

STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE

**AGENDA
ITEM NO**

7 JUNE 2018

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Report Title	MULTI SERVICE CONTRACT - UPDATE
Purpose of Report	To provide an update report on the progress of the Multi Service Contract
Decision(s)	The Committee RESOLVES to note the progress updates within the report
Consultation and Feedback	Officers and Members of the task and finish group have been consulted
Financial Implications and Risk Assessment	<p>There are Financial Implications regarding the ongoing efficiency measures as referenced in par 3.1. Managers are currently in detailed discussions with Ubico on a range of options so that decisions can be made around the service provision that seeks to mitigate inflationary pressures in future years. It is likely that the MTFP will need to reflect a higher base budget and will be included in the Budget Strategy report to Strategy and Resources committee in October 2018.</p> <p>Adele Rudkin, Accountant Tel: 01453 754109 Email: adelerudkin@stroud.gov.uk</p>
Legal Implications	<p>This report is for information purposes only. There are no specific decisions required and therefore no legal implications. Legal advice will be provided as appropriate and required. Any strategic risks pertinent to the contract should be referred to in the Strategic Risk Register.</p> <p>Craig Hallett, Solicitor & Deputy Monitoring Officer Tel: 01453 754364 Email: craig.hallett@stroud.gov.uk RC17.05D21.05</p>
Report Author	<p>Mike Hammond Head of Community Services Email mike.hammond@stroud.gov.uk Tel 01453 754447</p>
Options	The report is for information only.
Performance Management Follow Up	The Task and Finish Group meet monthly to monitor and progress the service and identify on going efficiencies

1. INTRODUCTION / BACKGROUND

- 1.1 The multi service contract has been operational since late 2016. This resulted in a change to fortnightly collections and new weekly food waste collection, and a chargeable garden waste collection.
- 1.2 Data collected by all districts within Gloucestershire is published by the County Joint Waste Committee (JWC). These figures can be seen on the following in attached link there has been a dramatic increase in

recycling rate and decrease in waste to landfill since the introduction of the new scheme which is now the best performing scheme in the county
<https://www.stroud.gov.uk/media/682432/180130-performance-report.pdf>

2. Finances

2.1 The cost of the contract for 17/18 and 18/19 that is undertaken by Ubico is shown in the table below

Multi Service Contract - UBICO	UBICO 2017/18 Actual Spend 000's	UBICO 2018/19 Forecast Budget (£'000)
Refuse Waste	1,253,876	1,231,357
Food Waste	837,995	920,555
Garden Waste	329,236	368,186
Recycling	1,622,987	1,588,178
Street Cleansing	600,847	618,078
Building Cleaning	321,724	329,157
Grounds Maintenance	423,084	493,174
Bulky	83,043	90,764
GROSS - Multi Service Contract Cost	5,472,792	5,639,449
Multi Service Contract - Other Costs	2017/18 Actual Spend 000's	2018/19 Forecast Budget (£'000)
Refuse Interim Black Sacks	6,091	5,000
Refuse Beige Sacks (Annual Cost)	32,000	32,000
Marketing Expenditure	17,291	20,000
Garden Waste Licenses	11,186	3,400
Recyclate Waste Disposal	769,293	739,000
Waste disposal other	5,337	5,337
Supplies & Services	782	782
Supplies & Services	15,963	15,963
Additonal MSC works	21,480	21,480
Supplies & Services	13,957	13,957
Kerbside Boxes - Equipment Purchase	-6,432	13,400
OTHER - Multi Service Costs	886,948	870,319
Multi Service Contract - Income Streams	2017/18 Actual Spend 000's	2018/19 Forecast Budget (£'000)
JWP Incentive Payment	-395,250	-380,000
Garden Waste Subscription Income	-350,480	-324,900
Recyclate Waste Disposal Income	-569,659	-544,000
Tipping away payments	-56,119	-28,000
Textiles	-19,584	-15,000
Bulky Collections	-82,150	-84,000
Sale of equipment	-5,850	0
Misc Income	-14,637	0
Misc Income	-1,643	0
Material Recycling Contract Credits	-663,928	-650,000
INCOME - Multi Service Income Streams	-2,159,300	-2,025,900
NET BUDGET - Multi Service Cost	4,200,440	4,483,868

3. Progress Update

3.1 The cost of the contract is higher than originally predicted due to a number of reasons including; the drop in the price of recyclates and the price of oil, a greater uptake of the food waste service than originally predicted and an increased cost of insurance and wages. The cross party Task and Finish Group have agreed the efficiency measures as shown below to reduce current expenditure within the contract for 2018/19. The plan is to introduce these efficiency measures in June 2018 to achieve maximum savings during this and future years. These are detailed below:

	Efficiency Measures	Estimated Cost Saving (P.A.)
Fleet Management	Remove the current 11 vehicles off hire and lease for a minimum of 12 months	£100,000 (£5k per week)
Public Conveniences	Reduce frequency of cleans across the 10 public conveniences	£20,000
Charge Hand	Not replacing the vacant Charge Hand post	£20,000
Grass Cutting	Seasonal cuts to be reduced from 16 cuts to 10 cuts (still using existing equipment)	£40,000
Window Cleaning	Reduce the annual clean from 2 cleans to 1 within communal flats	£9,000
Ebley Mill	Alter the cleaning regime within Ebley Mill	£20,000
Charging for Delivery of containers	Introduce a delivery charge for containers with the exception of food bins and new build properties	Cost neutral
Garden Waste Subscription	Increase subscription to £45 in 2019/20 and £50 in 2020/21 (figures are based on 10,000 current subscribers)	£60,000 additional income £110,000 (cumulative) additional income
Bulky Waste	Increase charges from £20 to £25 in 2018/19 (figures based on year 17/18 collections)	£21,885 additional income

4. Conclusion

4.1 The current arrangement for the multi service contract service provision is proving to be highly successful in term of environmental performance and is generally popular within district (Budget Consultation 2017 showed that 76% of those surveyed are satisfied that SDC are working to improve the environment). However with higher costs than originally expected officers will work continually to reduce costs associated to the Multi Service Contract and any other associated services. To assist this process and as part of the Community Services review the Council has engaged the services of APSE to look out how we can continue to achieve more savings across the contract. This review should be complete around October 2018 and the report outcomes will be presented to this committee thereafter.