

Inspection report

May 2005



Waste Management

Wolverhampton City Council

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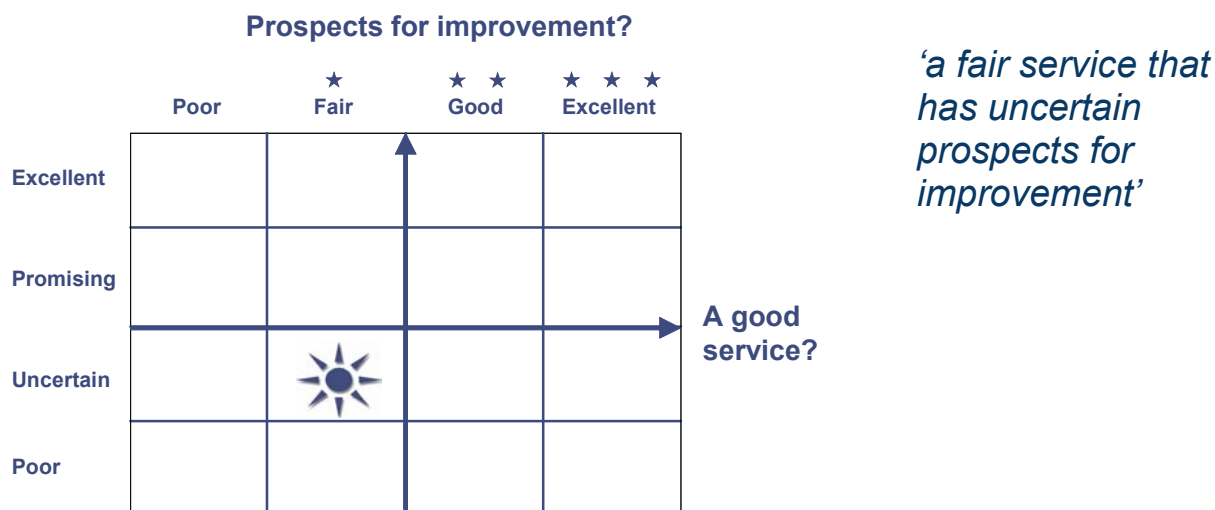
Summary

- 1 Wolverhampton City Council is a metropolitan council in the west midlands region of England. The population is 239,000 of which 25 per cent describe themselves as either non-white or non-British.
- 2 The council is Labour led with 41 of the 60 seats.
- 3 The waste management inspection review covered refuse, recycling and composting, including the disposal of all waste collected. The service is estimated to cost £10 million for 2004/05. The service is provided by a combination of inhouse provision and private contractors.

Scoring the service

- 4 We have assessed the council as providing a 'fair', one star service that has uncertain prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Scoring chart¹: Wolverhampton City Council - Waste Management



- 5 The waste management service provided by Wolverhampton City Council is a fair, one star service, because:
- ◆ the refuse collection is efficient and reliable and users are satisfied with the level of service they receive; and
 - ◆ the council deposits low amounts of waste in landfill sites and recovers heat and energy from most of the waste collected.
- 6 However:
- ◆ recycling rates have been low for a number of years and the council failed to reach its statutory target in 2003/04, recycling just 9 per cent of all household waste. Although levels are increasing and are currently at 16 per cent, this is still lower than the national average for 2003/04; and
 - ◆ the council has failed to take any action over the high amounts of household waste produced in the city and waste levels are continuing to increase.
- 7 The council has uncertain prospects for improving waste management because:
- ◆ there has been commitment to the operational waste and recycling services and investment in interim managers and new vehicles when the investment became unavoidable; and
 - ◆ there is a strong focus on achieving the recycling targets and on delivering a reliable operational service. Service plans provide a clear direction for the day to day service and link to the corporate plan.

¹ The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

8 However:

- ◆ there is no clear strategic direction for the service and accountability is not clear, resulting in a strong focus on operational delivery at the expense of delivering the wider waste management agenda;
- ◆ the time delay in engaging a suitable partner and the lack of clarity over how the partnership arrangement will work, has stalled some improvements and is limiting the effectiveness of the service;
- ◆ the council has found it hard to make tough decisions and this coupled with the lack of a robust framework for the waste service results in inconsistent decisions;
- ◆ the effectiveness of external challenge is reduced as the council does not always make use of the findings or act on the recommendations; and
- ◆ performance management of the waste management service is poor with poor data systems, a focus on monitoring rather than management and a lack of outcomes, although operational performance management is more effective.

Recommendations

- 9 To rise to the challenge of continuous improvement, councils need inspection reports that offer practical pointers for improvement. In this context, the inspection team makes the following recommendations.
- ◆ Develop a clear framework on which to base the decision about the future partner and the way the partnership will operate and communicate this to waste managers and staff.
 - ◆ Use the current waste management position statement to identify a clear strategic direction for the waste management service, which is owned by the council and use this as the basis for future service and investment decisions.
 - ◆ Develop clear outcome based targets, against which performance can be managed and continue to improve the data collection systems so that accurate information can be used to manage the whole service more effectively and drive up performance leading to improved outcomes for local people.
- 10 We would like to thank the staff of Wolverhampton City Council, particularly Mike Woodall and Peter Wenham, who made us welcome and who met our requests efficiently and courteously.

