

**Agenda Item No:**

**Report No:**

**Report Title:** **Benchmarking – (a) Waste and Recycling and (b) Street Cleansing**

**Report To:** **Scrutiny Committee**

**Date:** **25 April 2013**

**Cabinet Member:** **Cllr Jim Sheppard**

**Ward(s) Affected:** **All**

**Report By:** **Director of Planning & Environmental Services**

**Contact Officer(s)-**

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**Purpose of Report:** **To consider benchmarking data on Waste and Recycling, and Street Cleansing, and to compare with the data from other local authorities.**

**Officers Recommendation(s):**

- 1 That Scrutiny Committee examines the benchmarking data and considers whether the Lewes District Council (LDC) Service is:-**
  - (a) Value for Money**
  - (b) High Performing**
- 2 That Scrutiny Committee identifies any areas for improvement or requiring further analysis, within the LDC Waste & Recycling, and Street Cleansing, services.**

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**Reasons for Recommendations**

- 1 Benchmarking and Value for Money Studies can help to identify areas of council activity, or service delivery, that have the potential to yield additional income or reduce costs, or improve services to the public.**

**1 LDC Waste & Recycling, and Street Cleansing Services**

- 1.1 We provide a waste and recycling service to 43,600 households across all parts of Lewes District. The number of households we serve grows by over 200 each year, as new properties are built, or converted, for residential use.**
- 1.2 The weekly refuse collection is provided to all households. Recycling is an “opt-in” activity, which is provided fortnightly. Currently around 83% of households**

(or just over 36,000) choose to use the service, which collects paper, metal cans, plastics, textiles, batteries and (in most areas) cardboard. We do not currently collect garden waste and, have instead, sold over 10,000 subsidised home composters to enable this material to be recycled at source. However, lead councillors have indicated that they would like to offer green waste collection as a subscription service in the future.

- 1.3 Government grant will help us to maintain a weekly refuse collection service and to introduce a new food waste recycling service from June 2013.
- 1.4 We also offer a waste collection service to businesses in Lewes District, in competition with a number of commercial contractors. Currently, some **720** firms use our service and we make every effort to match our commercial competitors on price and quality in a very competitive business sector.
- 1.5 Our street cleansing service covers over 460 kilometres of roads, streets and country lanes all over the district, plus a number of other paths and footways. We also provide, maintain and empty 310 dog waste bins and 350 litter bins around the district. The frequency of street cleansing is geared to how busy and litter prone streets are: town centres are cleaned daily, local shopping parades will get very regular visits, and residential roads and country lanes less frequent cleaning. Our street cleansing service does not cover private land.
- 1.6 Lewes District Council is unusual in providing an in-house service. All other local authorities in Sussex, apart from Brighton & Hove City, employ commercial firms to provide the service via an outsourcing contract. However, we do have external partnership arrangements where this helps us provide a better quality or better value service. In recent months, we have teamed up with Brighton & Hove, who are giving us operational management support whilst we introduce food waste recycling. Additionally, we have worked with the other East Sussex authorities, particularly Wealden, on various initiatives, including promoting recycling and the sale of recycled materials for processing.
- 1.7 The four other East Sussex districts and boroughs – Wealden, Eastbourne, Rother and Hastings- have recently entered into a single joint commercial contract for the provision of waste, recycling and street cleansing services for a period of ten years from April 2013. The selected contractor is Kier. Analysis of the contract costs suggests that LDC's in-house service costs are still cheaper and offer a higher standard of service in some respects ( the contract provides only a fortnightly refuse collection service , except in Eastbourne). More detailed information can be provided at the meeting, if required. We will continue to work with the new contractor ( who has "inherited " a number of joint working arrangements with LDC ) where it is mutually beneficial, for example on the collection, sorting and sale of recyclable materials, in order to reduce costs and achieve higher sales income
- 1.8 A driving force behind our waste, recycling and street cleansing arrangements is the waste hierarchy, which seeks to manage waste in the most sustainable way. This means reducing waste as top priority, then re-using waste, then recycling it, and only then disposing of it by the most sustainable means, extracting value ( e.g energy generation or by-products such as soil fertiliser) where possible. This is illustrated in the Figure 1 diagram below:

