

Directorate: Environment

Director: Jane Forshaw

Councillor: Bob Derbyshire

Q3 2014/15

Number of Employees (FTE)	576
Sickness Absence YTD (Days Per Person)	16.00
PPDR Compliance (Half year review)	87%

Budget	Projected Outturn	Variance	Variance (%)
£26.978m	£27.328m	+£350,000	1.29%

Target Savings 14/15	Projected Savings	Variance	Variance (%)
£3.300m	£2.936m	£364,000	11.04%

Q3 Progress against Directorate Plan/Corporate Plan actions 2014/15 (Total 7)

Green 57% (4)

Amber 43% (3)

Q3 Progress against Performance Indicators (Total 36)

Green 25% (9)

Amber 14% (5)

Red 11% (4)

25% 9 are annual and 28% 10 have no results as yet.

Progress on Challenges Identified Q3 (previous quarter)

1. WG has written to the Council indicating potential fines of c.£800k in relation to recycling performance in 2013-14 - a letter providing evidence and mitigation has been sent to the Minister, and work is ongoing to manage this risk within 2014/15 and onwards.
2. The implementation of the 36hr week, driver shortages and vehicle issues is placing pressure on operations, that resulted in a significant increase in missed collections in Q1-2 – this has now been resolved with the one hour being taken across the week rather than on a Wednesday, new vehicles have arrived.
3. Results from LEAMs (Street Cleanliness Surveys) – performance improved from 83% in Q2 to 85% in Q3, target 90%.
4. Extensive change programmes including Alternative Delivery Models, Energy Programme delivery Scheme, are placing pressure on corporate resources required to support scale and pace of change - the Director is working closely with Finance, legal & procurement to ensure that projects are progressed appropriately.

Q3 Service Delivery

Budget Position

The overall position indicates a projected overspend of £350,000 a reduction of £644,000 compared to the position reported at month six. The improvement reflects a number of changes, the most significant of which is a reduction in the cost of Viridor processing reflecting reduced tonnages as a result of diversion activities and the extended life of the Lamby Way site also accommodating additional income for inert materials. Additional cost reductions and savings have also been identified in relation to the Material Recycling Facility (MRF) and Household Waste Collection. These are partly offset by increased costs in other areas including Landfill Operations, Post Sort and processing of other HWRC recycling. Significant additional income has been achieved from the Commercial Recycling and Waste services which are now projecting to meet the higher income target set for 2014/15

The overall position reflects the allocation of the £350,000 contingency budget to meet shortfalls in income at the MRF and a further £242,000 to reflect the ongoing pressures arising from the reductions in Sustainable Waste Management (SWM) Grant which has been reduced by circa £500,000 since 2012/13. These allocations were approved by Cabinet as part of the consideration of the month four report on 18th September. A total of £2.936 million is currently anticipated to be achieved against the £3.300 million savings targets set as part of the 2014/15 budget leaving a projected shortfall of £364,000 in the current financial year. A number of initiatives have already been taken to mitigate this and the other pressures within the directorate.

Directorate Delivery Plan Core Objectives

ENV01 - Deliver a new Energy Prospectus (amber status) - Route to market advice work funded by Welsh Government but with a request that wider work on a similar prospectus for all Wales be produced. This is welcomed but has caused some delay in delivery. Initial "Market Testing" discussions, however, have been scheduled for early 2015. Environmental Scrutiny also received a report on the prospectus a final position with recommendations will be available late summer 2015.

ENV02 - Deliver new Waste Strategy (green status) – Cabinet report was approved last quarter and now detailed modelling is underway on the preferred collection options, a revised strategy in considering the consultation outcome will be presented in q4.

ENV03 – Deliver a national collective energy switch (green status) – Switch 3 dates arranged: registration opens 2nd January 2015 and offers and switching between 2nd – 16th March 2015

ENV04 - Deliver a more attractive environment for the city (amber status) – Workforce teams have attended

workshops and a proposal of roles and structures can now be developed for staff and union consultation. Some 'quick wins' have also been identified through the project, scale of change will be needed citywide to assure both performance improvements and delivery of savings for 2015/16

ENV05 – Deliver phase 1 of the Radyr Weir project (amber status) – Procurement plan well underway and planned delivery in 2015 remains on target. An issue has arisen with land access with Welsh Government, an access Licence is the preferred option, the matter is being negotiated with Welsh Government

ENV06 – Housing Retrofit (green status) – Good progress made across funding & wall insulation, minor issues with loft and cavity insulation in procuring contractor, boiler upgrades progressing well.