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Report

Context

- 11 This report has been prepared by the Audit Commission (the Commission) following an inspection under Section 10 of the Local Government Act 1999, and issued in accordance with its duty under Section 13 of the 1999 Act.

The locality

- 12 Wolverhampton City Council is in the west midlands region of England and is part of the historic Black Country with a heritage of heavy industry and component manufacturing for the car industry. The population of the area is 239,000, which is declining and is 4.9 per cent lower than in 1991. Twenty five per cent of the population describe themselves as either non-white or non-British.
- 13 Wolverhampton includes the old centres of Bilston, Wednesfield and Tettenhall as well as the original town of Wolverhampton. The city is the 35th most deprived area in England (out of a total of 388) and 45 per cent of the city's residents live in some of the country's poorest wards. Unemployment stands at 4.2 per cent compared with the national average of 2.2 per cent (July 2004).

The council

- 14 The council comprises 60 councillors. The Labour party has overall control with 41 seats. The Conservatives have 16 seats and three are held by the Liberal Democrats. The council is controlled by the Leader and Cabinet style of governance.
- 15 The council's overall budget for the year 2004/05 is £311 million, an increase of 4.9 per cent over 2003/04.
- 16 In July 2004 the council agreed the new vision of:

'Wolverhampton – leading, supporting and inspiring one city. Proud to be of service today and rising to the challenges of tomorrow'.

- 17 The council has set itself core values of:
- ◆ setting high standards;
 - ◆ equality and fairness;
 - ◆ building partnerships;
 - ◆ protecting the environment; and
 - ◆ honesty, openness and accountability.
- 18 The council's priorities are adopted from the community plan and reiterated in the current corporate plan (2002-2005). They are:
- ◆ safe city;
 - ◆ green city;
 - ◆ healthy city;
 - ◆ wealth creating city;
 - ◆ learning city;
 - ◆ caring city; and
 - ◆ city of communities and neighbourhoods.

- 19 The council is due to publish a new corporate plan in September 2005.

The service inspection

- 20 The waste management service consists of refuse collection including all recycling and composting arrangements, bulky waste collection, the council's two civic amenity sites and the disposal of all waste collected. The service is also responsible for collecting and disposing of waste from the council's offices.
- 21 The budget for the service for 2004/05 is approximately £10 million. The council has struggled previously to accurately define the total cost of this service and it is, therefore, not possible to accurately compare costs this year with previous years.
- 22 The refuse collection service, including the collection of dry recyclables and green waste composting, and the council's transfer station for recyclable materials, are all operated directly by the council. The civic amenity sites are managed by Sita (UK) Ltd, the disposal of waste is managed through a contract with MES Ltd, and a variety of smaller contracts are in place for the recycling of collected materials.
- 23 In 2001 the Audit Commission inspected this service, along with street scene. The combined service was assessed as a fair, one star, service with poor prospects for improvement.

Waste Management

- 24 Waste Disposal Authorities (WDAs) and Waste Collection Authorities (WCAs) carry out waste management functions. Wolverhampton City Council is both a WCA and a WDA. The main site for the disposal of waste is a waste to energy plant centrally located in the city, adjacent to the council's recycling transfer station.
- 25 The Government has set out the national waste strategy for England which is based on minimising the amount of waste produced in the first place, reusing waste that is produced and then increasing the amount of waste recycled and composted, and to recover energy as a preference to final disposal.
- 26 The Government has set individual standards for each local authority. Wolverhampton's target for recycling and composting was 10 per cent by 2003/2004 and is 18 per cent by 2005/06. Separately, the council has agreed a Local Performance Service Agreement (LPSA) stretch target of 20 per cent by 2005/06.
- 27 The Government has also set all WDAs a decreasing allocation for the amount of biodegradable municipal waste that each council can landfill. These allocations can be traded or swapped with other councils, as part of the Landfill Allowance Trading Scheme (LATS).

How good is the service?

Are the aims clear and challenging?

