

The Highland Council Redesign Board Workshop

14 February 2017

Agenda Item	
Report No	

Council Redesign: Children's Services

Report by Review Team Leader

Summary

This report provides a final report from the Council Redesign team which was tasked to examine Children's Services. It provides information on the service and specific recommendations on further work that could achieve savings and improvements in future service delivery and outcomes for children.

1. Background

- 1.1 Two functions were identified for review: looked after children and children in residential care. Looked After Children encompasses all placement types: residential care; fostering; adoption; kinship and looked after at home. The council is responsible for these functions although a range of partner agencies have some Corporate Parenting responsibilities.
- 1.2 Looked after children (LAC)
This function involves the planning, intervention and support for looked after children and aftercare services for formerly looked after children. This is a statutory, regulated function with little discretion for the Council as standards are set nationally in regulation and with consequences on the size of expenditure.
- 1.3 Residential care
This function relates to our duty to provide appropriate accommodation for looked after children. It involves in-house and commissioned places for looked after children, and the coordination of placements. This is a statutory, regulated function but with discretion for Council in relation to the type of accommodation used. The main legislation is contained in the Children (Scotland) Act 1995; the Regulation of Care (Scotland) Act 2001; and the Children and Young People (Scotland) Act 2014. Placement services are regulated and inspected by the Care Inspectorate regardless of the provider.
- 1.4 Under the Children and Young People (Scotland) Act 2014 young people in residential, foster or kinship care are entitled to remain looked after until the age of 21, under certain circumstances. Previously the duty ended at age 18. The Act has also increased the duty on councils to assess and meet the needs of young people in Through and Aftercare until the age of 26. This has financial implications for the Council as young people are entitled to remain in

accommodation for longer. Limited additional funding has been provided by the Scottish Government to meet the enhanced duties.

- 1.5 Within the Council Redesign programme there were a further four children's services identified for review at a later stage: fostering and adoption, commissioned preventative services, child protection and allied health professionals. Although not examined in detail as part of this review the Review Team identified links between these services and the functions we were examining, and some of the recommendations contained in this review involve these related functions.
- 1.6 This report provides details of the review. A set of specific recommendations is contained in **Appendix 1**.

2. Routes in to the Service

- 2.1 The "route in" to services for Looked After Children will always be via social work intervention, often due to child protection concerns, and frequently through the Children's Hearing system in circumstances where children are not receiving proper care.
- 2.2 Many of the children involved in the service have experienced intergenerational disadvantage and their parents have commonly displayed mental health issues, undiagnosed learning difficulties, and / or have a background of domestic violence or drug and alcohol misuse.
- 2.3 The majority of referrals to the Children's Reporter are on care and protection grounds, with a smaller proportion a result of criminal offences committed by children. A children's hearing can decide that compulsory measures of supervision are needed to help the child. This will have conditions attached which can include where the child or young person is to live.
- 2.4 A children's hearing can also decide when they think a young person should be placed in secure accommodation. The Council is responsible for making sure that what is stated in the compulsory supervision order is happening, and that the young person is getting the help that they need.
- 2.5 Where young people need to be placed in accommodation the options available are:
 - Kinship care
 - Fostering and Adoption
 - Residential: In house or from another provider

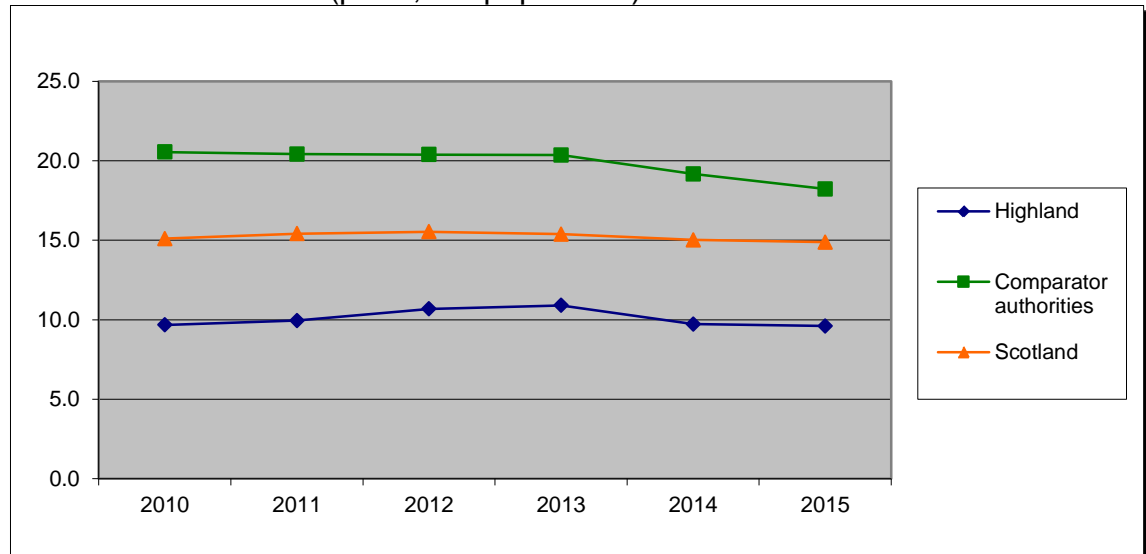
- 2.6 The current residential options used by the Council are set out in **Appendix 2**.

3 Context /Statistical Information

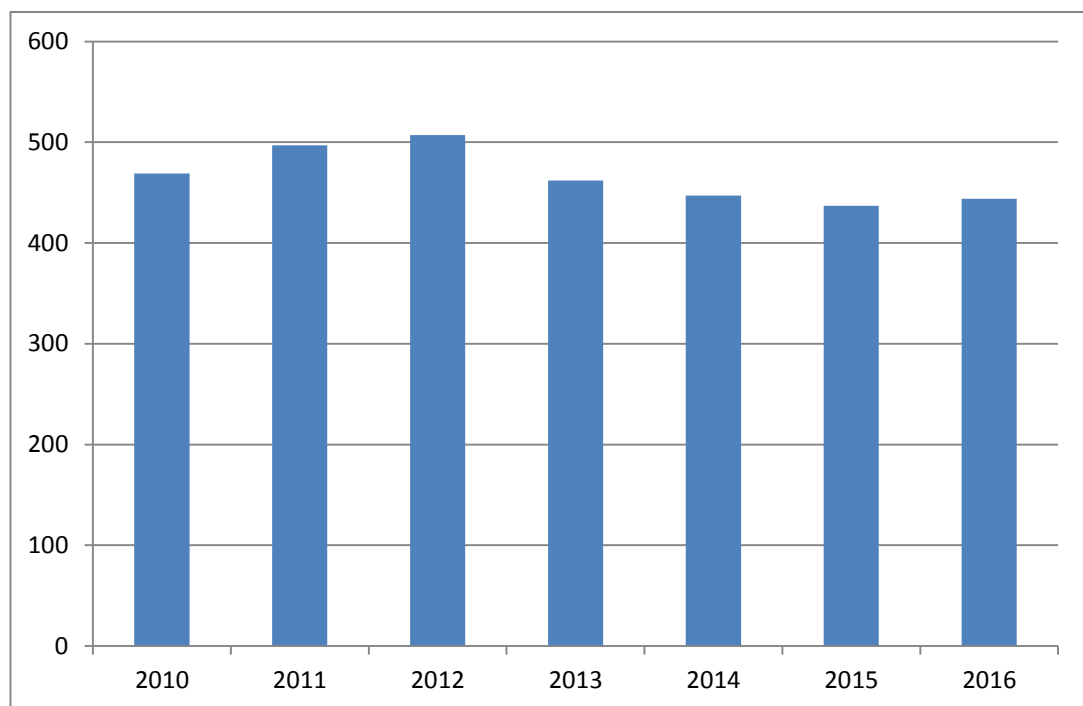
- 3.1 Highland has a lower rate of Looked After Children (per 1,000 population) than Scotland as a whole and of comparable Council areas. The figures have been

relatively stable over the last 5 years.