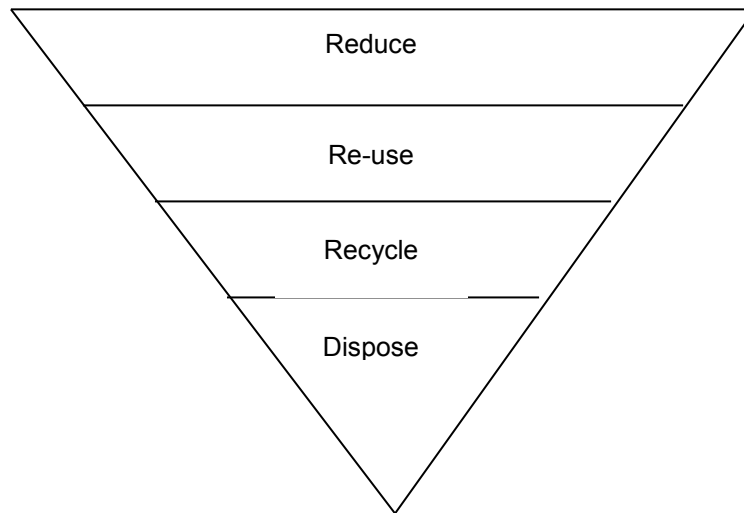


Fig. 1. The Waste Hierarchy

## 2 Background to benchmarking studies

- 2.1 Benchmarking and Value for Money Studies can help to identify areas of council activity, or service delivery, that have the potential to yield additional income or reduce costs, or improve services to the public. It is important to understand the various factors which go together to make “value for money”.
- 2.2 Value for Money (VfM) is about obtaining the maximum benefit over time with the resources available. It is about achieving the right local balance between economy, efficiency and effectiveness to achieve local priorities for services. VfM is high where there is an optimum balance between all three elements – when costs are relatively low, productivity is high and successful outcomes have been achieved.
- 2.3 The Audit Commission gathers detailed cost and performance information from local authorities all over England, covering the main areas of local authority spending. This allows us to benchmark how well the services provided by Lewes District Council compare with those of other local authorities in England (albeit with some riders about using the data with caution, where it may not be directly comparable between different authorities).
- 2.4 For this report, two sets of Audit Commission data have been put together by LDC Finance Officers. These are:
  - (a) Audit Commission indicators for 2011/12 comparing Lewes District Council’s performance on a range of waste, recycling and street cleansing factors against over 280 other local authorities across England. These are shown by a mixture of tables, graphs and “dashboards” (see Appendix A). More detailed benchmarking information for Lewes can be found on the Audit Commission web site at

[http://profiles.auditcommission.gov.uk/\\_layouts/acwebparts/NativeViewer.aspx?Report=/Profiles/VFM\\_Standard&EntityID=15230&EntityGroupID=189&GroupID=176&SelectedCategoryID=7422&TopLevelCategoryID=7422&DescriptorID=39797](http://profiles.auditcommission.gov.uk/_layouts/acwebparts/NativeViewer.aspx?Report=/Profiles/VFM_Standard&EntityID=15230&EntityGroupID=189&GroupID=176&SelectedCategoryID=7422&TopLevelCategoryID=7422&DescriptorID=39797)

(b) Benchmarking of LDC waste, recycling and street cleansing performance and costs against 10 other local authorities in Sussex over the period 2006/7 to 2011/12. These are shown by a mixture of tables and graphs (see Appendix B).

(c) Graph to show net expenditure on waste collection and street cleansing for non metropolitan districts in England for 2011-12 (Appendix C)

2.5 There is no “correct” level of spending to aim at because each authority may provide a different level of service depending on what the “customer” requirements are. Accordingly, costs may be justifiably higher, or lower, in one area than another.

