
TITLE: East Cambs Street Scene Business Plan 2020/21 – Revised

Date: 3 November 2020

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1.0 **ISSUE**

1.1 To provide the Board with the revised Business Plan and Budget for the remainder of the financial year 2020/21

2.0 **RECOMMENDATION(S)**

2.1 Board members are requested to approve the revised Business Plan and Budget for the remainder of the financial year 2020/21

3.0 **BACKGROUND**

3.1 Due to the impact of the Coronavirus and the negative impact it has had on the aspirations ECSS had set out within its original Business Plan 2020/21, it has been necessary to review the Business Plan and Budget for the remainder of the year and present this to the board for their approval.

4.0 **AREAS OF IMPACT**

4.1 Outlined below are the areas in which COVID-19 has had a negative effect on the previously approved strategic vision and work programme. For reference, the original Business Plan is included at Appendix 2.

4.2 **Education and Communication**

4.2.1 COVID-19 saw the closure of schools and specific social distancing measures that have prevented ECSS completing its scheduled educational and promotional campaigns.

This has also resulted in the development team being unable to communicate vital waste and recycling information to members of the public, which was a driver behind increasing our current recycling rate.

4.3 **Fleet and Assets**

4.3.1 Due to the restrictions surrounding face to face meetings, ECSS has been unable to investigate further into carbon alternative vehicles to replace its existing fleet. However, the supply chain is still unable to provide a vehicle suitable for the district's requirements.

4.4 **Technology**

4.4.1 Further impact of social distancing has resulted in ECSS being unable to visit and spend time with other local authorities to investigate, scrutinise and learn about possible in-cab technologies available. This has resulted in this project being put on hold until these necessary steps can be completed.

4.5 **Commercial Opportunities**

4.5.1 The impact COVID has had on businesses has resulted in ECSS's possible client base for its proposed trade waste collection diminishing. This means that dedicated trade waste collection is unlikely to be introduced until the next financial year. It is now necessary to complete a further review, and create a new business case before committing, to ensure the project is still commercially viable.

4.5.2 ECSS's previous small-scale commercial activities has witnessed a substantial reduction in demand due to social distancing and lockdown. Therefore, this income stream has been severely reduced. It is projected that these commercial activities are unlikely to be revived within the remaining year.

4.6 **Development**

4.6.1 Unfortunately, the impact of COVID has resulted in a stall on all external and internal training. This has meant that ECSS has been unable to tap into the apprenticeship levy to train its staff to become HGV drivers.

4.7 **Improving the Street Scene**

4.7.1 ECSS had planned to grow its relationship with ECTC to further improve all areas of the street scene. Regrettably, due to the increased pressures placed on both companies to deliver their respective services, committing resources to this task have been unsuccessful.

4.8 **Performance**

4.8.1 Although COVID saw a substantial increase in pressure on staff and services, we have been able to maintain on target performance figures. However, the increase pressure has resulted in resource not being able to be deployed on reviewing the collection rounds for the past four months. This in turn has resulted in the project being behind schedule and is unlikely to be completed by the end of this year.

5.0 **THE NEW STRATEGIC VISION AND WORK PROGRAMME**

5.1 With the coronavirus changing the way we operate, now and for the foreseeable future, we will have to re-adjust our focus and centre our attention on alternative key areas.

5.2 **Communication**

5.2.1 Communication continues to play a pivotal role for the waste and recycling services, however, this will take on a different form.

5.2.2 With face to face contact and attending community events no longer viable, we aim to move our attention to online based platforms. We aim to create and develop ECSS's own Facebook page which will allow us to continue to share vital information with our residents as well as respond to queries. This will also provide a platform to further promote any of our commercial activities, away from the guise of ECDC.

5.2.3 Many residents use the Councils' website to check for updated information about the service as well as tips and help. To ensure this portal is as accessible as possible,

we will review the current website format as well as ensuring that all the information is current and relevant as well improving the ease of use.

- 5.2.4 With ECSS's development team unable to attend schools and community groups in person, we aim to create and provide these groups with information packs and materials for them to distribute and refer to as and when required.