Looked After Children (per 1,000 population)



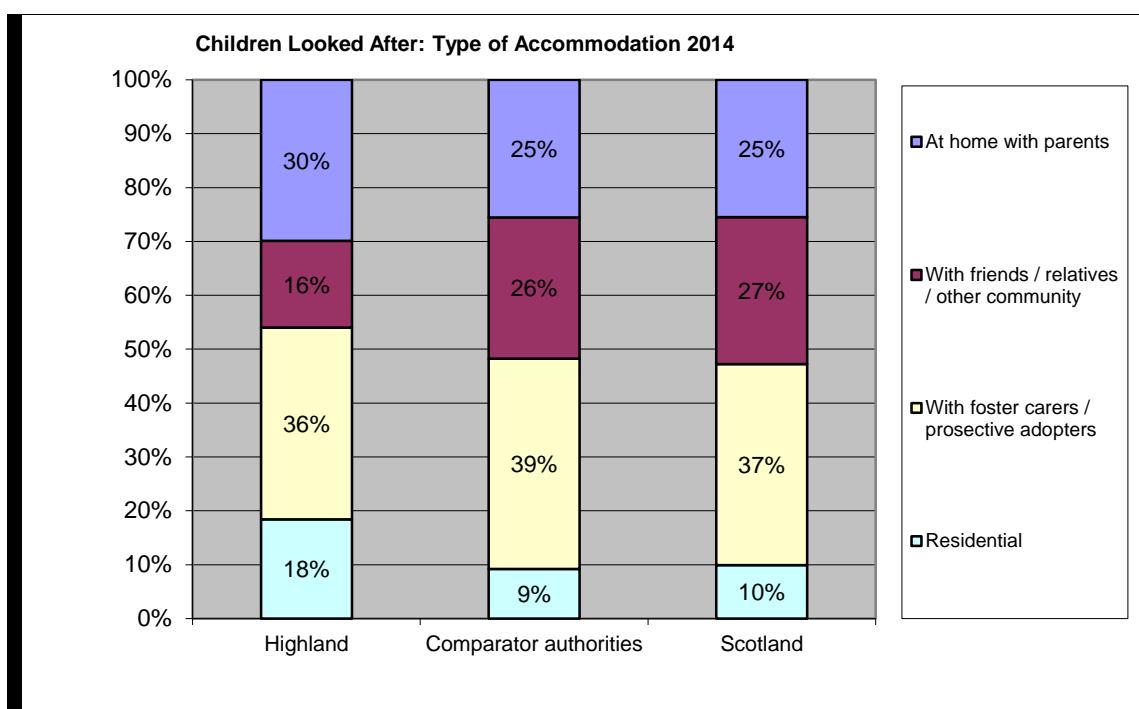
3.2 As shown in the table below the actual numbers of looked after children in Highland is relatively stable.



3.3 There are a range of types of accommodation used by Looked After Children. It is important to note that this accommodation is effectively the child's home and in assessing what is the best form of accommodation the 2 main factors to consider should be (in order of preference):

1. likely outcome for the child; and,
2. cost to the Council.

- 3.4 There are differences in the types of accommodation occupied by these children in Highland compared to Scotland as a whole is shown below:



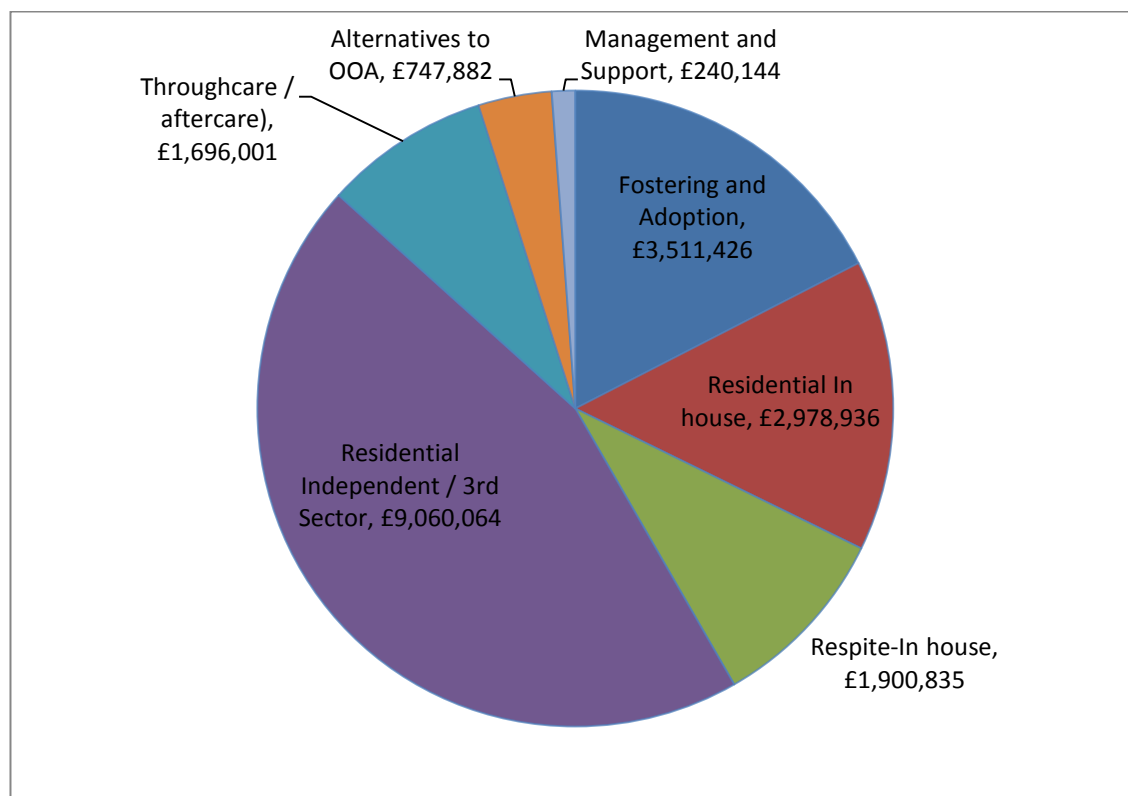
- 3.5 This shows a different profile of accommodation in Highland compared to Scotland as a whole. In Highland there are a greater proportion of children accommodated at home, but fewer in “kinship” care. Where a child is able to remain with their family, research has shown that placements are likely to be stable, however some outcomes are less positive, including educational outcomes. There are no placement costs for a child living with parents but kinship carer receive allowances comparable to foster carers, The combined total of these 2 categories is 45% compared to 52% nationally. There are similar proportions in foster care, which again is relatively effective in terms of “quality” and cost. There are foster carers commissioned directly by Highland Council and a small number of placements accessed from independent fostering agencies, for which there are higher fees, although these are still significantly less costly than residential care. Highland has a higher proportion of children in residential accommodation, which is the least favourable in terms of cost to the Council and variable in terms of outcomes for children.
- 3.6 The proportion of young children living in residential accommodation has been stable over the last 5 years though there has been a reduction of purchased placements from 67 in Jan 2015 to 52 in Dec 2016 and the proportion of young people accommodated out with Highland has reduced to below 50%.
- 3.7 Some looked after children will have additional support needs. They may have been subject to adverse experiences, such as abuse or neglect, or witnessing domestic violence. This is known to lead to greater incidence of mental illness, injury and death in childhood, and premature mortality, suicide, disease/illness and substance misuse as adults. These adverse factors can affect behaviour and make it more difficult to accommodate children at home or within Highland

due to the challenges of managing risks and difficult behaviour. Some looked after children have specific additional support needs which have been identified such as attention-deficit hyperactivity disorder (ADHD), autism, learning disability, dyspraxia or complex health needs.

- 3.8 The percentage of Looked after Children with known additional support needs for Highland in 2015 was 14% (**61 children**). This is similar to the national Scotland average of 13%. Where the level of additional support needs is highest, this limits the range of potential placement providers and means that the providers are able to determine the cost of the placement or may ask for additional staff to be employed at additional cost. In the more challenging cases, young people may need to be kept safe in secure accommodation which is the most expensive type of residential care due to high staff ratios.

