

EAST AYRSHIRE COUNCIL

GOVERNANCE AND SCRUTINY COMMITTEE - 26 OCTOBER 2007

TOPICS FOR REVIEW

Report by the Depute Chief Executive/Executive Director of Corporate Support

1. PURPOSE OF REPORT

- 1.1 To present topics suggested for review and to (i) consider appropriate criteria for selection and/or rejection; and (ii) rationale for review.

2. BACKGROUND

- 2.1 The Committee at its meeting on 24 August 2007 agreed that Committee Members identify potential topics which could be subject to scrutiny reviews for 2007/08 (Item 2, Page 98, 07/11).

3. TOPICS

- 3.1 The undernoted topics were submitted for consideration:-

- (i) a best value review of the charging levels by Building and Works:- to consider value for money; charging levels; and comparisons elsewhere (Councillor W Coffey) - **Appendix 1**;
- (ii) review of vehicle tracker system (Councillor E Ross) - **Appendix 2**;
and
- (iii) review of waste recycling policy (Councillor Cook)/technical evaluation of the kerbside recycling scheme (Councillor W Coffey) - **Appendix 3**.

- 3.2 The Committee at its meeting on 28 September 2007 agreed that scoping papers be submitted to this Committee to consider and prioritise the topic suggestions (Item 7, Page 123, 07/11).

- 3.3 The attached Appendices gives consideration to carrying out the reviews in terms of the agreed selection and rejection criteria; rationale for scrutiny reviews together with, where appropriate, a scoping of relevant topic and project plan.

4. FINANCIAL/POLICY/LLEGAL IMPLICATIONS - NIL.

5. RECOMMENDATIONS

- 5.1** To consider submissions made within the attached Appendices in terms of carrying out scrutiny reviews on the identified subjects.

17 October 2007
BW/SR

LIST OF BACKGROUND PAPERS

1. Topic Suggestion Forms submitted by Councillors Cook, W Coffey and E Ross.

Any person wishing to inspect the background papers relative to this report should contact Julie McGarry, Administration Manager on Tel No (01563) 576147. Any person wishing further information on this report should contact Bill Walkinshaw, Head of Democratic Services on Tel No (01563) 576135.

Implementation Officer: Bill Walkinshaw, Head of Democratic Services.

APPENDIX 1

TOPIC 1

Best value review of the charging levels by Building and Works to consider value for money; charging levels; and comparisons elsewhere.

1. Selection and Rejection Criteria

- 1.1 A cross-cutting review of property maintenance within East Ayrshire is at present underway and accordingly it is suggested that in terms of agreed rejection criteria namely:- the topic is already being addressed - that no review by the Governance and Scrutiny Committee be undertaken at this time.

2. Background

- 2.1 A Cross Cutting Review of Property Maintenance in East Ayrshire Council was established to review and improve the repairs and maintenance service delivered by Building & Works for council house stock and public buildings

- 2.2 The main drivers for the establishment of a Cross Cutting Review were the results, over a period of 2 years, from several surveys and reviews. These are listed below:

- Best Value & Community Planning Audit 2006 – “Housing Repairs: improve response times and the quality of work carried out to address customer satisfaction”;
- Repairs Improvement Partnership 2006 – Recommendations including improvements to Repairs categories & timescales, the introduction of an appointments system, streamlining the job ordering system, simplification of schedule of rates & recharge system, and improving quality control & customer satisfaction;
- Housing Strategic Self Assessment 2005 – Areas for Improvement: “Introduction of supply chain contracts & new partnering arrangements to support delivery of Housing Improvement Programme / Standard Delivery Plan” and “Further development of repairs and improvement programming”;
- Housing Best Value Service Review 2005 – “The repairs service must be responsive to customer needs and expectations”;
- Building & Works Business Plan 2005/06 – Best Value Arrangements: to improve the repairs service in partnership with Housing and the Tenants Participation Steering Group; and
- Tenants Satisfaction Survey 2004 – 56% of tenants were satisfied with the repairs service.

2.3 A report detailing the findings, recommendations and improvement plan from the Cross Cutting Best Value Service Review of Property Maintenance is being prepared for the Leadership Team by the Head of Housing Services, Head of Building & Works and the Head of Finance and Asset Management. A draft report was circulated to the three Heads of Service for comment in June 2007. A final report is due for completion and submission by the end of 2007

3. Remit, Purpose & Intended Outcomes

3.1 The terms of reference for the Cross Cutting Review of Property Maintenance were detailed in a report by the Review Group to the Corporate Management Team in May 2006

3.2 This report stated that the review would:-

- Identify, map and review the interconnecting key processes that determine the effectiveness of the Councils Property Maintenance function;
- Engage with service users and stakeholders to ensure that their views inform the wider review process;
- Assess the efficiency of current processes, examining their performance capability, current capacity and prevailing conditions; and
- Examine and recommend improvements to the process and system surrounding the Councils Property Assets ensuring the delivery of value for money services and viability in the long term.