5.3 **Performance**

- 5.3.1 ECSS's performance has shown monumental improvement since 2018 and outstanding performance levels is something we continue to strive for, for the remainder of the year.
- 5.3.2 With an increased focus required on normal service delivery, the gathering and reviewing of round data has been subject to a delay. However, due to the considerable benefits that a reconfiguration will bring to the company and residents, this work will continue for the remainder of the year, with the intention to provide the board a full report at the start of the financial year 2021/22.

5.4 **Fleet and Assets**

- 5.4.1 Although we have been unable to investigate alternative carbon neutral vehicles, we will continue to ensure that before any new asset is procured by the company, full consideration will be given to alternative fuel methods in line with the Council's Environment and Climate Change Strategy and Action Plan.
- 5.4.2 The next consultation for the Government's Waste and Resource Strategy remains set for winter this year. The information included within this may affect what, how and when we procure new vehicles. Continued analysis will be applied to ensure both the company and the Council reap any benefits it brings.

5.5 **Development**

- 5.5.1 Although we have been unable to provide any internal training and development to our staff, growing our own and ensuring our employees are cared for, continue to remain a priority. It is unlikely that the company will be able to utilise the apprenticeship levy and train up new drivers by the end of this year, however, if training were to become available through this channel, it would be activated to develop those we can.
- 5.5.2 With training unlikely to be a possibility, we are set to commit to the previously budgeted 2% pay rise for all staff, by the end of this financial year.

5.6 **Technology**

- 5.6.1 With in-cab unlikely to come to fruition this year, ECSS will continue to be open to any other technological enhancements that will improve the performance or ease of the service.

5.7 **Commercial Opportunities**

- 5.7.1 With the virus having a damning effect on the local economy, it has proven difficult for ECSS to maintain its previous income stream through these activities. However, there are a few contracts that ECSS holds to provide services to local businesses. These contracts run for the remainder of the year and guarantee an income stream.

5.7.2 With COVID closing local household recycling centres, we have witnessed an increase in demand for bulky waste collections over the past four months, which brings in additional income into the budget. For the remainder of the year, we aim to ensure we are meeting the demand and will increase our current provision to suit.

5.8 **The Future of Waste**

5.8.1 ECSS continues to welcome the possible positive outcomes of the Government's Waste and Resource Strategy and will continue to assist RECAP work towards a result that benefits the residents of the district.

6.0 **BUDGET 2020/21**

6.1 Detailed below is the revised budget 2020/21 for the delivery of the waste and street cleansing service.

6.2 Four months into this financial year, following the effects of the coronavirus, it has been necessary to review the original budget set for 2020/21 and re-assign projected underspends to account for areas of overspend.

6.3 Due to the substantial delay in receiving full detailed figures on Material Recycling Facility tonnage and recycling credits, a cautious estimate was used for the income received through the County Council. Now that we have received completed tonnage figures for the financial year 2019/20, the income received from recycling credits has been increased by £23,177 to suit.

6.4 Due to an increase in recycling tonnage collected through the lockdown period, the budget for recycling credits has been inflated to suit, as these are directly linked to the amount of tonnage collected. Additionally, the budget for the MRF has been inflated to account for the increase in reprocessing charges, associated with increased tonnage.

6.5 Due to the negative effects of the coronavirus, and the lack of community events that have taken place so far this year, as well as the likely possibility that no further events will take place for the remainder of the year, the additional income ECSS had initially expected to receive through commercial services it provides, will be at a loss. Therefore, the budget for other income has been reduced to account for this.

6.6 Over the first four months of this year we witnessed an increase in demand for bulky waste collections. With our current arrangements, this meant that we were having to turn potential customers away as our capacity was full. Due to this increase in demand, we will be scheduling a third day of collections each week with a forecast additional income of £10K by yearend.

6.7 Initially, substantial funds were allocated in preparation for the increase in premises costs due to the refurbishment of the depot. Unfortunately, this project has been delayed and is unlikely to conclude within the financial year 2020/21 and therefore, premises costs are projected to be underspent by £75K.