ENV07 - Redesign the street cleaning team to match user needs (green status) – Good progress made with night shift working arrangements, shop front overtime rounds are currently being reviewed to identify more efficient ways of working, management of leaf-fall has been a significant improvement on the previous year with significantly less complaints. Plan are well developed to deliver a one Council Neighbourhood Services approach in 2015/16.

C3 - Exploring alternative delivery models to drive down cost, increase productivity and improve service delivery (red status) - Resources requested for undertaking the Outline Business Case (to be drafted in Quarter 4) have been .

Regulatory collaboration – A report was submitted to Cabinet on 9th October 2014 and consequently progressed to full Council on 23rd October 2014. A decision was made to provide a Regional Shared Regulatory Services through a collaborative partnership with Bridgend the Vale of Glamorgan Councils.

Achievements

- Significantly improved financial position compared to start of year
- Fly tipping removal times and statistics are improving
- Complaints down, missed collections down, leaf-fall operations improved
- Positive Regulatory outcomes from out of hours noise nuisance review at CASCC and customer satisfaction results
- Shallow Geothermal research bid successful (£130k), Portable Renewables bid successful (£1m), Heritage Retrofit pilots about to start
- Neighbourhood Services lean management exercises completed ready for South West Pilot Area implementation in q4
- Further reduction in Sickness absence for the Directorate

Management

PP&DRs – Half year reviews have not met target of 90% and are at 87%, it is anticipated that this outcome will increase as technical problems are being encountered with operational staff recorded within DigiGov.

Sickness Absence – Year end forecast at Q3 is 16.00 FTE days lost per person against target of 18.2. FTE days lost have reduced from 18.1 in April to 11.85 at end of Q3.

Health & Safety – Accident reporting shows some improvements compared to Q1, 2 & 3 last year with days lost reducing from 280 to 134. 171 accidents have been recorded up to November (December's stats awaited) of which 107 were near miss incidents (no injury), close monitoring continues. Risk assessments are continuing to be reviewed with low expiry rates 18 of 279 requiring review, officers have been reminded of this position.

Key Performance Indicator Data – Q3 2014/15

Performance Indicator	Result 13/14	Q1	Q2	Q3	Q4	Target 2014/15	R A G
PPN/001 (i) - The percentage of high risk businesses that were liable to a programmed inspection that were inspected, for Trading Standards	99%	32%	36.2%	51%		100%	A
Target not met for Q3, however resources are allocated and likely to achieve 100% by year end							
PPN/001 (ii) - The percentage of high risk businesses that were liable to a programmed inspection that were inspected, for Food Hygiene	86%	14%	23%	36%		100%	R
Target not met for Q3, however additional resources recruited resources now allocated and likely to achieve 70% by year end focusing on new business' as the higher risk premises							
PPN/007 (i) - The percentage of significant breaches that were rectified by intervention during the year for: Trading Standards	93.7%	19%	68.2%	87.5%		90%	A
Result just under target and incrementally improving throughout year							
PPN/009 - The percentage of food establishments which are 'broadly compliant' with food hygiene standards	87%	88.8%	90.20%	92.50%		88.22%	G

STS/005 (b) - The percentage of highways and relevant land inspected of a high or acceptable standard of cleanliness	93.7%	No survey	83.3%	85.33%		90%	R
Target not met but incremental improvement on Q2							
STS/006 - The percentage of reported fly tipping incidents cleared within 5 working days	92.6%	80.9%	63%	87.8%		90%	A
The performance continues to improve following the amendment of processes through Neighbourhood Services quick wins, full effects will be known in Q4.							
WMT/009 (b) - The percentage of municipal waste collected by local authorities and prepared for reuse and/or recycled, including source segregated bio wastes that are composted or treated biologically in another way	49.6%	51.85%	49.47%	TBC		52%	A
Tonnages are being closely monitored, additional processing steps are in place for Q4 and the new regional street sweepings contract in place and processing all stored materials in Q4. Q4 outturn is expected to be >60% to address the under performance of the previous quarters.							
Outcome measure ENV B - Increase the kw of local energy generation in Cardiff (data relates to Council Estate) * Target is composed of: Residential solar scheme at Trowbridge (approx. 250kW – delivery between Oct 14 and March 15); Lamby Way Solar Roofs (approx. 220kW, in Q3) and Lamby Way Solar Farm (up to 7MW in Q4)	118.905kw No specific target last year but this reflects what was achieved	0	0	0		7.47mW	R
The Cabinet decision to proceed with the Lamby Way Solar Farm as a third party land lease means that the timetable for delivery now rests with the preferred operator. This has the potential to delay implementation as they apply for planning consents and other permissions etc. A Government policy change has also imposed an upper limit of 5MW on all new solar farms. Q4 will see Lamby Way Buildings Solar completed and commence generation .							
Outcome measure ENV C - Reduce CO2 emissions in households subject to Works (cumulative)	New	397.02 tonnes (253 properties)	946.98 tonnes (698 properties)	1,505.68 tonnes (1,116 properties)		1,270 tonnes 890 properties	G
Outcome measure ENV D - energy costs saved for Cardiff households benefitting from Council led activities (cumulative)	New	£70,067 (253 properties)	£193,304 (698 properties)	£314,736.50 (1,116 properties)		£246,000 890 properties	G
Outcome measure ENV F - 1250 surveys for Energy Performance Certificates Undertaken (cumulative)	New	361	557	707		1250 EPC's	A
The team processes certificates once works conducted through other service areas are completed or when a property becomes vacant. There are also issues around gaining occupier permission to access properties to conduct surveys. Working with the Tenancy Management team to make better use of tenancy agreements to require access.							