4 Service Costs

- 4.1 The overall Highland Council budget for Looked After Children is £20,135,288 (for 2016/17). This budget is distributed across activities as follows:



- 4.2 Costs of each type of accommodation will vary significantly from case to case depending on the nature of the case. For the purposes of this project the following rounded average costs have been used:

Accommodation type	Number of cases (average or snapshot)	Average annual cost per case
Fostering and Adoption	133	£30,000
Residential In house	23	£130,000
Residential Independent / 3rd Sector	52	£200,000
Alternatives to Out of Area Placements	22	£34,000

- 4.3 As shown above there are significant variations in these average costs between accommodation types. In simple terms – if overall numbers of looked after children remained the same replacing one independent sector accommodation place with a foster care placement would save the Council approximately £170,000 per year in accommodation charges. Replacing an independent sector place with an in-house place would save £70,000 per place. We need to urge caution in the interpretation of these figures. It should be stressed that these are very broad estimates, and do not take account of differences in individual needs. For example if an independent sector place is expensive because it is meeting the special needs of a child then the same needs would have to be met in-house if the child moved back to Highland, therefore the cost of the in-house placement would be higher than the average quoted above. Overall though the table gives an indication of the relative costs involved in accommodation placements.
- 4.4 The line titled “Alternatives to Out of Area Placements” in the table above describes a range of initiatives already implemented by the Care and Learning Service to rebalance the accommodation used. There are currently 22 children placed in these alternative resources who otherwise would be in expensive purchased placements, avoiding costs of £2.5m in 2015-16. This figure is likely to be higher for 2016/17. This demonstrates the commitment to challenge and innovation within the Service and the scope for trying different models of accommodation. Some examples which could be further developed / replicated are set out in section 5 below and in the Review Team recommendations (in **Appendix 1**).

5 Key findings of the Review Team

- 5.1 The Review Team included David Goldie, Ian Murray, John Finlayson, Sandra Campbell, Cllr Davidson and latterly Cllr McCallum and John Gibson (staff side representative). It was also supported by Malina MacDonald-Dawson and Gordon Killbourn (Managers in C&L) and Lynnsey Urquhart (CIT). It has identified a number of recommendations / actions that could deliver efficiencies, cost savings and improve outcomes for children. These fall under the following broad themes:
- Preventative actions to reduce the number of children entering residential care;
 - Maximising the use of the best and most cost effective accommodation options.

- Partnership working

5.2 This is a demand led service and there are limited opportunities to “turn off the tap” in terms of demand. Nevertheless overall case numbers – ie numbers of looked after children in the system - are relatively stable. The key factors affecting expenditure are:

- overall numbers of looked after children;
- availability of in-house accommodation (fostering or residential)
- unit costs of purchased accommodation.

5.3 It is important that we continue to focus and fund appropriate and effective preventative services that reduce the number of children entering care. Additional Support in school can also play an important role in early identification and responding to problems at an early stage. For example, there is a role for schools in early identification of risk factors and managing “challenged and challenging” children in schools through additional support. It is suspected that practice varies and there are likely to be “best” practice examples within Highland, but not necessarily sharing of good practice.

5.4 We currently have 10 children in out of area placements for whom we have no suitable education resource in Highland for them to return them to. These children cost approximately £3m per year in total. The revenue costs of an in-house specialist service are likely to be lower. The Killen project uses a former school house on the Black Isle, and the Children’s Services budget funds the additional costs of specialist staff to allow young people to return young people from out of area accommodation. Experience to date suggests an annual saving of £50,000 per placement, including extra funding for Pupil Support Assistants. A Business Case could be developed for extending this type of provision, assuming that the educational needs of these young people can be met locally.

5.5 Edge of Care Services can be an important way of ensuring that children at risk are supported in the community and prevented from entering the care system. This relates to specialist support services available to children identified as at risk – aimed at preventing them from entering the “care” system. Aberlour Childcare Trust is currently funding an Edge of Care pilot in the Mid-Highland area to begin April 2017. We will be in a position to start looking at outcomes by the end of 2017. There is evidence that this type of intervention can be successful at avoiding residential placements.

5.6 Where children do need accommodation there is a clear hierarchy of options. Overall there are two clear aims: to keep children in Highland and to reduce costly “spot purchase” arrangements. Placements which are some distance away have several disadvantages; they are more costly to monitor, they reduce contact between the child and their family which may make a return home less likely in future, they can lead to a child becoming disconnected from their home community and not wishing to return to Highland as an adult and there are more challenges in ensuring that services are high quality and

continue to meet the needs of children.

- 5.7 In all cases the first preference would be finding a foster placement rather than a residential placement. Highland Council has lower rates of fostering than Scotland as a whole. There are constraints in “capacity” locally, in terms of the pool of foster carers available and geography. A shortage of foster carers means that most teenage children are placed in residential accommodation.
- 5.8 There is no national “pricing structure” for Foster Carers, and Highland is considered to pay one of the lowest rates of allowance. Increasing allowances could attract more foster parents. The extra cost of allowances would be offset by savings on expensive residential placements, however it would also increase the costs of existing placements, both in foster care and kinship care.
- 5.9 Following initial assessment of need and availability of accommodation, where foster care is not an option we prioritise placements in the following order:
1. Council owned/managed residential units.
 2. Local privately contracted accommodation
 3. Spot purchased in or out of area private/3rd sector accommodation

Spot purchase arrangement are used as a last resort or where the young person has very specialist needs, as these tend to be the most expensive option.

- 5.10 Although there is a clear hierarchy in relation to accommodation options the reality is that Social Workers are often dealing with immediate needs, within a wide ranging generic role, and will be under a duty to find accommodation at short notice. Often a children’s hearing will stipulate a specific accommodation option within the conditions attached to supervision orders.
- 5.11 Placing children in accommodation will always be more expensive than supporting them at home and in the community. There will always be a need for some children to be accommodated. Where this is necessary the accommodation should meet their needs, meet quality standards and be as economical as possible for the Council.
- 5.12 There are some culture, workload and administrative factors that may work against the objectives of preventing and reducing the duration of residential accommodation.
- 5.13 Once children are placed in residential accommodation, or out of area it is often difficult to bring them back. In terms of Family Teams this will often be because the immediate pressure is on assessing and placing new cases rather than reviewing and changing existing placements. Family Teams also have to consider whether further moves will be in the best interests of individual children who may be settled in existing placements. In some cases changes in accommodation will require the approval of the children’s hearing and appropriate education provision will need to be identified.

- 5.14 The budget for Out of Area Placements is managed centrally, but spend takes place locally. If the budget was held locally that might encourage areas teams to manage numbers entering residential care and actively returning from residential care. There are also risks in terms of loss of control of the budget.
- 5.15 The Review Team feels that further consideration should be given to staff roles and responsibilities in relation to this function. That might involve different working arrangements and possibly different staff roles. Many of the tasks involved, in relation to commissioning and monitoring accommodation does not require professional input, and doing this in different ways could speed up the process and free up professional staff time.
- 5.16 The Corporate Improvement Team has looked into how placements are arranged and purchased and there is scope for savings through the use of a national procurement framework (Scotland Excel) and the potential of having contracts with local external providers. It was agreed that further work on procurement has the potential to realise savings.
- 5.17 There are issues about the transition of cases to Adult Services, which is managed by NHS Highland. There are currently 5 young people remaining in accommodation services, funded by the Council who are over 18 and should have moved to adult services. Costs were £239,000 for the 9 months of April to December 2016. Limited Capacity and the model of supported accommodation in Adult Services results in bottlenecks and increased cost.
- 5.18 Children and Adult Mental Health Services (CAMHS) is currently commissioned and funded by NHS Highland. There is scope for improving referral and assessment processes.
- 5.19 Even if there is no clinical diagnosis of a mental health problem more effective mental health support could still prevent cases progressing to needing accommodation.

6 Aftercare Services

- 6.1 There are arrange of accommodation and support arrangement is place for young people who have left care but are still being supported by the Council until age 26. The aftercare budget pays for rent of properties for over 16's including those within the Alternatives to Out of Area Placement programme.
- 6.2 Within Care and Learning there is currently a budget of £4.2m for a wide range of commissioned services, some of which directly relate to Looked After Children. This is being reviewed as part of the budget setting process and any specific services commissioned for Looked After Children should be reviewed as part of the wider strategy.

7 Conclusions and Recommendation

- 7.1 This is a complex area of work for the Council. We are delivering a demand led service with clear legal duties that affect vulnerable and disadvantaged

children and families. Costs of accommodation are high and subject to market conditions that are difficult for the Council to influence.

7.2 Given the complexity of the issues involved there is no simple solution to reducing costs and improving outcomes. However there are a broad range of actions that individually could make a difference and taken together could result in cost reductions together with better outcomes for clients.