6.8 At the beginning of this financial year, the way ECSS procured fuel underwent a change, removing some of the responsibility previously placed on it as well as some of the costs. This has resulted in a projected yearend underspend of £45K on fuel costs.

- 6.9 With the intentional delay in replacing some of the existing vehicle fleet, vehicle debt repayment is projected to experience a £10,800 underspend. However, an aged fleet has meant that we have seen a big increase in fleet maintenance costs.
- 6.10 With the reduction in use of the promotional vehicle procured by ECSS in 2019/20 due to coronavirus, the depreciation length of the vehicle has been adjusted to allow for this. The projection for vehicle depreciation therefore evidenced a £500 underspend.
- 6.11 The reductions in budget lines outlined above have allowed for the reinvestment of funds into other budget lines to remove projected yearend overspends. This includes increasing all staffing lines as well as vehicle running and maintenance costs, MRF costs, other direct costs, support services costs and miscellaneous. The full details are evidenced within Appendix 1.

7.0 CONCLUSIONS

- 7.1 Although experiencing substantial impacts due to the coronavirus, ECSS continues to strive to achieve as many goals and achievements as possible as well as working to put its self in a positive position for the next financial year.
- 7.1 Owing to the restrictions imposed by the coronavirus and lockdown, ECSS has, and is likely, to experience a decrease in additional income from the lack of extra commercial activities it has previously provided to the communities of the district.
- 7.2 The revised budget 2020/21 highlights an increase in total income, supported by an increase in recycling credits, as well as additional funding awarded by the Council to cover Covid related spends.
- 7.3 Total staffing costs have witnessed an increase at each budget line, to assist in compensating for the additional demand for agency and overtime to provide services.
- 7.4 The revised budget and yearend forecast evidences the company will come in on budget on each budget line and break even at the end of the financial year.

8.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 8.1 The waste and street cleansing services will be delivered in line with the revised budget 2020/21.

9.0 APPENDICES

Appendix 1: Revised Budget for 2020/21
 Appendix 2: Original Business Plan 2020/21

Background Documents

None

Location

The Grange, Ely

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Appendix 1 – Revised Budget 2020/21

				Year End		
	Actual to Date	Budget Pro rata	Variance	Budget	Forecast	Variance
Management Fee	926,735	926,735	0	2,780,205	2,780,205	0
Third Party Income	29,760	28,561	1,199	85,682	85,682	0
Recycling Credits	124,993	127,542	(2,549)	382,625	382,625	0
Other Income	5,532	5,532	0	16,596	16,596	0
Additional Funding	91,000	91,000	0	91,000	91,000	0
TOTAL INCOME	1,178,020	1,179,369	(1,349)	3,356,108	3,356,108	0
Management & Administration	71,236	71,984	748	215,952	215,952	0
Core Staffing	450,017	458,128	8,111	1,374,385	1,374,385	0
Overtime Costs	27,780	23,910	(3,870)	71,731	71,731	0
Agency Costs	78,947	37,516	(41,431)	112,547	112,547	0
TOTAL STAFFING COSTS	627,980	591,538	(36,442)	1,774,615	1,774,615	0
Vehicle debt repayment	71,433	71,433	0	214,299	214,299	0
Vehicle Costs	159,111	164,167	5,056	492,501	492,501	0
Fuel	84,635	82,278	(2,357)	246,834	246,834	0
Supplies & Services Costs	17,595	51,667	34,072	155,000	155,000	0
MRF Costs	65,818	60,075	(5,743)	180,224	180,224	0
Premises Costs	16,134	21,667	5,533	65,000	65,000	0
Other Direct Costs	45,927	45,839	(88)	137,518	137,518	0
Support Services Costs	23,582	23,287	(295)	69,860	69,860	0
Miscellaneous	33	5,000	4,967	15,000	15,000	0
Vehicle Depreciation	1,335	1,752	417	5,257	5,257	0
TOTAL EXPENDITURE	1,113,583	1,118,703	5,120	3,356,108	3,356,108	0
Net Profit/(Loss)	64,437	60,667	3,770	0	0	0