3.3 The purpose of the review is to put in place measures and systems that secure efficiencies and productivity gains thus ensuring a value for money service in the medium and long term and the delivery of quality services which meet the needs of service users

3.4 To realise improvements a number of activities have been piloted or are being developed:-

- A response repairs experiment using lean systems methodology was introduced initially for a selected number of trades in a limited geographical area in January 2007. This experiment has since been rolled out to cover emergency and urgent repairs, including gas repairs for all Council houses and public buildings and now have incorporated additional trades. There has also been a pilot experiment using the lean systems approach for void repairs and the 'out of hours' helpline facility;
- An exercise to streamline the number of Schedule of Rates codes is being developed to introduce a manageable number of composite SOR codes, benchmarked with comparator organisations;

- A review of existing conditions and structures is underway to deliver a long-term Best Value contract;
- New monitoring arrangements utilising the 'Servitor' IT system are being developed to put in place robust performance management measurements; and
- Arrangements for a new long-term supply chain partnering contracts for kitchens are being developed to compliment those already in place for bathrooms and gas boilers and radiators.

3.5 Cost and Performance Benchmarking

The Cross Cutting Service Review of Property maintenance will consider the potential efficiencies and cost savings that could be achieved through the adoption of more effective and streamlined measures which should ultimately be translated into more competitive pricing.

- 3.6** The review will also consider robust cost and price benchmarking both with private comparator organisations and other local authority property maintenance service providers to ensure that the proposed pricing regime delivers value for money.
- 3.7** Similarly, an exercise in performance and process benchmarking will be conducted to ensure that performance levels across property maintenance services meet service standards

4. Completion Date of Review and Final Reporting

- 4.1** It is anticipated that the Cross Cutting Review of Property Maintenance will be concluded early in 2008. A report detailing the progress of the Best Value Service Review of Property Maintenance including a revised timeline will be submitted to Cabinet on 7 November 2007. On completion of the Best Value Service Review a final report recommending actions which will deliver tangible improvements will be submitted to Cabinet for consideration. Thereafter, the report will be referred onto Governance and Scrutiny for its consideration.

5. Further Review

The Governance and Scrutiny Committee can of course determine to review in the future the performance of property maintenance arrangements to ascertain if identified improvements have been achieved but it is suggested that this should not be undertaken within 12 months of the implementation date.

APPENDIX 2

TOPIC 2

Vehicle Tracker System (Masternaut Traffic Management System)

1. Topic Suggestion Form

- 1.1 The reasons given why this subject should be reviewed: “there is a suggestion that this control system be expanded to other Service Departments therefore an evaluation of the existing one be carried out well before the move”.
- 1.2 The desired outcome of the review stated was to provide “proof that the fitting of these devices are worthwhile and cost effective”.

2. Selection and Rejection Criteria

- 2.1 A review of the use of the Masternaut Traffic System within the Building and Works Service has been carried out in August 2007.
- 2.2 The remit of the review was to:-
- Undertake a comprehensive review of the implementation and roll-out of the Masternaut Traffic Management System within the Building and Works Service;
 - Ensure that the software product is meeting the Services expectations;
 - Ensure that the product is being used to its full potential in respect of the management of assets and the workforce within the Building and Works Service;
 - Make any suggestions considered appropriate to improve the use of the product; and
 - Give due consideration in all of this on best utilising of the product consistent with providing a more efficient emergency response repair service for the Council’s housing stock.
- 2.3 Accordingly, it is suggested that in terms of the agreed rejection criteria namely - the topic has already been addressed, no review be undertaken at this time by the Governance and Scrutiny Committee.