7.3 A full set of recommendations are attached at **Appendix 1**. Comments on implementation are contained along with the recommendations. Most of these recommendations can be taken forward as operational matters within the Care and Learning Service, and indeed many are already in progress. Some will require additional input – for example:

- Recommendations relating to culture change may require external facilitation.
- Recommendations relating to increasing foster carers may require professional marketing input and restructuring of the service
- Recommendations relating to procurement and commissioning of services will require additional and enhanced input from the Corporate Improvement Team, and to maximise the full potential savings would require the creation of a small team to manage the process of spot-purchasing of placements.

None of the recommended actions are straightforward and most will actually require us to put extra resources in to realise longer term savings.

7.4 Key recommendation for early action are:

7.5 There are some key recommendations which appear to have the greatest potential for short term savings in revenue expenditure and improving the outcomes for individual children.

7.6 Acknowledging that a foster placement is likely to achieve a better outcome than a residential placement for the child, as well as reducing the cost to the Council, we should review and implement new arrangements in order to increase the number of Foster Carers. This should include looking at fostering allowances, publicity and advertising and operational arrangements for assessing foster placements as well as how we could increase foster places particularly for older children.

7.7 Spend on expensive private sector residential placements account for the single biggest element of expenditure on children's services. Review procurement arrangements for private sector residential accommodation, and setting up a small dedicated team focussing on managing and monitoring accommodation placements are likely to reduce costs and improve outcomes for children.

7.8 The Service is dealing with some extremely vulnerable children and the lead agencies in the Highland Integration Scheme need to be able to make sure that services are focussed and delivered in the right way. Particular issues in

relation to mental health services and the way individual's needs are met as they move from children's to adult services have been identified as part of this review. It is recommended that these specific issues be subject to further discussion with NHS Highland.

8. Implications

- 8.1 Resource: The report sets out some broad savings that could be achieved by preventative work and shifting the balance of accommodation used. These are based on comparing broad unit costs for different types of accommodation. These are complex areas requiring further work.
- 8.2 Legal: There are no specific implications. None of the recommendations contained in the report would affect the Council's ability to comply with its legal duties.
- 8.3 Equalities: There are no specific implications. The mental and physical health needs of any individual child would continue to be at the centre of case planning.
- 8.4 Climate Change/Carbon Clever: There are no implications.
- 8.5 Risk: Some recommendations involve trying new ways of working / innovative service delivery models. These would require appropriate Project Governance arrangements to be in place.
- 8.6 Rural: There are no specific implications. The Review Team is aware that it may be more difficult to meet specific needs and provide specialist services within remote rural communities.
- 8.7 Gaelic implications: There are no implications arising from the report.

Recommendation

Members are asked to consider the findings of the Review Team in relation to Children's Services and approve the Action Plan contained in **Appendix 1**.

Agree to progress the following key actions as a priority:

- Implement arrangements to encourage and support an increase in the number of Foster Carers.
- Implement changes to procurement recommended by the Corporate Improvement Team and agree that the Team carry out further work on the potential for further savings through procurement practice.
- Set up a small dedicated team focussing on managing and monitoring accommodation placements. This would most likely require additional resources or release of resources from another part of the Directorate.
- Have further discussion with NHS Highland to ensure that the Highland Integration Scheme is operating as effectively as possible in achieving the best outcomes for children, especially in relation to mental health services and in the transition to adult services. Consider how to enhance wrap-around support in any future development of residential provision.
- Develop governance, management and review arrangements within Care and Learning in order to take forward the review findings and assess to what extent the outcomes have been achieved.
- Agree to engage with the wider staff group and develop specific plans to include those staff directly involved with the services under review.

Designation:

Date:

Author:

Council Redesign: Children's Services Recommendations

	Objective	Resource and Action required	Potential financial impact / target	Ease of implementation
1	Increase the focus on appropriate and effective preventative services that reduce the number of children entering care.	<p>Practice is likely to vary, and there are likely to be "best" practice examples within Highland.</p> <p>Identify, and promote sharing of existing good practice in early identification of children at risk, and additional support to prevent cases entering the care system.</p> <p>Role for schools in early identification of risk factors and managing "challenging" children in schools through additional support.</p>	<p>Requires business case / or demonstration project to evidence "spend to save" on additional support resources vs accommodation placements.</p> <p>Current plans are based on the attraction of additional funding via the Third Sector.</p>	<p>Training and sharing best practice relatively easy.</p> <p>To be effective the approach may require increasing additional support resources.</p>
2	Specialist Education Services	<p>Reviewing current practice of not having full-time alternative education in Highland.</p> <p>We have 10 children in out of area placements for whom we have no suitable education resource in Highland for them to return them to. These children cost approximately £3m per year in total. The revenue costs of an in-house specialist service are likely to be</p>	<p>Annual cost per placement at the Killen Project is estimated at £170k per year (including payments to schools for full-time. 1:1 PSA support).</p> <p>This compares to the cost of Out of Area Placements costing £220k, a difference of £50k per year per placement.</p>	<p>Requires identification of children for whom the provision would be effective; consultation with parents / other agencies; identification of suitable site(s) / capital development costs; and</p>

	Objective	Resource and Action required	Potential financial impact / target	Ease of implementation
		<p>significantly lower.</p> <p>Consider the development of a small, fulltime education resource for young people who can't manage mainstream schools.</p> <p>Consider whether we can make a case for external funding / can we lobby the Scottish Government for use of Attainment Funding for this client group – this is currently targeted at very few schools.</p> <p>The Killen Project in the Black Isle is currently piloting an approach to intensive support / specialist education for 2 children with complex needs who were previously in out of area placements.</p> <p>Establish costs / benefits and whether there is a business case for extending this approach to full-time alternative education in Highland.</p>		recruitment / commissioning of suitable specialist staff / support services.
3	Consider increasing Intensive Support Service to maximise the number of children	This relates to specialist support / intensive “supervision at home” services available to children identified as at risk	The Aberlour project is due to start in April 2017 We need to assess and evaluate the	As above

	Objective	Resource and Action required	Potential financial impact / target	Ease of implementation
	supported in the community.	<p>– aimed at preventing them from entering the “care” system. Action for Children are currently commissioned on a small scale to provide this type of service.</p> <p>An “Edge of Care” pilot is also being funded by Aberlour Childcare Trust in the Mid area. Children 1st are seeking Big Lottery funding to offer a service in the South area.</p> <p>There is evidence that this type of intervention can be successful at avoiding residential placements.</p> <p>Intensive supervision at home can be used as an alternative to residential placements.</p>	<p>effectiveness.</p> <p>The annual cost per placement in the Aberlour project is estimated as £12k.</p> <p>This compares to average costs of £180k for an accommodation placement.</p>	
4	Reconfigure services to provide wrap-around services for those young people who are likely to require residential care	<p>There is a good practice model called “No Wrong Door” developed by North Yorkshire Council. This has been externally funded from the UK Government to test the spend-to-save concept.</p> <p>The model involves the comprehensive configuration of services. In North</p>	North Yorkshire Council reports a reduction in revenue expenditure of £2m per year after an initial £5m investment over 3 years.	<p>A detailed business case would be required. This would model capital and revenue costs associated with a Highland Model.</p> <p>A favourable</p>

	Objective	Resource and Action required	Potential financial impact / target	Ease of implementation
		Yorkshire this is involves a single building “HUB” for all services for Children at Risk, including mental health services (see below).		Business Case would need to be followed by a clear business plan and project management arrangements.
5	Increase the number of foster placements and redesign the fostering service to enhance the recruitment of new carers	<p>Placing children with Foster Carers is considered to be the best option in terms of cost and outcomes for children.</p> <p>The following actions could help:</p> <p>Minimise timescales for undertaking assessments for foster carers and placements – this can currently take up to a year.</p> <p>Consider more professional marketing / campaigning to increase numbers of Foster Carers</p> <p>Consider Cost / benefits of increasing financial incentives to increase the number of foster carers</p> <p>Consider a formal partnership / contract with an external fostering agency.</p>	<p>Significant benefits could be achieved.</p> <p>The average annual cost for a foster care placement is £30k compared to an average of £180k for an accommodation placement</p>	<p>It is difficult to estimate the “pool” of available and willing Foster Carers.</p> <p>Current advertising is ongoing but foster carer numbers relatively stable.</p> <p>Will need to look at resource issues / specialist staff to accelerate the assessment process.</p>