- 28 Inspectors look to see how a council has agreed the key aims for the service being inspected, how clear these aims are to the people that receive the service and whether these reflect the corporate aims of the organisation as a whole.
- 29 Aims need to be challenging, address local needs and support national objectives. This requires the council to consider and demonstrate how a service contributes to its wider corporate aims and community plans.
- 30 The council has set clear targets to improve the level of waste recycled, and to improve the reliability of the refuse collection service. These aims are well laid out in a variety of corporate documents, and in the waste management service plans for 2003/04. Service plans are now based around a balanced score card so that it is clearer to see to the relationship with the council's overall objectives.
- 31 Overall the council's aims for waste management are clear but do not reflect national priorities. The aims are not challenging in the context of a council that is aspiring to be an excellent council by 2010.
- 32 The council's service standards, for refuse collection, are well understood and promoted. Service standards are described in leaflets and are reiterated to callers to the council's City Direct service. For example, when reporting a missed bin, the majority of callers are clearly told when they should expect the situation to be rectified, although there were some instances where this was not the case.
- 33 However, the recycling targets are not challenging and, even by 2010, are set below the level that the top performing councils are already achieving. The council is aiming to recycle 20 per cent by 2005/06 and 30 per cent by 2010.
- 34 With the exception of the percentage of waste recycled (and composted) and the reliability of the service, other aims are less clear. There is no target to reduce the amounts of waste collected, which is predicted to continue to increase. This does not reflect the national priorities of minimising and recycling waste, or the council's (draft) corporate plan 2005-2008 which mentions minimising waste as well as increasing recycling.
- 35 Some targets for waste management lack clear ownership. Whilst delivering a reliable waste collection service and for rolling out the collection schemes for recyclables and garden waste are clearly cited in the waste management service plans, it is unclear where the responsibility for meeting recycling targets lies. The recycling targets are clearly cited in corporate documents, but are not translated into the 2005/06 service plans.

Does the service meet these aims?

- 36 Having considered the aims that the council has set for the service, inspectors make an assessment of how well the council is meeting these aims. This includes an assessment of performance against specific service standards and targets and the council's approach to measuring whether it is actually delivering what it set out to do.
- 37 We have assessed the service against three key criteria:
- ◆ taking action to minimise, reuse and recycle waste;
 - ◆ efficiency and effectiveness of refuse collection; and
 - ◆ ensuring that the waste disposal function supports minimising, reusing and recycling.

Taking action to minimise, reuse and recycle waste

- 38 The council has recently started to take action to increase the amounts of waste recycled, but has not taken action to minimise waste, and levels of waste recycled remain lower than most councils.
- 39 The council's historic performance on recycling has been poor. In 2003/04 the council recycled and composted just 9 per cent of the household waste for which it was responsible. This is in the worst performing 25 per cent of councils and failed to meet the council's statutory target of 10 per cent. The council was one of only three councils who missed the 10 per cent recycling target and did not improve their recycling performance over the previous year. This means that recyclable waste has not been diverted away from disposal.
- 40 The amount of household waste collected remains high. In 2003/04 the council collected 528 kg per head of household waste. The council has taken no significant action to encourage householders to reduce the amounts of waste collected, although the council has had some success in removing trade waste from the household waste stream. Although the council asserts that waste levels are increasing at a low rate (of about 0.5 per cent), the amount of household waste collected for 2004/05 is between 4 and 8 per cent higher than the similar period for last year. This means that the council is not being effective in moving waste management up the waste hierarchy, or meeting its own aims in its new corporate plan.
- 41 The council is not ensuring that the civic amenity sites contribute effectively to maximising recycling. The civic amenity sites are currently recycling approximately one quarter of the household waste received. Whilst this makes a positive contribution to the council's overall recycling rate, it is below both the national standard for civic amenity sites (currently around 40 per cent) and considerably below the best performing civic amenity sites which are recycling in excess of 65 per cent of the household waste delivered. This means that there is waste that is being deposited at the civic amenity sites that could be diverted for recycling, but is still being sent for disposal.
- 42 For 2003/04, users had a low level of satisfaction with both the council's recycling services and civic amenity sites. Just 51 per cent of users were satisfied with the council's recycling services, a deterioration on the 2000/01 survey, and in the worst 25 per cent of councils. However, recent surveys by the council (although not directly comparable with the Best Value Performance Indicator (BVPI)) shows that users are satisfied with new service that is being introduced by the council, which currently covers two-thirds of the city. Also during 2003/04, only 58 per cent of residents were satisfied with the council's civic amenity site, a significant drop from the 89 per cent in 2000/01, and satisfaction remains in the poorest performing 25 per cent of English councils.
- 43 Recycling its own waste is yet to be embedded within the council. Although a paper recycling scheme is available within the civic centre, the scheme has a low profile and staff were uncertain of the actual materials that were accepted. Centrally located paper containers do not encourage staff to recycle all of their paper waste. Although the council operates a trade waste service, offering to collect waste from businesses in the city, and collects its own paper for recycling, there are no recycling services offered to any business within the city. This means that businesses, who maybe interested in recycling, are not effectively encouraged.