### 3 The review process

Officers have identified the following key points from the benchmarking data:

- In 2011/12 , LDC was amongst the 5% best performing authorities nationally on the “average amount of waste arising per household”. Households in our area generate only about 78% of the national average amount of waste. Waste reduction is at the top of the waste hierarchy ( Fig 1) and so this is the key indicator of sustainable waste management
- LDC was amongst the 5% worst performing authorities on “the % household waste which is sent for re-use, recycling and composting” These activities are lower in the waste hierarchy, and so less important than keeping the amount of waste generated as low as possible. However, “recycling rates” are frequently used in the media and elsewhere as the headline indicator of local authority performance in waste management. (NB The introduction of food waste recycling later in 2013 will approximately double our recycling rate from about 23.5 % to around 45% )
- The above two points are linked., and are largely explained by the fact that currently we collect “dry” recycling materials only, and do not collect green waste from residents . The latter significantly increases both the average amount of waste generated per household , and the proportion of it which can be re-used, recycled or composted
- Overall (**gross**) spend on waste management is about average, but this hides some significant internal variations. Spend on waste minimisation, recycling

and trade waste are all relatively high, but waste collection costs are comparatively low, set against other English local authorities

- **Net** expenditure on waste management is towards the lower end of the scale for non-metropolitan districts in England. The net figure takes account of the income the council derives from sale of recycled materials, recycling credits ( an incentive payment from ESCC as disposal authority to divert material out of the waste stream) and our commercial waste service activities ,
- Our overall spending has reduced by 2.26% since 2009-10. These figures take no account of inflation (e.g fuel costs) , so the percentage saving is even higher in real terms
- Our net spend on street cleansing is low in comparison with other local authorities , both nationally and in Sussex,

### **(c) Issues for the Scrutiny Committee**

Having scrutinised the Audit Commission data, and questioned officers at the meeting, Scrutiny Committee is asked to consider the following questions:

- Is the service providing value for money?
- Is the service high performing?
- Are there any identified areas for improvement, or further analysis?

## **4 Financial Appraisal**

There is provision in the base budget each year for a number of detailed benchmarking studies. However, this particular report has not incurred any external costs.

## **5 Environmental Implications**

I have completed the Environmental Implications Questionnaire and there are no additional significant effects as a result of these recommendations.

## **6 Risk Management Implications**

**Risk** – Service Managers may not deliver high performing, high satisfaction, and low cost services.

**Mitigation** – Chief Officers should benchmark their service areas, understand the market for their services, and the provider market for delivering those services, and consider whether they can learn from good practice elsewhere.

## **7 Legal Implications**

There are no legal implications as this is a benchmarking report

## **8 Sustainability Implications**

I have completed the Sustainability Implications Questionnaire and there are no significant effects as a result of these recommendations

**9 Equality Screening**

There are no equalities implications as this is a benchmarking report

**10 Background Papers**

None

**11 Appendices**

**Appendix A:** Audit Commission Indicators: 2011/12 Outturn

**Appendix B:** Benchmarking against other Sussex local authorities

**Appendix C** Net waste management costs and street cleansing costs in non metropolitan districts in England 2011-12

Lindsay Frost  
Director of Planning & Environmental Services  
12/04/13

**Benchmarking against other Sussex authorities**

1 Costs of Service over Time – Observations

**General**

- 2 There has been a change in the way capital charges have been dealt with over the last four years and as a result, comparability is best achieved through the removal of these costs.
- 3 Over the three year period from 2009/2010 to 2011/2012, net expenditure before capital charges reduced by £61,300 (2.3%).

**Specific**

- 4 There have been changes in the manner of service delivery, for example, up until 2010/2011, the recycling service was obtained from an external deliverer, from 2011/2012 the service was brought in-house. This accounts for the overall reduction in costs for that service illustrated in Table 2 of the attached sheet.
- 5 The service is reliant upon its vehicle fleets. The increase in fuel costs over the period 2010/2012 and 2012/2013 accounts for £49,000 of the £97,000 increase in transport costs over the same period.
- 6 Waste disposal costs in 2009/2010 were £154,000, and this is expected to cost £269,000 in 2012/2013. This is a payment made to East Sussex County Council and there is no potential to seek an alternative, cheaper cost elsewhere.
- 7 Even after taking these cost pressures into account, the service is budgeted at a lower cost in 2012/2013 than incurred four years previously.

John Jones  
Principal Accountant (Projects)  
03 April 2013