Bold = completed</b> ) ( <i>Italic = in progress</i> )
<ul style="list-style-type: none"> <li>developing plans for improving the street cleaning service with key partners and other stakeholders that integrate with the 'safer greener cleaner initiative'.</li> </ul>	<ul style="list-style-type: none"> <li>This action needs to be combined with the action plans arising from the Encams assessment of street cleansing standards. This work has yet to commence.</li> </ul>	<ul style="list-style-type: none"> <li>Key partners will be approached and street cleansing plans developed in consultation with Neighbourhood, Safer Communities, Grounds Maintenance and other stakeholders</li> </ul>
<p><b>R2 (APRIL 2009) (High impact – medium cost)</b> <b>The Council should review its arrangements for assessing and delivering value for money within the service ensuring:</b></p> <ul style="list-style-type: none"> <li>the waste management contract Partnership Board and Innovation Forum focuses on driving improvements in service quality and efficiency and contractor underperformance is rectified quickly;</li> <li>reviewing the green waste service to include environmental sustainability as an assessment criteria; and</li> <li>full compliance with the Council's policies and standing orders on procurement.</li> </ul>	<ul style="list-style-type: none"> <li>Waste Management Board has met twice and has received contract performance information. Innovation Forum has been working up the options for the forthcoming service reviews.</li> <li>This is being undertaken as part of the previously mentioned service review. Cabinet also being requested to consider the service in the short term (i.e. spring &amp; summer 2009) in the event that the full service review cannot be implemented from April 2009</li> <li>It is not considered that the Council's contract standing orders were breached in any significant part. This is an area of disagreement with the Commission. However, it is acknowledged that the CSOs must be adhered to at all times and that any requirement to amend them or set them aside should wherever possible be avoided and where necessary fully justified.</li> </ul>	<ul style="list-style-type: none"> <li><b>WMPB has now met 4 times. Innovation Forum has worked on proposals for new food waste service.</b> <i>Detailed work is now being done for roll out of the new service.</i></li> <li><b>Following environmental sustainability assessment of green waste service Cabinet has agreed WMPB proposals for change in green waste service</b> <ul style="list-style-type: none"> <li><i>Detailed plans for implementation of green waste service changes are being prepared.</i></li> </ul> </li> <li><b>This is being continually reviewed and efforts made to procure as much as possible through the Essex Procurement Hub and the Procurement Agency for Essex</b></li> </ul>

Recommendation	Progress as at October 2008	Progress February 2009 ( <b>Bold = completed</b> ) ( <i>Italic = in progress</i> )
<p><b>R3 (MARCH 2009) (High impact – medium cost) Improve the accessibility of the service and engagement with all communities in the district by:</b></p> <ul style="list-style-type: none"> <li>• developing proactive education and awareness campaigns on environmental issues that concern local people; making better use of the Council's website, local press and existing partnerships to support this;</li> <li>• improving communication with residents before and after planned changes take place;</li> <li>• ensuring the service is accessible for people with diverse needs;</li> <li>• ensuring sufficient resources are available to deal with customer contacts during planned changes, service failures or emergencies</li> <li>• clarifying and promoting the criteria for an emergency call-out to deal with clean-ups, offensive graffiti etc; and</li> <li>• ensuring the Council's policy to arrange a trade waste service on request is consistently implemented.</li> </ul>	<ul style="list-style-type: none"> <li>• The new Directorate structure is now complete with the new posts of Service development Officer and Recycling Officer having been filled. This will provide the capacity to undertake educational and awareness campaigns. Web page content is under review</li> <li>• Consultation underway through Forester ahead of any future service change proposals.</li> <li>• A review of the diversity component of the service plan is underway to assess progress. This will be considered further as part of the assessment of options for service change</li> <li>• Sufficient resources are in place and action is taken at critical times, as is evidenced by the recent transition from weekly to alternate weekly collections.</li> <li>• Currently under review</li> <li>• Currently under review alongside a similar review of waste from schools, religious establishments and charitable premises</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Communication plan is being prepared in consultation with PR section. This will have mechanism for wider consultation and contact with stakeholders.</i></li> <li>• <b>Consultation results formed the basis of introduction of new food waste collection service.</b></li> <li>• New communication plan to include consultation with disability groups</li> <li>• <b>Existing contingency plans being reviewed, but worked well following recent extreme weather</b></li> <li>• <b>Will be dealt with through development of the new Environmental Response Team</b></li> <li>• <b>Arrangements reviewed an updated information now available to enquirers through waste team, call centre and on the website</b></li> </ul>