- 44 However, the council has started to take action to improve the amounts of household waste collected for recycling and composting. The council is part way through rolling out the kerbside collection of both dry recyclables, including paper, glass and cans, and garden waste for composting. 70 per cent of households are currently offered a kerbside collection of both dry recyclables and green waste. The current recycling rate for the council, for the nine months to December 2004, is 16.2 per cent. This is a significant improvement over the 2003/04 position, but is still below the national average for England (for 2003/04) of 17 per cent.
- 45 The council maintains a network of over 100 recycling centres across the city. These accept a range of materials, although the exact range varies from site to site. The majority of sites accept glass bottles and facilities are also available for paper, cans, cardboard, textiles and plastic bottles. The sites inspected were predominantly clean and reasonably accessible, although people in wheel chairs or without access to transport may find it less easy to recycle.
- 46 The council sends low amounts of waste to landfill. The majority of waste is treated within Wolverhampton, with heat and energy recovered from the incineration of waste. This is an effective alternative to landfill, which also minimises the transport of waste and helps offset the historic low levels of waste that have been recycled.
- 47 The council is making good arrangements for the safe disposal of hazardous waste. Residents who take small amounts of hazardous waste, such as paint or weedkiller, can dispose of them safely at the civic amenity sites. Tyres are also accepted. The council will collect cement bonded asbestos from householders for a small charge, which whilst costly for small amounts, is very economical for larger amounts. For example, a whole garage will cost in the region of £66 which is comparable to hiring a skip for the disposal of normal (non-hazardous) construction and demolition waste.

The efficiency and effectiveness of collecting refuse

- 48 The council has, in the main, an effective and efficient refuse collection service.
- 49 The reliability of the refuse service had been deteriorating but has improved significantly over recent months. The council identified that the aging fleet of vehicles was the main factor affecting reliability and has taken delivery of a number of new vehicles. Members of the public were complimentary about the service, both in terms of punctuality and reliability. *'You can set your watch by the refuse collection'* was a typical comment. The council is currently emptying over 99 per cent of all bins on time, although this still means that 300 bins are being missed every week (although this includes bins reported as missed even if they were missed for a 'valid' reason, such as being too heavy). However, reported missed bins are generally emptied promptly, within 24 hours of being reported.
- 50 Users are satisfied with the level of service they receive. In the 2003/04 BVPI satisfaction survey, 87 per cent were satisfied or very satisfied with the refuse collection service they received. This is better than average, better than the levels predicted by deprivation alone, and the survey was conducted at a time when the service was delivering at a level below that expected by the council.
- 51 The satisfaction of users was confirmed by reality checks. The refuse collection service was well organised, with clean vehicles and well presented collection crews. The checks showed no litter left after the bins had been emptied, and the users were complimentary about the service. Again, this was borne out by the user surveys the council has commissioned on the service.

- 52 The council has delivered the refuse collection service in a cost efficient manner, although costs are now rising. In 2003/04 the cost per household, at £33 per household, was lower than the median cost, although the relevance of this is partly offset by the low levels of recycling that occurred in 2003/04.
- 53 Information is accessible to the public. Users can find out about the whole range of waste related services through City Direct, the council's new customer service centre. A visit to the City Direct call centre showed that the majority of calls were answered promptly and handled efficiently. Users can contact the council on weekdays from 8.00am to 6.00pm, Saturdays until 2.00pm and most bank holidays. There is guidance and facilities available at the call centre to deal with a diverse range of needs. Callers can request information, arrange for a missed bin to be emptied and book and pay for bulky waste collections via City Direct. This range of facilities is not available on the council's internet site.
- 54 The council makes reasonable arrangements to ensure that the service is available to all, but these are not applied consistently or efficiently across the whole range of services and, as a result, the service is not meeting everybody's needs.
- 55 For example:
- ◆ different sized bins are available for refuse and green waste, but not for the recycling. This is a cause of concern for some people who either cannot accommodate the large recycling container, or who generate more recyclables than fit in the box and so do not have enough space to store them all. This means that some people are not saving all their recyclables, and that other people are not taking part in the scheme when they may like to do so. This adversely affects the efficiency of the overall service;
 - ◆ although bulky waste collections are free for people receiving housing and/or council tax benefit, City Direct cannot identify those people eligible for free collections and people have to either send in, or take in, their letter (from the council) confirming receipt of benefit. This means that the service is not equitable or equally available to those in receipt of benefits. However, the council plans to include housing benefit within City Direct in the near future; and
 - ◆ the council operates an exemption list of people who are unable to move the wheeled bins in or out but has not reviewed this list for a number of years, and has not considered whether there are more appropriate ways of delivering this service.
- 56 The efficiency of both the front line services (refuse collection and City Direct) is not reflected by efficient supporting operations. There is no integration between the different computer systems in operation. City Direct's customer relationship management software and the waste management services software are not linked and an officer is required to re-enter all the data from City Direct. This is both costly, inefficient and means that City Direct cannot answer follow up queries (for example, about whether a missed bin has been collected) without referring back to waste management officers. There are no links between the depot and council owned or contracted weighbridges, meaning the data is either manually re-entered into the system, or not used with the effect that important performance data is not used. These affect the timeliness and availability of information and data, and impacts adversely on the overall efficiency of the service delivered.