	Objective	Resource and Action required	Potential financial impact / target	Ease of implementation
6	Review staffing arrangements to enable Social Workers in Family teams to focus on early intervention and alternatives to expensive accommodation options prevention.	<p>Consider current staff roles and remits, including:</p> <p>Costs / benefits of specialist staff who can focus on this type of activity.</p> <p>Consider reorganising residential, fostering & through care services together into a combined service.</p> <p>Review staff roles and responsibilities eg many of the tasks involved in relation to commissioning and monitoring accommodation does not require professional input, and doing this in different ways could speed up the process and free up professional staff time.</p>	<p>There will be no direct savings – in fact there may be additional staff costs in relation to specialist services.</p> <p>Benefits will come from improved prevention and the management of accommodation placements to shift costs over time from more expensive to less expensing options.</p>	<p>Further work is required to review staff arrangements and undertake staff and trade union consultation.</p> <p>Ongoing support and management input to achieve culture change and maintain any improvements achieved.</p>
7	Review budget management roles and accountabilities.	The budget for Out of Area Placements is managed centrally, but spend takes place locally. This means that staff who are making spending decisions are not budget holders.	<p>This should be linked with 6 (above) so that budget management arrangements match any revised staff arrangements.</p> <p>Options appear to be:</p> <p>If the function is managed and</p>	Further work required linked to 6 (above)

	Objective	Resource and Action required	Potential financial impact / target	Ease of implementation
			<p>delivered locally the budget should be held locally.</p> <p>If there are specialist teams in place for specific functions then budget management would sit with the relevant manager.</p>	
8	Improve case monitoring and review for high cost accommodation placements.	<p>There should be systems in place that allow us to review cases to minimise stays in high cost accommodation.</p> <p>Run workshops with Lead Professionals who have children in residential care to develop thinking and best practice in case review and “flexible return” for children placed in more expensive out of area accommodation. For example if a package of support in Highland is cheaper and would meet the needs of the child than the purchased placement then Lead Professionals should be enabled to implement this.</p>	<p>Though not all cases can be managed in Highland due to capacity of accommodation and lack of specialist services each case avoided will reduce cost compared to alternatives.</p>	<p>There are likely to be a number of issues relating to culture and practice, and possibly legal / regulatory / other external barriers to change.</p> <p>This may require challenging existing assumptions and practice.</p> <p>This may result in proposals for change to organisational structures / role and responsibilities related to actions 6 and 7 (above)</p>

	Objective	Resource and Action required	Potential financial impact / target	Ease of implementation
9	Review funding for Third Sector	<p>Review current provision against outcomes to establish value for money.</p> <p>Consider future commissioning arrangements.</p>	<p>There are potential savings through rationalising services and re-procurement.</p> <p>However the greatest benefit would be in ensuring that the funding is used to support initiatives and Third Sector contribution to the key aims of preventing children entering care or achieving the best outcomes for formerly looked after children.</p>	Scope and undertake a best value review of current funding.
10	Consider arrangements for accessing Child and Adolescent Mental Health Services (CAMHS)	<p>There are issues of joint working / accountability between NHS Highland and the Council in relation to CAMHS.</p> <p>There may be a case for some children's mental health services for Looked After Children being a Council responsibility.</p> <p>In many cases a "clinically based model" may not be the best method for dealing with children's mental health.</p>	<p>Better access to and arrangements for mental health services could result in children being accommodated in Highland and prevent high cost specialist accommodation services.</p>	<p>This requires discussion with NHS Highland and a joint review of Mental Health Services – with the need to provide better and more cost effective services to children a clear objective.</p>

	Objective	Resource and Action required	Potential financial impact / target	Ease of implementation
11	Increase the number of young people with an Additional Support Need transferring to Adult Services at 18.	There are a number of children remaining in accommodation services, funded by the Council who are over 18 and should really be moving to adult services funded by NHS. Limited capacity and the model of supported accommodation in Adult Services results in bottlenecks and increased cost.	Each adult who is unable to move on from children's services reduces capacity for children and costs Children's Services on average £180k per place annually. However there are additional costs for the purchased placements we must buy for those children unable to return to our own units	This requires further discussion with NHS Highland in order to agree the best practical solution. Discussion to date has not resolved this issue.
12	Procurement Arrangements for Accommodation Services	<p>The Corporate Improvement Team has already undertaken a review of Children's Services, focussing on the costs of accommodation for young people.</p> <p>It is felt that consistent procurement support on an ongoing basis would help the Service. It would be helpful if the CIT were to progress their work to tighten up placement process by offering officer time to Children's Services.</p> <p>Further work by the Corporate Improvement Team and possibly a dedicated resource to Children's Services would allow the Service to realise the full benefits of potential</p>	Current CIT estimates are for potential savings of £100k per year from moving current private sector accommodation procurement to the Scotland excel framework.	Corporate Improvement Team to complete and extend current work to provide detailed cost saving estimates and related recommendations for system / process improvements.

	Objective	Resource and Action required	Potential financial impact / target	Ease of implementation
		system and process improvements as well as procurement savings available from the Procurement Shared Service / Scotland Excel. (NB - A separate report and detailed action plan has already been produced by the Corporate Improvement Team).		
13	Shifting balance of residential accommodation provision from external to internal accommodation	Business case for capital expenditure on more Council owned / managed children's homes	The current cost per placement at a Council run residential home is £130k per year. This compares to an average of £200k from a private sector placement	<p>Further work is required to develop a costed Business Case.</p> <p>This would require to factor in the capital costs of new provision as well as ongoing revenue costs.</p>

Appendix 2

Residential Options

Provider/commissioning arrangement	In/out with Highland	Type of placement	Age group	Beds Available
In-house: Highland Council	Highland	Standard placements plus 2 in the Orchard	12+	22
	Highland – 2 locations	Emergency placements	10+	4
	Highland	New development not yet in use. Caters for 2 younger children.	10+	2
	Highland	Houses linked to HC residential units & supported flats for returning from Residential	16+	6
	Highland	Disability – house attached to the Orchard	12+	2
3rd sector (currently Keys Cromlet, from April Aberlour)	Highland	Standard Placements	12+	15
Contract Barnardo's	Highland	Residential for young people returning from out of area.	16+	5

Contract (from April) Y People	Highland	Supported houses for young people returning from out of area.	16+	6
Spot purchase from Various Providers	Highland	Challenging Behaviour & Autism Placements, move-on for older age group	10+	17
Spot Purchase from Various Providers	Out with	Specialist: Autism, Disability, Challenging Behaviour, Secure, Specialist Small Education.	8+	Total N/K but 25 in current use

The Highland Council Redesign Board Workshop

Agenda Item	
Report No	

Review of Additional Support Needs Education

Report by the Community and Democratic Engagement Manager

Summary

This report sets out the scope and scale of the Council's services for young people who have an additional support need in terms of education (ASN). It highlights the review process that has been conducted as part of the wider redesign of the Council. It recommends key areas of the delivery of the service that should be the subject of more detailed review work to implement changes that deliver a more effective and efficient service.

1. Background

- 1.1 The Council's redesign board agreed seven reviews including a review of education for those with additional support needs. Review activity has taken place between October 2016 and January 2017. The review groups were tasked with reporting back to the redesign board to make proposals on redesigning The Highland Council, in the context of reducing resources, increasing demand for some services and new duties to involve communities more in making decisions and running services.

2. Additional Support Needs

- 2.1 The Additional Support Needs Service (ASN) supports the most vulnerable young people and families in our communities ensuring that children with additional support needs can access the curriculum on an equal footing with other children.
- 2.2 The service is governed by statutory obligations that inform the shape of our provision for these young people. These are-
- The Education (Additional Support for Learning) (Scotland) Act (2004 and as amended 2009)
 - The Education (Scotland) Act 1980

Although the service is identified as statutory there is discretion in how the service is provided and the level of resource deployed.

Key provisions are:

Part 4. Duties of education authority in relation to children and young persons for whom they are responsible:

(1) Every education authority must—

(a) in relation to **each child and young person having additional support**

needs for whose school education the authority are responsible, **make adequate and efficient provision for such additional support** as is required by that child or young person, and

(b) make appropriate arrangements for keeping under consideration—
(i) the additional support needs of, and
(ii) the adequacy of the additional support provided for, each such child and young person.

(2) Subsection (1)(a) does not require an education authority to do anything which—

(a) they do not otherwise have power to do, or

(b) would result in **unreasonable public expenditure** being incurred.