3. Overview - Key Outcomes of Review

- 3.1 A summary of the key outcomes arising from the review is provided below:-
- At the commencement of this review (April 2007), the Building and Works Service had not fully developed its approach to the implementation and use of Masternaut;
 - Masternaut was not being used as a management tool to focus on seeking improved productivity opportunities, leading to efficiency gains

and overall performance improvement over its business operation; in particular, the system was not being utilised to improve its emergency response repairs service;

- A pro-active businesslike and positive working relationship has been established between Building and Works management and Masternaut representatives;
- Working closely with the Council's Masternaut Account Manager and the Business and Commercial Manager (Building and Works), the review has developed, tested and produced an agreed comprehensive "Masternaut Performance and Management Reports Manual". This includes sample reports, details the purpose, objectivity and frequency of each report, sets out operator guidance, clarifies management responsibility and action required and sets new performance targets. This will now ensure that the service has in place, a systematic and structured approach form managing its transport related activities, with accountability for monitoring and management action required clearly set out. When achieved, by a series of measures ending in December 2008, these new targets will secure:

on workforce productivity and/or efficiencies:

- a 5% reduction in driving time, allowing a consequential increase in productivity time;
- a 10% reduction in times spent at depots;
- a 50% reduction in operative late start/early finish occurrences;
- a 5% increase in vehicle standing time, intended to indicate more time spent on the job by operatives;

on asset management - efficient vehicle use:

- a further reduction of two vehicles within the Building and Works fleet;
- a 1% reduction in overall fleet mileage (approximately 20,000 miles) over and above the reduction of two vehicles;
- a 10% reduction in overall vehicle idling time;
- a 1% reduction in the time building and works vehicles are "off the road".

- A revised reporting hierarchy within the Masternaut System has now been introduced to facilitate a reporting split between capital and maintenance operatives and vehicles within Building and Works operations. The revised reporting arrangements now provide improvement performance management information, with new targets encouraging increased productivity and/or efficiencies through better management of both operative and vehicle resource;

- A customised local key performance indicator (KPI) screen facility has now been developed for routine use by the Building and Works Service. This provides real-time time vehicle utilisation performance information, this making the reported management information more meaningful, informed and up-to-date;
- Masternaut's real time vehicle locator facility has been trialled and has demonstrated clear benefits. It is now capable of being used to improve the Building and Works Services response times to emergency repair jobs;
- The new vehicle locator facility together with the outcomes from the Cross-Cutting Property Maintenance Best Value Service Review has lead to new and time lined targets being set for Statutory Performance Indicators;
- In view of the positive impact which the introduction of Masternaut has had on the Building and Works risk management position, with the number of accidents reducing from 49 in 2005 to 26 in 2006, targets have been set to continue this downward trend to 24 or less in the current calendar year, reducing to 22 or less in 2008;
- The Council's in-house Transport Division is now accredited to provide the in-house installation refit of Masternaut mcu's (Vehicle Tracking Hardware Boxes) to Building and Works vehicles. This new arrangement will secure around £4,000 expenditure reduction per year over the previous externalised arrangement;
- The potential for further operational efficiencies accruing from linking Masternaut with the "Xmbrace" job handling and scheduling software currently used by Building and Works, was identified and is being further investigated by Building and Works in collaboration with the Council's Masternaut Account Manager. This has the potential to offer further significant benefits, allowing real time matching of operator/vehicle with job locations. Success in this area will be measured over time;
- Arrangements for formalising and sign-off of the use of the Masternaut system within the Building and Works Service with the relevant Trade Unions is being progressed;
- A new transport related performance reporting framework based on KPIs has been suggested for inclusion and regular reporting to the Executive Director. This is capable of further "key issues" and high levels summary reporting in the Department's periodic performance framework returns to the Chief Executive;
- A detailed Action Plan to take forward implementation of the outstanding actions arising from this review has been agreed and signed up to by the Head of Building and Works.

3.2 The Governance and Scrutiny Committee can of course determine that the future performance of the Masternaut System be subject to further review in the future as part of its ongoing work programme to be determined in January 2008.

APPENDIX 3

TOPIC 3

WASTE RECYCLING POLICY/TECHNICAL EVALUATION OF KERBSIDE RECYCLING SCHEME

TOPIC SUGGESTION FORM

1.1 Reasons Why this Topic Should be Reviewed:-

- Audit Scotland is asking Local Authorities to investigate a range of recommendations in terms of reducing the amount of waste being sent to landfill and to improve the economy, efficiency and effectiveness of waste management;
- Present Recycling Policy has been fully implemented for sometime and should be reviewed;
- Large amounts of plastic are being sent to landfill sites; and
- The technical evaluation of the Kerbside Recycling Scheme, as recommended by Audit Scotland and which was considered by the Audit Committee of the Scottish Parliament.

1.2 The Supporting Evidence for the Review of the Subject:-

- Audit Scotland report on sustainable Waste Management September 2007; and
- Plastic recycling facility only available at community facilities.

1.3 The Desired Outcomes:-

- Evaluation of effectiveness of existing recycling scheme with recommendations for changes to improve recycling rate with particular emphasis on reducing the amount of waste being sent to landfill.