- 57 The council is not operating in the most efficient manner possible, and has not taken action on areas where it has identified it is acting inefficiently. For example, the council commissioned a study which identified, in August 2003, that there were issues with the efficiency and commercial viability of the trade waste collection. The council did not increase charges for the service, other than in line with inflation, despite charging considerably less than the comparable services from private companies and the accounts showing that the service was losing money. The council has also failed to develop the trade waste service. In effect, the trade waste service has been on hold since the initial report. This means that the council is not ensuring it delivers its services in as efficient and effective manner as possible.
- 58 The council does not have the information available to demonstrate that the recycling and garden waste collections are operating efficiently. Information is not routinely collected on the number of households participating in either collection, although the evidence the council has shows that, overall, approximately one-third of households are taking part. The council has not actively managed participation, concentrating on rolling out the collection scheme across the city. Consequently, the council does not know whether it is operating the collections in the most effective way, or how much recyclable material is still left in the domestic waste collection.

Ensuring that waste disposal functions support minimisation, reuse and recycling

- 59 The council's waste disposal functions support low levels of waste to landfill but the minimum tonnage requirement to the incinerator has been seen as an obstacle to increasing the amounts of waste sent for recycling.
- 60 There are low levels of waste sent to landfill. Last year the council landfilled just 23 per cent of household waste collected. This was equivalent of 121kg per head of waste being landfilled. 68 per cent of household waste was used to generate heat and power through the local waste to energy plant.
- 61 The council has secured, through the Black Country Recycling Consortium, a number of joint contracts for recycling a range of materials including paper and green waste. This has helped deliver cost effective outlets for recycled material.
- 62 However, the council's waste disposal function is not supporting the minimising and recycling of waste. Historically the council has seen the minimum tonnage requirement (to supply the waste to energy plant) as an obstacle it could not overcome. Despite a national shortage of landfill space, this minimum capacity is still treated as an obstacle to be overcome when expanding recycling rather than viewing the council's secured disposal capacity as an asset to be capitalised on. Although the council has one minor arrangement, with a neighbouring council, to use some of the spare capacity, the scope of expanding such arrangements has not been fully explored by the council even though this issue has been known to the council for a number of years. The council is relying on its proposed partnership with a private company to explore this option further in the near future.

How does the performance compare?

- 63 In order to judge the quality of a service, it is important to compare the performance of that service against other suppliers across a range of sectors. The aim is not exact comparison, but an exploration of how similar services (or elements of services) perform in order to identify significant differences, the reasons for them, and the extent to which improvements are required.

- 64 The council's waste management service overall compares poorly with other councils in most areas, although it does provide a reliable cost effective refuse collection service.
- 65 The council's recycling rate has historically been poor. In 2003/04 the council recycled and composted 9.3 per cent of all household waste, placing the council in the bottom 25 per cent of similar councils and missing its statutory target of 10 per cent. Although the council's recycling rate is increasing, being at 16.2 per cent for the first nine months of 2004/05, this is still below the national average for England.
- 66 The council collected more waste than most. In 2003/04 the council collected 528kg of waste per head, more than all the other west midlands councils and in the worst performing 25 per cent of councils.
- 67 The satisfaction, in 2003/04, with both the civic amenity sites and recycling services were poor, in the worst performing 25 per cent and the worst performing in the west midlands. Only 58 per cent of residents were satisfied with the civic amenity sites, compared with a median of 78 per cent satisfaction, and the top 25 per cent of councils are achieving 84 per cent satisfaction. Satisfaction with the recycling service was 51 per cent compared to the median of 70 per cent and the best performing 25 per cent of councils are achieving 75 per cent.
- 68 However, the residents are more satisfied with the refuse collection service. Eighty seven per cent of residents were satisfied with the refuse collection service, better than the median of 86 per cent but not as good as the top 25 per cent, which achieved a satisfaction rate of 89 per cent.
- 69 The council landfills low amounts of waste. The council landfilled 21 per cent of household waste in 2003/04, This is indicative of councils who use waste to energy plants to dispose of their waste, but is still minimising the amounts of waste that go to landfill. The council is in the best performing 25 per cent for the amount of waste going to landfill sites.

Summary

- 70 The council provides a fair, one star, waste management service because:
- ◆ the council's aims for waste management are clear but do not reflect national priorities. The council has set corporate targets to exceed its minimum statutory target, but the overall level is not challenging in the context of a council that is aspiring to be an excellent council by 2010, and does not address other national priorities such as minimising the amount of waste produced in the first place;
 - ◆ the council has recently started to take action to increase the amounts of waste recycled, but has not taken action to minimise waste. In 2003/04 the council failed to meet its statutory recycling target, and recycled just 9 per cent of household waste, putting it in the worst performing 25 per cent of all councils. Although it started to increase the amount it recycles, recycling an estimated 16 per cent in the first 9 months of 2004/05, this is likely to still be below the average;
 - ◆ the council has, in the main, an effective and efficient refuse collection service. In 2003/04 satisfaction for the refuse collection was better than most councils, and costs were low although this partly reflects the low recycling. New initiatives, such as City Direct, have helped improve the accessibility and responsiveness of the service, although there are still gaps and weaknesses, such as a lack of flexibility in the recycling containers available; and

- ◆ the council's waste disposal functions support low levels of waste to landfill but the minimum tonnage requirement to the incinerator has been seen as an obstacle to increasing the amounts of waste sent for recycling or for tackling waste minimisation.