2.3 The service works within an ethos and a core set of values and principles that are-

1. A belief that all children have the right to learn in their own locality.
2. Recognising and responding to diverse needs
3. Building relationships between all children
4. Engaging the pupils in their own learning.
5. Overcoming barriers to learning (at all levels).
6. High levels of communication, trust and positive relationships for staff, pupils and families.
7. Seeing inclusion in schools **as one aspect of inclusion in society.**

These align well with the Council's desire to deliver services that care for those that need more support and to prevent poorer outcomes.

3. The Council's Additional Support Needs Service

3.1 The ASN Service in Highland is managed strategically by the Head of Additional Support Services and operationally by one ASN Manager in each of the 4 operational Areas in Highland. The provision of additional support to young people in education is managed through the use of a matrix of need. This captures the individual needs of young people and places them on a scale of need ranging from 1 to 4. **See appendix 1.**

The overall levels of need in an educational establishment would then result in an allocation of staffing and other resource allocated to schools based on the assessed level of need, in line with Council policy

http://www.highland.gov.uk/download/meetings/id/14987/item_9a_additional_support_needs_%E2%80%93_allocation_model

The Highland school population is approximately **35000** young people (3-18). Within this approximately **12000** young people have been assessed as having additional support needs. This represents **34%** of the nursery/school population. Within this the higher end of the matrix (levels 3 & 4) **2000** young people are

identified of which **140** young people attend special schools. This represents **6%** of our young people. These figures are in line with other Authorities that have focused on capturing need in line with the legal definition of ASN, which provides an entitlement model and therefore encompasses a much wider group than was previously the case.

- 3.2 The provision of ASN education is delivered by specialist teachers and Pupil Support Assistants working within -
- 200+ secondary, primary and nursery schools
 - 3 special schools plus specialist units

- 3.3 Additional specialist advice and support is provided by a range of support services based in various locations across Highland:
- Highland Council Psychological Service
 - English as an Additional language Service
 - Assistive Technology Service
 - Promoting Positive Relationships Team
 - Interrupted learners (Gypsy Travellers and MOD Families)
 - Sensory Impairment Services
 - Allied Health Professionals – Physiotherapists, Occupational Therapists, Dieticians, Speech and Language Therapists and Primary Mental Health Workers

- 3.4 **Staffing-** Additional support in schools is delivered by **293**(FTE-Full time equivalent) ASN teachers and **672** Pupil Support Assistants (PSA)(FTE) .In addition there are various groups of specialist staff. This contributes towards maintaining the overall teacher/pupil ratio within Highland schools to avoid a Scottish Government penalty.

Budget-The total budget for the service is currently **£35.1m**. This includes **£3.5m** for specialist services outwith schools and a contractual payment of **£3.5m** from NHS which is restricted in terms of its use.

Approx. £4m of the total is spent on special school provision.

Spend against staffing in the most recent year was **£34.1m** approx. **97%** of the total service spend.

There has been a growth in the budget of approx. **£5m** since 2010-11. This represents a **19%** increase in the core Highland Council budget.

The growth in the budget is attributable to –

- Developing our services in response to the legislation
- Greater parental awareness of services available and perceived entitlement
- Medical advances meaning that young people with greater needs are surviving

- People moving to the Highland area to access a quality service

4. Review Process

- 4.1 The review process has fully involved the Care and Learning service, with the Head of Additional Support Services as an integral member of the team and an expert witness. The review team has drawn staff from across the Council mixing a blend of skills, knowledge and experience. It also included 3 elected Members. At the outset school based practitioners from both primary and secondary level and the Care and Learning Human Resources business partner were co-opted onto the team. The unions have been involved and kept informed of direction and progress.

The review process included-

- Group meetings
- School Visits-St Clements, Dingwall Primary, Invergordon Academy, Inverness High School
- Staff workshop-ASN Managers, C&L Managers, Practitioners
- Detailed work by individual team members
- Reference to redesign champions
- Input from corporate support staff e.g. finance

- 4.2 Based on information provided by the Care and Learning Service and the nature of the service in terms of where and how the staffing and other resource is used, the initial meeting of the group scoped out some broad areas for the review as follows-

Area	Examples of activities to be investigated
1) Staffing	Ways of working, operating model / mix of roles, flexibility, training and skills.
2) Support	Digital capability, transport and staff absence data
3) Need	Evaluating the matrix of need, its application and benchmarking activities.

5 Principles Behind Recommendations

- 5.1 The service area being reviewed is large, complex and delivered across a great number of sites within areas of differing geography. The main driver for the scope and scale of provision is the fluctuating needs of young people within the education system.
- 5.2 In considering recommendations the review paid particular attention to the redesign principles around prevention and localism. It also sought to create an approach that was-
- Transparent
 - Flexible

- Consistent
- Owned by those delivering and using the service

The review recommendations seek to make changes that will deliver **a more effective but also a more efficient service.**

6 Recommended Approaches/Areas for further work

6.1 Recommendation 1-*Move to a system of assessing need and allocating resources to an Associated School Group Area (ASG)*

Currently Area Additional Support Needs “own” and “referee” the allocation of resources to over 200+ establishments on an individual basis. This approach does little to ensure that schools collaborate with each other to –

- Use the resource available within an ASG flexibly
- Benefit from the full range of staff skills and knowledge within an ASG across that ASG
- Use the management and specialist resource to lead development, improvement and change
- Develop collaborative local solutions

6.1.1 A system of local management and decision-making would see all schools in an ASG agreeing how to use the available resource. This process would be supported by the ASN Manager.

The approach would require to be developed in line with current proposals for the management of schools and would require to be ***flexible enough to adapt to the different challenges of urban and rural ASGs.***

6.1.2 The potential benefits of this approach can be grouped into those that improve how our schools operate and those that begin to harness the resources that are available beyond the school gate-

School Improvement

1. Flexible use of resource/workforce/assets to respond to changing need
2. Better integration/collaboration between primary/secondary/special sectors
3. Good practice is disseminated and utilised across an ASG
4. More capacity for strategic leads/managers to focus on improvement/change/training/skills/good practice/moderation/support
5. This could stimulate the establishment of specialist hubs. This would enable more concentrated provision that could generate economies of scale.

Public Agency, Community and Voluntary Sector Support

1. Focus on vulnerable at risk young people by all CPP Partners
2. Adopt “family firm” type approach-all council services/resources support service delivery to ASN as a priority
3. Better integration with community/voluntary sector

4. Harnessing resource/support from community/voluntary sector

Implementation

Next Step	Input Req.	Timescale	Member Policy Approval Req.
Pilot process in 2 ASGs in each Area(4)	Corp.Imp.Team – LEAN Review	Spring 17	Member approval prior to full implementation
Roll out to all ASGs		Aug 18	
Presentation to CPP	Service & Policy Team	Summer 2017	

6.2

Recommendation 2-Review Matrix of Need and of Childs Plan

The matrix of needs drives resource allocations/requirements with the Child's Plan managing the use of that resource. A refreshed process that is better able to capture the complexity of levels of need and is able to capture evidence of improvements should be developed.

Implementation

Next Step	Input Req.	Timescale	Member Policy Approval Req.
Working group to report initial findings and run workshops to review existing matrix of need and identify future operating models	Service	June 2017	NA

6.3

Recommendation 3-Staff Job Roles-Currently there is a lack of clarity around PSA 1 and PSA 2 job roles, which are at different grades. A review should take place to provide clarity of roles and when they are appropriate. In addition, work is required to ensure that it is understood that ASN appointments is to an ASG/Area rather than to a specific school.

Implementation

Next Step	Input Req.	Timescale	Member Policy Approval Req.
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Review evaluation of PSA grade	HR and Service	November 17	NA
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6.4

Recommendation 4-Staff Training A regularly reviewed training programme ensures all staff working within ASN are appropriately trained and skilled to be able to support pupils appropriately and effectively. Consider implementation of minimum level of qualification. Deliver training through a strategic professional development plan and monitor the skills and confidence of staff at all levels through the ERD process.

Implementation

Next Step	Input Req.	Timescale	Member Policy Approval Req.
Audit the qualification and skill base of staff	Service	June 17	NA
Develop and deliver on training strategy for teachers and PSAs	Service	June 18	NA

6..5

Recommendation 5- Management and monitoring of staff absence - Head Teachers are assisted to monitor and manage absence by the ASN Manager, taking an “area” view of levels of absence. Training programmes will support strategies to improve absence management.