2. Selection and Rejection Criteria

In considering this topic for scrutiny/review, the following selection criteria were met:-

- Enhances the Council's priorities;
- New guidance contained in the report by Audit Scotland on Sustainable Waste Management; and
- Improvements to services would be likely.

3. Rationale for Scrutiny/Review

RATIONALE

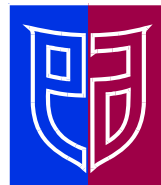
- Recommendations contained in the Audit Scotland report, “Sustainable Waste Management” report asks Councils and the Scottish Government to consider a range of recommendations on Sustainable Waste Management.
- One of the key aims in the Community Plan Action Plan for 2007/2011 on Improving the Environment tasks the Council with increasing the amount of waste that is recycled and reused.
- Improvements to the Kerbside Recycling Scheme may result in greater diversion of waste from landfill sites.

4. EVIDENCE

- Results produced by the Audit Scotland report suggesting that among other things, Councils need to look at (a) sustainable waste management, in particular, the recommendations include suggestions for co-mingled kerbside collections to improve greater diversion rates; (b) to investigate further methods of recycle collection and waste diversion including the introduction of strategically located street recycling containers; and (c) assess the contribution that direct charging for waste management could make to increasing recycling and waste reduction.
- European and national targets require to be met and improved year on year.
- There is a national drive to improve waste reduction and recycling to help improve the environment.

5. DESIRED OUTCOMES

- Evaluation of the existing scheme;
- Enhancement of the existing Recycling Scheme within existing legislative parameters;
- An assessment of the recommendations by Audit Scotland to assess the contribution that direct charging for waste management could make to increasing recycling and waste reduction;
- To provide recommendations on waste management initiatives to further minimise waste disposed of to landfill sites; and
- To continue to meet national and European targets.



EAST AYRSHIRE COUNCIL

GOVERNANCE & SCRUTINY PROJECT PLAN TEMPLATE

REVIEW TOPIC:

Review of Waste Recycling Policy and technical evaluation of the Kerbside Recycling Scheme.

OBJECTIVES:

To increase the Council's recycling rates and capacity on most economically advantageous basis.

Examine the feasibility of charging options.

To identify initiatives for further reducing waste disposed to landfill sites.

DESIRED OUTCOMES:

Evaluation of the existing scheme.

Enhancement of the existing Recycling Scheme within existing legislative parameters.

An assessment of the recommendations by Audit Scotland to assess the contribution that direct charging for waste management could make to increasing recycling and waste reduction.

To provide recommendations on waste management initiatives to further minimise waste disposed of to landfill sites.

To continue to meet national and European targets.

TERMS OF REFERENCE:

To review the Waste Recycling Policy.

To carry out a technical evaluation of the Kerbside Recycling Scheme.

To look at methods of sustainable waste management, in particular, the recommendations contained in the Audit Scotland report suggesting the need for a co-mingled kerbside collection to improve greater diversion rates.

To investigate further methods of recycle collection and waste diversion including the introduction of strategically located street recycling containers.

To assess the contribution that direct charging for waste management could make to increasing recycling and waste reduction.

KEY ISSUES:

Financial and environmental viability of delivering policy.

To address the requirements of the External Audit's recommendations.

Legislative issues

RISKS:

- Raising undeliverable expectations.
- Getting side-tracked onto other wider issues which are undeliverable

VENUES:

TBC

TIMESCALE:

START: November 2007

FINISH: End January 2008

INFORMATION REQUIREMENTS AND SOURCES:**Documents/Evidence**

Audit Scotland Report - September 2007 - Sustainable Waste Management
Ayrshire, Dumfries and Galloway Area Waste Plan
Local Biodiversity Action Plan
East Ayrshire Council Community Plan

Witnesses

Executive Director and appropriate staff in terms of the Council's position
Professor Baird, Caledonian University leading academic on Waste Management within Scotland.

Consultation/Research

Ayrshire Chamber of Commerce for views of commercial sector.
Residents Panels for views from residents.
Ayrshire Furniture Redistribution Scheme.
Other Ayrshire Authorities and Dumfries and Galloway Council.
CoSLA - in terms of any national research/guidance from the Audit Report.
Executive Head of Finance and Asset Management

Site Visits

Kilmarnock and Garlaff Recycling Centres to view existing facilities.
Other Authorities to benefit from best practice, particularly regarding plastic recycling.

OFFICER SUPPORT:

Appropriate Head of Service as Lead Officer and Scrutiny Support Team

TARGET BODY FOR REPORT:

Cabinet