What are the prospects for improvement to the service?

- 71 Inspectors use the following building blocks to judge the service's prospects for improvement:
- ◆ ownership of problems and willingness to change;
 - ◆ a sustained focus on what matters; and
 - ◆ capacity and systems to deliver performance and improvement.

Ownership of problems and willingness to change

- 72 In good and excellent councils, senior managers and councillors are committed to continuous improvement. They are willing to tackle difficult problems, take difficult decisions and stick to them. They are open about their performance and problems and welcome internal and external challenge.
- 73 There is commitment to the operational waste service and recent investment in the service has led to service improvements. The use of interim managers has improved the quality of the refuse service and resulted in the award of a Chartermark in 2004. There has been significant recent investment, for example in the purchase of new vehicles to improve the reliability of the service and in the implementation of a green waste collection service to meet recycling targets. But this commitment is recent and so progress has been limited.
- 74 There is no clear strategic direction for the council's waste management service. It is addressing some aspects of the waste management agenda but these are in an ad hoc manner. For example, the council has stretch recycling targets in its corporate plan but in attempting to achieve these it has increased the amount of waste it collects, contrary to the national policy of waste minimisation. These problems would be avoided if the council was working to a clear strategic plan for the whole of waste management.
- 75 The council's future approach to managing waste in Wolverhampton is unclear. It believes that a partnership arrangement with an external commercial company will enable it to develop a sound waste management service and to address the future waste issues. The process to identify the right partner has been well thought through and has involved engagement with the potential partners. Senior management show commitment and enthusiasm to this proposed partnership arrangement, but the timescale has slipped and the process has just reached the 'best and final offer' stage. Expectations of the partnership vary and conflict across the organisation and the resulting likely outcomes are unclear. The way the partnership operates will need to be evolved once the partner is appointed and the council acknowledges that the transition will be difficult. It is too early to know what impact it will have on resolving the outstanding issues which have been a barrier to service improvements.
- 76 The council finds it difficult to make tough decisions for these services. The waste service has been underperforming for some time, but the council has deferred the decision to address the key issue of setting clear direction with strong management and has left the position of Waste Service Manager vacant for two years. It has addressed immediate issues by, for example, employing several interim managers, which has resulted in some improvement, but these improvements are not significant given the length of time that has elapsed, or the magnitude of change required to meet changing legislation and requirements for waste management. Having commissioned a study of the trade waste service from an external consultant, the council did not decide whether to accept or reject the recommendations.

Its only action was to put the trade waste service on hold for a year, turning down new clients, before implementing some of the recommendations a year later. It is not clear what the rationale for the delay was, but the impact was to compromise the efficiency of the trade waste service.

- 77 There is no robust framework for sustainable development and recent decisions do not show consistency. The lack of a robust framework led to the council deferring the decision of developing a waste strategy, until the partnership has been agreed, but other decisions, such as rolling out the recycling service, were taken. There is lack of consistency as the council has used the approaching partnership agreement to defer the appointment of service manager yet has recruited a performance manager and administration team to improve management of performance information, even though they are likely to transfer to the contractor.
- 78 The council invites external challenge but is inconsistent in whether the challenge is used, devaluing its effectiveness. In some cases it has used the external challenge to drive improvement as, for example, it developed an action plan to address the issues raised in the earlier AC inspection, and it implemented the Association of Public Service Excellence (APSE) recommendations on current policies and the way forward. However, having commissioned a pre inspection study from KPMG, the council has taken no action to address the issues raised and it appears that no actions are intended. The council has not acted on other areas where it invited external challenge, such as over the trade waste collection service.
- 79 The council empowers its workforce. The front line staff are encouraged to identify areas where individual aspects of the service can be improved, for example to identify where residents would benefit from (and are entitled to) a back door collection. The council took account of the views of refuse crews when the new vehicles were purchased – crews were able to test drive the various options.

A sustained focus on what matters

- 80 In high performing councils, senior managers and councillors know what matters to local people and use this information to set clear and consistent priorities. They focus on achieving impact in priority areas and concentrate effort and resources in proportion to priority.
- 81 Service plans are specific and link to corporate priorities. The waste service plan gives a clear description of what the service is trying to achieve, identifies performance measures, but does not set clear targets to meet corporate priorities. The plan follows the balanced score card format and, through the score card, links to the corporate priorities. This clear link will help focus service delivery.
- 82 The lack of an agreed waste strategy limits the ability to direct and provide a focus for the service. The waste strategy has been in draft for over 18 months and there is no firm timescale for it to be completed. The council is waiting for input from the partner before finalising the document, although it is not clear when the partnership will commence.
- 83 There are inconsistencies in the plans for waste management. The draft strategy is a comprehensive position statement, but does not set out the future vision for the service or how the waste management service will be delivered. The recycling policy links to the waste strategy but the LPSA stretch target does not flow from council priorities.

Although the draft strategy sets out the national context, there are no apparent plans to address waste minimisation issues locally. Neither the draft waste strategy nor the waste service plan contain objectives or actions for waste minimisation or education.