Implementation

Next Step	Input Req.	Timescale	Member Policy Approval Req.
Develop analysis of absence stats at a school and area level	HR,ICT and Service	June 17	NA

6.6

Recommendation 6-Review system for assessing transport requirements- Transport requirements should be integrated into the online enrolment form, ensuring that the Public Transport Team get early sight of requirements and ensure contractual arrangements are made as efficiently as possible. It will also ensure that requirements are reassessed regularly, , through the Child’s Plan review process to capture cost savings where available as soon as possible

Implementation

Next Step	Input Req.	Timescale	Member Policy Approval Req.
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Undertake a LEAN review of the transport process	Corp. Imp. Team	Spring 2017	NA
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6.7

Recommendation 7-Digital Capability Review –there are indications that the more effective use of digital systems could improve efficiency in the service. An examination of how SEEMIS is working and any additional capabilities it could offer should be undertaken.

Implementation

Next Step	Input Req.	Timescale	Member Policy Approval Req.
Identify future changes to SEEMIS that would increase usability & functionality.	Service, Corp Imp. Team	Sept 17	NA

6.8

Recommendation 8-Capital Plan –Managing an efficient and effective ASN service can be impacted upon by poor quality, old fashioned facilities. A review of capital plan spending in the school estate should be undertaken with the purpose of prioritising supporting efficient ASN provision and ***wherever possible encouraging the delivery of ASN on mainstream campuses***. This would send a clear message that as an organisation we prioritise the most vulnerable and in the medium term could make cost savings around staffing and other running costs. ***St Clements special school is a clear priority.***

Implementation

Next Step	Input Req.	Timescale	Member Policy Approval Req.
Review Capital Plan to prioritise ASN efficient delivery	Service, D&I and Finance	June 2017	Yes

6.9

All the recommendations in this report require further detailed work to implement. Work can begin on each recommendation immediately. The implementation tables against each recommendation set out the service and corporate inputs required. **Recommendations 1 and 8 will require Member consideration to progress. Recommendations 2-7 can be taken forward at an operational level.**

7

Implications

7.1

Legal-The delivery of ASN is governed by statute. Although levels of service are not prescribed the Council can be challenged at tribunal. It will therefore be

important to ensure any change to service delivery is based on robust principles, data and implementation processes.

7.2

Equalities- The service area focuses on those in most need and is highly relevant to the Public Sector Equality Duty to give regard to eliminating discrimination, advancing equality and fostering good relations. The service has a high positive impact on a number of the protected characteristics in terms of service delivery, in particular disability and race, but also sexual orientation, religion and gender. There is also a gender dimension to staffing which is predominantly female. It is recommended that the potential equality impacts of any proposed changes arising from this review are considered in each identified area of work.

7.3

Climate Change-The proposed changes to a more local approach and potential improvements to buildings could deliver a positive effect in terms of climate change.

7.4

Resource-Each recommendation has the potential to deliver more effective and efficient service delivery. In terms of tackling the Councils affordability challenge and ensuring the continued safe delivery of services it is critical that service redesign identifies the likely level of resources that could be released by change.

A description of how the recommendations have potential to help meet the Council's affordability challenge is provided below.

- **Recommendations 1, 4, 5** focus on ensuring staff are used flexibly, are well trained and supported to deliver services in a healthy workplace. A 1% increase in efficiency which could deliver the same service with fewer staff would allow a reduction of 7 PSA posts. This equates to **£151k**.
- **Recommendation 3-**a consistent approach to grading of PSA staff could reduce a small number of staff who appear to have inflated pay grades (approx.4%) this could save **£50K**.
- **Recommendation 6-**a more streamlined approach to contracting transport and regularly reviewing requirements were to deliver a 2.5% saving on costs this would deliver **£25K**
- **Recommendation 7-**more use of digital systems will have an impact on both the numbers of office staff required and would release teachers and PSAs to spend more time directly with children. If this could deliver a reduction across Highland of 10 office based staff across 200 establishments this would save **£150k**.
- **Recommendation 8-**focussing our capital plan on delivering ASN in modern buildings wherever possible on mainstream campuses should deliver staffing models that require fewer staff. A 1% increase in efficiency which could deliver the same service with fewer staff would allow a reduction of 7 PSA posts. This equates to **£151k**.

- 7.5 **Risk**-There is a risk that if we don't take the opportunity to make efficiency savings that service levels reduce in an uncoordinated manner driven by immediate unrelenting and ongoing budget pressures. We can mitigate this risk by driving efficiency to stay ahead of budget reduction.
- 7.6 **Gaelic**- there are no immediate implications for Gaelic as a result of the recommendations made, however it is recognised that there is a national shortage of Gaelic speaking support staff in schools and so training in ASN and Gaelic medium is a requirement of any strategy plan.
- 7.7 **Rural implications**-Some of the changes suggested will require an adapted model to operate in rural areas. The implementation process needs to take account of the different circumstances. For example where an ASG is spread across a large geographical area or where capital spend can be used creatively to join up the delivery of more than just education services.

Recommendation

Members are asked to discuss and agree-

- The recommended approaches and areas for further work.
- The implementation plan noting recommendations **1 & 8** which will require Member consideration.

Designation: Community and Democratic Engagement Manager

Date: 31/1/17

Author: Pablo Mascarenhas

Background Papers:

NAME:

DOB:

SCHOOL:

Generally 3 boxes ticked in any level will be required to demonstrate a pupil's need overall lie within that level. However professional judgement should be used where a pupil has one or two overwhelming needs in a specific area.

Review Date	Review Date	Review Date
Class/Year Group	Class/Year Group	Class/Year Group
ASN Level	ASN Level	ASN Level

Needs relating to:	Level 1 – Standard Support FORM 1 may be used for a pupil at this level	Level 2 – Significant Support ASN File opened at this level and PROPORTIONATE child's plan created	Level 3 – Substantial Support Child's Plan MUST be in place for a pupil at this level	Level 4 – Specialised Support Child's Plan MUST be in place for a pupil at this level
The physical environment	The ordinary education setting is appropriate, with reasonable adjustments being made to meet need eg: <ul style="list-style-type: none"> • Work station • Alternative seating • Sloping writing board • Etc. 	Access to a room <i>sometimes</i> required for the delivery of structured programmes etc, which cannot be delivered within the mainstream classroom eg <ul style="list-style-type: none"> • a deaf pupil requiring a low noise environment • area for a pupil to engage in outside agency programme 	A base/dedicated area within a mainstream setting may be required for a <i>substantial part</i> of the pupil's time in school eg <ul style="list-style-type: none"> • ASD friendly environment • Nurture room • Time out space 	A highly specialised environment is required <i>all of the time</i> eg: <ul style="list-style-type: none"> • Low stimulus environment • Highly protected and individualised space to meet complex needs • etc
The curriculum and how it is delivered	Mainstream curriculum with differentiation eg <ul style="list-style-type: none"> • alternative outcomes • additional time • responding to preferred learning styles 	<i>Significant</i> differentiation is needed in one or more areas of the curriculum, requiring a child's plan/programme with SMART targets, which are reviewed termly eg <ul style="list-style-type: none"> • for learning and/or behaviour • independence/social/life skills • physical/sensory issues 	<i>Very substantial</i> and individualised planning is needed in a wide area of the mainstream curriculum requiring regular review and consultation with parents, and agencies/services external to the school	The pupil follows an <i>alternative/elaborated</i> curriculum from that provided in mainstream, supported by a detailed child's plan. This may include daily living skills, a sensory curriculum etc.
The level of adult support required	A flexible and creative use of support normally available, in order to respond to needs	Significant needs which require to be addressed through access to individual and/or small group support for <i>part of the time</i> , monitored and reviewed through the child's plan.	Access to a <i>substantial</i> level of support <i>most of the time</i> to implement agreed protocols/actions, as agreed and recorded in the child's plan.	Pupil requires access to teacher and/or pupil support assistant <i>all of the time</i> . This support is monitored, reviewed and evaluated through the child planning process.
The level of specialised resources and technology required	Ordinarily available resources. For some pupils this will include mobility aids, wheelchairs and assistive technology support	Resources, required by the pupil individually, on a <i>time limited</i> basis eg <ul style="list-style-type: none"> • switches • hearing aids for glue ear 	Highly specialised resources or technology not normally available and deployed/designed for the pupil's specific use <i>when required</i> eg <ul style="list-style-type: none"> • communication aids • radio aids 	Access to highly specialised resources, facilities or technology not normally available and deployed/designed for the pupil's specific use <i>all of the time</i> eg <ul style="list-style-type: none"> • augmentative aids • assistive technology
The level of support agencies / services involved	Needs identified and monitored by Class / Subject Teacher. For some pupils this may include support from therapists. ASN file <i>may be</i> opened at this Level	Agreed and monitored child's plan and/or programmes delivered by school staff which may be supported by outside agencies eg OT / S< eg <ul style="list-style-type: none"> • consultation and resources from therapists ASN file opened at this Level	Direct, planned and monitored <i>long term support</i> on a regular basis by specialist agencies/services (including Health and Social Care) . Child's plan used to coordinate and monitor support and outcomes for the child/young person.	Direct, planned and monitored support on an <i>intensive</i> basis, supported by a detailed child's plan.
Communication	Ordinary oral/aural and written communication eg <ul style="list-style-type: none"> • visually supported environment • using less complex language 	Communication and language needs met by specific approaches eg <ul style="list-style-type: none"> • symbols • visual/verbal cues 	Enhanced support to aid communication and social inclusion additional communication methods eg <ul style="list-style-type: none"> • sign/gesture, including Makaton • augmentative systems 	Highly specialised methods required <i>all of the time</i> eg <ul style="list-style-type: none"> • sign language • Braille