Q3 Challenges Identified

- Meeting the 52% recycling target, but plans in place.
- CTS charges

Q3 Actions being taken

- Tonnages are being closely monitoring. Additional processing steps are being delivered in Q4 and the new regional street sweepings contract is awarded and material will be processed in Q4
- The CTS charges continue to create a significant financial pressure for the directorate. Considerable work is ongoing to reduce fleet costs by reducing the number of vehicles, improving maintenance and driver behaviour. However, there is agreement that there is insufficient budget in the base to cover fleet costs,

wherever that budget sits. Accordingly a pressure bid has been submitted by Environment Directorate to address the ongoing discrepancies and rebase the budget for 2015/16, alongside the operation of a meaningful fleet management information system and accountancy system.

- Maintaining targets and expected service delivery through staff reductions and budget cuts, for example; since April the Directorates workforce has reduced by 71, Cleansing budget reduced by £533K and no opportunity to backfill vacancies through agency staff

- Plasnewydd Additional Licensing Scheme

- RENTSMART

- Regional Regulatory Services Collaboration drift

- Consideration of reviewing local targets, however statutory targets apply for a number of front-line operations specifically STS/005 (b) - The percentage of highways and relevant land inspected of a high or acceptable standard of cleanliness. In House improvement of Neighbourhood services is commencing however the target remains at risk due to the expansion timeframes to deliver services in a more lean and effective manner.
- The Plasnewydd scheme has been declared and we have undertaken a recruitment exercise to ensure resources are in place to deliver the scheme and the team is equipped to take forward the re-designation of the Cathays Licensing Scheme when it finishes in 2015 should a decision be taken to do so.
- A Cabinet report is being taken in q4 to identify the resources required should Cardiff be designated to act as the Licensing Authority for all Welsh Local Authorities in respect of the new legislation introduced by the Housing Act for mandatory licensing of landlords.

The project team under the direction of the joint senior management board are now concluding:

- A joint working agreement (JWA) setting out the particulars for operating the collaborative service
- A three year business plan and a core service document to support the JWA illustrating the scope and milestones for the service
- To appoint a delegated officer as the Head of Service for the new regional function to lead the new service.
- The staff TUPE transfers to the Vale of Glamorgan Host local authority

Once the joint working Agreement is concluded, the joint committee of elected members can begin to oversee the development of the new service.

- Difficulties with procurement in relation to energy projects

- Continue to work positively with procurement and legal to streamline processes and anticipate complexities at project planning stage. Positive outcomes in Q3 with all major renewable energy projects now in active procurement, though risks around reaching an agreed contractual position against timescales still exist.

- Cyd Cymru

- Good progress generating interest across Welsh Local Authorities to boost uptake. Arrangements for the next switch in place for Q4,

- Radyr Weir

- Working proactively to try to generate a good market response to the procurement exercise through open dialogue with bidders and examination of critical deadlines. Seeking to resolve the land issue with WG

Q3 Risk Update

Corporate Risks				
Risk Description	Inherent Risk	Residual Risk	Mitigating actions	Risk Owner
Waste Management - Failure to achieve targets for Landfill allowance, specifically for Biodegradable Municipal Waste and WG statutory Recycling Targets. Ineffective delivery of recycling targets	Red	Red/ Amber	Q3 Update: The performance for recycling in q3 in previous years has been low and will be known late in qu4 the final outcome. In anticipation, mitigation steps have been put in place: Sweepings contract	Jane Forshaw