- 84 The council has been able to focus on some things that matter. There is an effective single gateway for queries and complaints from the public. The new City Direct contact centre provides a quick and accurate response to residents with waste (and other) queries. The transfer has freed capacity at the depot to manage the service better. Although the contact centre works well, it is not linked to the depot and so information relating to the waste service is handled inefficiently as it needs to be re-entered onto systems at the depot.
- 85 The council is not clear what matters most to local people – it communicates with residents but has limited mechanisms to receive feedback. There is an extensive new waste communication strategy to inform residents about the recycling service, aiming to generate and maintain high participation. Although participation is currently low, it is too early to judge the success of this new initiative. The council is committed to consulting with the public and to carrying out satisfaction surveys. The BVPI satisfaction survey shows that satisfaction has declined over the last three years.
- 86 The future focus of the workforce is not clear. There is a lack of consistency between the current operational management and the partnership, with duplication in some areas and gaps where issues are not dealt with. The workforce plan identifies where resource gaps exist and gives the corporate targets for the equality profile, sickness levels, and turnover. But, despite declining performance, there are few actions to address these corporate targets.
- 87 There is a strong focus on rolling out the kerbside and green waste recycling collections. The council made a successful bid to Department for the Environment, Food and Rural Affairs (DEFRA) for funding to roll out its green waste collection service. It has made additional resources available for its recycling service and has a commitment in the medium term financial plan to continue funding the green waste service when the DEFRA funding ends. The council has rolled out both services across two-thirds of the city, and most of the city will be served by the end of September 2005, although plans for the rest of the city are still being developed.
- 88 There is corporate and service commitment to the reliability of the service. The council has recently committed resources to ensure the reliability of the refuse collection service. However, it delayed making a decision on the replacement of the old and unreliable vehicles the service was using, until that decision became inevitable. The council has now committed significant resource to a vehicle replacement programme and this has resulted in a dramatic change to the reliability of the service.
- 89 The council's track record in focusing on waste, and on resourcing its delivery, is inconsistent. The ambitious changes to the waste service in 2003 were implemented without proper planning or adequate resources. Recycling was given as a priority in the council plan summary of 2004, but was not mentioned at all in the summary the following year although the council had committed significant resources to improving its performance.

Capacity and systems to deliver performance and improvement

- 90 Successful councils have sound performance management systems and effective financial management including flexibility to move money and people to tackle the most important problems. They have clear lines of accountability for action and have the skills to build effective partnerships to help bring about improvements.
- 91 Performance management in the waste management service is weak. Performance indicators are monitored rather than managed, some are not actively monitored, and many targets lack ownership. There is little evidence of targets or outcomes for initiatives so it is difficult for the council to know whether its initiatives are successful. The systems are not effective at keeping track of what is happening across the whole waste service and some of the data is inaccurate, not timely, or hard to access. An earlier report from APSE indicates that it is difficult to measure performance as financial control is poor.
- 92 The operational performance management systems provide useful information on daily activity. The range of performance reports allows the management to ensure that refuse and recycling bins are emptied on time. For example, the head of service receives a daily report on the reliability of the vehicles, and there is a weekly operational management meeting where issues of current concern are discussed and resolved. Staff are involved in service delivery issues with regular team briefings and through the front line action group (FLAG) which was set up to improve internal communication and empower staff to suggest improvements. The appraisal system is being rolled out to all staff and this provides access to training and personal development. Staff sickness levels are still high but these are reducing now the corporate absence management procedures are being used effectively.
- 93 Accountability for the waste management service is not clear. The council recognised the need to improve the operational service and appointed an internal (financial) change manager. This resulted in a greatly improved operational service and a respected operational management team. However, no one appears to be responsible for the overall waste management service and the succession of consultants, interim managers, acting managers, and staff movements leads to further confusion. In addition, some corporate policies remove the ability of managers to manage with, for example, long corporate processes to extend fixed term contracts for refuse crews.
- 94 The lack of clarity over the impact of the proposed partnership arrangement restricts operational effectiveness. Although the corporate centre is clear about the aim of the partnership, the operational management is less clear about the partner's relationship with operational issues. Some issues, which will become the responsibility of the partners and where the council believe the partner's expertise will add value, are being resolved now. For example, the trade waste service was put on hold for a year but charges have recently been reviewed and the council is now promoting the service; a new performance management team has been appointed to bring about efficiency savings even though this will become the responsibility of the partner. There is an emerging consideration of conspiracy theory amongst staff, due to their lack of knowledge about the partnership and their role in it which leads to the belief that some things have happened in order to make the partnership appear cost effective.

- 95 The council have demonstrated that they can redirect resources to tackle the problems in the service, but have not done this in a timely way. It has committed significant additional resources to the service by appointing interim managers for specific projects and funding new vehicles. But the funding for vehicles was not allocated until it became a necessity and, despite appointing several interim managers, the key issues of responsibility for waste management and the appointment of a permanent waste management officer have not been addressed. The service appears reluctant to learn from other areas of council work and, for example, is investigating performance management systems but has not considered systems in use in other parts of the council, such as the system used by regulatory services which has been updated and has plans to link to City Direct. This means that the resources the council has are not being consistently used effectively to drive improvement, as some work is being duplicated whilst other areas are not being addressed.
- 96 The council extends its service effectiveness through external partnership but overlooks internal partnerships. It works in partnership with other Black Country Councils, such as in securing better recycling contracts for green waste and paper etc. The council also allows residents of the neighbouring borough of Dudley to use its civic amenity site, with Dudley making a contribution to the running costs. But internal partnerships do not have a priority. For example, the refuse collection service was adversely affected by the decision to move it to another depot which meant it was separated from the transport service that maintains its vehicles, resulting in additional delays when vehicles break down.

Summary

- 97 The waste management service has uncertain prospects for improvement because there is no clear strategic direction for the service and responsibility for its future direction is not clear.
- 98 The council has made a commitment to the operational waste and recycling services and has invested in interim managers and new vehicles when the investment became unavoidable. However, the council has found it hard to make tough decisions and this coupled with the lack of a robust framework or clear strategic direction for the waste management service results in inconsistent decisions. The council invites external challenge but the effectiveness of the challenge is reduced as the council does not always make use of the findings or implement the recommendations.
- 99 There is a clear intention to achieve recycling targets and a strong focus on delivering a reliable operational service. Service plans provide a clear direction for the day to day service and link to the corporate plan. But the lack of a clear strategic direction or framework for the waste management service limits the council's ability to focus on what matters or on the national waste agenda. Communication with residents is improving with new initiatives, such as City Direct, which are still in early stages but which are proving successful.
- 100 Overall, performance management of the waste management service is poor with poor data systems, a focus on monitoring rather than management, and a lack of outcomes, although operational performance management is more effective. Accountability for the service is not clear resulting in a strong focus on operational delivery at the expense of delivering the wider waste management agenda. The time delay in engaging a suitable partner, and the lack of clarity over how the partnership arrangement will work, has stalled improvements and is limiting the effectiveness of the service. Service managers are unclear over the future direction of the service and uncertain when outstanding issues will be addressed.

Appendices

The purpose of a best value inspection is to make two judgements. The first is how good is the service being inspected? The second is what are the prospects for improvement? We carried out a range of activities to enable us to reach our judgements.

Documents reviewed

Before going on site and during our visit, we reviewed various documents that the council provided for us. These included:

- ◆ corporate plan;
- ◆ Performance Plans (from a variety of years);
- ◆ Sustainability charter;
- ◆ draft waste management strategy;
- ◆ various consultants reports the council has commissioned;
- ◆ leaflets and promotional literature produced by the council; and
- ◆ committee and cabinet reports.

Reality checks undertaken

When we went on site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These onsite reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. We also followed up on issues relating to the management of the review and the improvements flowing from it. Our reality checks included:

- ◆ tour of city, including depot and observing the refuse, recycling and garden waste collections in operation;
- ◆ visit to City Direct;
- ◆ mystery user calls to City Direct;
- ◆ discussions with members of the public; and
- ◆ checks on the council's website.

List of people interviewed

We met a range of people involved with the service.

Cabinet member – environmental services

Shadow – chair of scrutiny

Shadow – spokes on environmental issues

Chair of scrutiny committee

Secretary – Unison

Senior accountant – financial services

Director of finance and physical resources

Chief Executive

Environmental Protection Officers

Senior Finance and Administration Officer

Acting Waste and Recycling Manager

Chief Waste and Street Scene Officer

Trade Waste and Environmental Services Manager

Lead Officer – Waste Management and Recycling

Interim Waste Manager

Consultant – Waste Partnership Officer

Acting Recycling Manager

Acting – Domestic Waste Manager

Focus Group of Local Community Group Leaders

Improving public services

The Government has placed a duty upon local councils to deliver services to clear standards – of cost and quality – by the most economic, efficient and effective means available.² Best value is a challenging framework that is designed to improve local services. Councils are required to assess their own performance and put in place measures to ensure continuous improvement in all of their services.

Councils must show that they have applied the 4Cs of best value:

- ◆ **challenging** why and how a service is being provided;
- ◆ **comparing** their performance with others' (including organisations in the private and voluntary sectors);
- ◆ embracing fair **competition** as a means of securing efficient and effective services; and
- ◆ **consulting** local **taxpayers**, customers and the wider business community.

The Government has decided that each council should be scrutinised by an independent inspectorate. The Audit Commission performs this role.

The purpose of the inspection, and of this report, is to:

- ◆ enable the public to see whether best value is being delivered;
- ◆ enable the council to see how well it is doing;
- ◆ enable the Government to see how well its policies are working in practice;
- ◆ identify failing services where remedial action may be necessary; and
- ◆ identify and disseminate best practice.

² This report has been prepared by the Audit Commission ('the Commission') following an inspection under Section 10 of the Local Government Act 1999, and issued in accordance with its duty under Section 13 of the 1999 Act.