and residual waste treatment.			has been awarded and alternative secondary recycling is being delivered for Q4 to assure meeting of the targets. The biodegradable (LAS) targets risks are greatly reduced now Project Gywrdd is treating non recyclable residual waste for the remainder of the year.	
Climate Change and energy security - Un-preparedness to the effects of climate change due to lack of future proofing for key (social and civil) infrastructure and business development, and inability to secure consistent energy supply due to rising energy costs and insecurity of energy supply.	Red	Red	Q3 Update: An Energy Prospectus is being developed to identify renewable energy generation opportunities throughout the city, and early schemes for solar, hydro and energy from waste technologies are being delivered in Q4 and into 2015/16. The Green Dragon accreditation system is well established as a means of monitoring and improving environmental performance across Council activities. A Carbon Reduction strategy has been drafted in qu3 to drive further energy efficiencies in the Council's estate. The Council is also participating in the WLGA "early adopters" scheme to help develop guidance for the Welsh Government's forthcoming Future Generations Bill. This will bring a stronger focus to the longer term impacts and implications of the Council's decision taking and policy making activities.	Jane Forshaw
Food Safety Management - Ineffective food safety management systems including procurement leading to unsafe food at Cardiff Council food business outlets, events & venues.	Red	Red / Amber	Q3 Update: Corporate working Group meeting held during the quarter and on-line training testing completed by Leisure Services.	Jane Forshaw

Update on Emerging Risks				
Risk Description	Inherent Risk	Residual Risk	Mitigating actions	Risk Owner
Energy income and savings: the team works across the Council's estate to meet performance and savings targets, but issues have emerged in reclaiming these from budgets that are protected (e.g. Schools, Harbour Authority etc.) This may result in an apparent underachievement in the team's budget, despite savings/income having been secured.	Red	Green	Q3 Update: Confirm a mechanism for accounting for savings and income consistently across all budgets. The transfer of the savings budget to FM has resolved the accountancy issue, through the Energy team are still working to generate savings and efficiencies.	Jane Forshaw / Gareth Harcombe
Procurement processes: complexity of energy schemes has made procurement and legal processes difficult to deliver within anticipated timescales.	Amber / Green	Green	Q3 Update: Continue to work positively with procurement and legal to streamline processes and anticipate complexities at project planning stage. Positive outcomes in Q3 with all major renewable energy projects now in active procurement.	Gareth Harcombe

New Waste Strategy - external WG provided support failing to deliver of required timelines. Legislation guidance is still emerging.	Red	Red / Amber	Q3 Update: The statutory guidance was received 22nd December and is now being reviewed. Programme governance will be established in Q4 for a jointly supported project between Cardiff Council and Welsh Government. The programme will focus on working towards the new guidance and WG preferred recycling collection methods. In Q4/ Q1 2015/16 Cabinet will consider the Waste Strategy and the public consultation outcomes.	Jane Cherrington
Deliver a more attractive environment for the city - lack of expertise to progress leaning process	Amber	Amber	Q3 Update: Workforce teams have attended workshops and a proposal of roles and structures can now be developed for staff and union consultation. Some 'quick wins' have also been identified through the project, risk remains with scale of change being delivered citywide to assure both performance improvements and delivery of savings for 2015/16.	Tara King
Realignment of collection services in line with directorate savings proposals for 2014/15 - Other waste streams are not operating as efficiently as required, partly due to vehicle issues and partly due to the need to rebalance rounds.	Amber	Amber	Q3 Update: Rebalancing has taken place, and further work is ongoing to ensure completion of collections as scheduled. Missed collections have reduced this quarter. t	Claire Cutforth
Potential conflict between process to identify and implement an ADM versus the need for the ADM to deliver savings in 15/16	Red	Amber	Q3 Update: Issues set out in September Cabinet Report approved by Cabinet on 20 November. Proposals in relation to the Neighbourhood Services ADM work have been identified for 15/16, there remains a timescale risk for full delivery of those savings. Savings proposals submitted for the 'larger' ADM project identifies savings for 16/17 and 17/18. Timescale to implement those savings will be of the evaluation criteria developed in options appraisal as part of the OBC for Infrastructure \services due in the summer of 2015/16	Tara King/David Lowe
Failure to achieve budget mitigation	Red	Red / Amber	Q3 Update: Forecast at Month 09 (Q3) is a budget deficit of £350,000, a significant improvement of £644,000 compared to the position reported at Q2 (month 6).	Jane Forshaw
Health & Safety in relation to high risk incidents and days lost through injury	Red	Red / Amber	Q3 Update: Accident reporting shows some improvements compared to Q1, 2 & 3 last year with days lost reducing from 280 to 134. 171 accidents have been recorded up to November (December's stats awaited) of which 107 were near miss incidents (no injury), close monitoring continues	Jane Forshaw