Waste Management Redesign Review

**Final Report
January 2017**

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Appendix 1 – Case Study: Fife Council Arms-Length External Organisation

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Appendix 5 – Map of Recycling Centres and Recycling Points

Appendix 6 – Case Study: Rushcliffe Borough Council Garden Waste Charging

Appendix 7 – Citizens Panel Feedback (December 2016)

Summary of Recommendations

Chapter 1 Introduction

This report sets out the findings of the waste management redesign review. This review was undertaken by the redesign team which comprised of:

- Malcolm Macleod, Head of Planning and Environment
- Murdina Boyd, Business Development & Support Manager
- Sharon Barrie, Programme Manager (Property)
- Councillor Maxine Smith
- Councillor Jimmy Gray
- Councillor Thomas Prag
- Alistair Gilchrist, GMB
- Andy Summers, Head of Environmental and Amenity Services

The review was undertaken in close consultation with the waste management team in Community Services. The report provides a series of recommendations that will help to shape how the Council manages waste management in the short, medium and long term.

Scope of the Review

The 11 waste functions listed below were in scope for review and were reviewed together. The report is structured in chapters relating to each of these individual functions, but many are interrelated so decisions taken in respect of one function will have implications for others.

Statutory functions with little Council discretion – levels or standards are set nationally with consequences on size of Council expenditure

- 1. The management of licensed sites for waste disposal** – this involves the management and operation of all licensed sites (whether operational or not) subject to permit. Environmental Protection Act (1990) Section 33 applies. We can only surrender a licence in circumstances where SEPA accepts it. This affects our ability to rationalise/dispose of sites to reduce liability on the Council. Any changes incur a statutory fee from SEPA.
- 2. Waste transport and disposal** – This involves the operation of sites, storage, and transport of waste and residual liability for waste transferred to a third party. It is about how we collect, transport, and dispose of waste. This is constantly being altered by local authorities. We have 21 recycling centres and 2 operational landfills. However, the majority of disposal of residual waste is contracted out to the private sector. Environmental Protection Act (1990) Section 34 applies.

Statutory functions with Council discretion on levels, standards, frequency of service and expenditure

- 3. Collection of waste** - Environmental Protection Act (1990) Section 45. This enables flexibility around the level and type of service provided. Waste (Scotland) Regulations 2012 also require local authorities to provide householders with a collection service for dry recyclables.

4. **Food waste collections** - Food waste collection is provided in Inverness under the terms of the Waste (Scotland) Regulations 2012. The statutory requirements may be expanded in the near future to take in more of the Highland area.
5. **Collection of recyclate** - Collection of recycling, including glass. There is flexibility around the level and type of service provided. In December 2015 the Household Recycling Charter and associated Code of Practice was developed and agreed on by the Scottish Government-COSLA Zero Waste Taskforce. The aim is to have consistent recycling systems across Scotland.
6. **Collection of commercial waste** - Controlled Waste Regulations 1992 apply. This is a duty if requested. It is a major income generator for the council.

Discretionary functions

7. **Recycling waste collected** - The Refuse Disposal (Amenity) Act 1978 requires that we provide our residents with at least one place where they can dispose of household waste. There are national targets for recycling, but nothing at a local authority level. We could choose not to provide recycling centres, although we do need a long term strategy for not sending waste to landfill.
8. **Green waste** – this involves collecting garden waste. Controlled Waste Regulations 1992 are permissive. Although this is discretionary at present it provides a significant element to our recycling rate.
9. **Bulky uplifts collection service** – permitted but not required in the Controlled Waste Regulations 1992. Service charges were introduced in 2009 and they provide income to the Council.
10. **Fly tipping** – this is the regulation of unlawfully deposited waste. Permitted in the Environmental Protection Act (1990) Section 59. We have discretion over the level of enforcement for fines and decisions to prosecute but also have a statutory duty to keep land and highways we are responsible for clear of litter and debris.
11. **Education and awareness on waste and recycling** – this is for the public, schools and businesses. It can be viewed as a preventative service and aimed at behaviour change.

The Waste (Scotland) Regulations 2012 are the key regulations that guide the Councils approach to delivering the waste management service. The regulations were passed by the Scottish Parliament on 9 May 2012 and make the following provisions:

- All businesses, public sector and not-for-profit organisations are required to present metal, plastic, glass, paper and card (including cardboard) for separate collection from 1 January 2014.
- Food businesses (except in rural areas) which produce over 50 kg of food waste per week to present that food waste for separate collection from 1 January 2014.
- Food businesses (except in rural areas) which produce over 5 kg of food waste per week to present that food waste for separate collection from 1 January 2016.
- Local authorities to provide a minimum recycling service to householders.
- Waste contractors to provide collection and treatment services which deliver high quality recycling.

- A ban on any metal, plastic, glass, paper, card and food collected separately for recycling from going to incineration or landfill from 1 January 2014.
- All new incinerators must ensure that metals and dense plastics have been removed from residual municipal waste prior to incineration.
- A ban on biodegradable municipal waste going to landfill from 1 January 2021

Finance

Table 1 below provides the overview of budget against actual and the key areas of expenditure:

Table 1 - Waste Management Financial Summary (for financial year 15-16)			
Area of Expenditure	Annual Budget	Actual Spend	Over/(Under) Spend
Direct staff costs	9,875,700	9,872,268	(3,432)
Property costs	509,000	461,680	(47,320)
Transport costs	4,064,400	3,816,857	(247,543)
Plant & Equipment costs	179,100	179,175	75
Materials	363,600	328,920	(34,680)
Protective clothing	63,900	58,117	(5,783)
Consultants/licences	216,900	217,790	890
Contractors	9,729,700	9,764,249	34,549
Landfill Tax	2,977,300	3,487,890	510,590
Disposal costs	43,200	35,175	(8,025)
Admin costs	125,229	166,612	41,383
Total Expenditure	28,148,029	28,388,733	240,704
Income	3,155,600	3,526,197	(370,597)
Net Expenditure	24,992,429	24,862,536	(129,893)

A budget of circa £780k was provided for costs in connection with overtime working and standby payments. During 15-16, the total expenditure was around £815k, some £35k over the allocated budget. Some discussion has taken place with the redesign team regarding the issue of normalised hours although it was agreed that this is being reviewed corporately as it relates to a number of Council functions and services, and not just Waste operations. Information was provided by the Waste Management Team regarding the impact on service delivery in reducing overtime payments and the reductions that have been made in this area during the last few years. During the review, it became apparent that there may be merit in reviewing collection routes, times, and staff cover for holidays and sickness at recycling centres as this may result in greater efficiencies thus reducing the need for overtime payments. These areas are covered in more detail elsewhere in the report.

During 15-16 the budget for external hired labour was £203k but the actual expenditure was £610k. This appears to have been funded by underspends in the staffing budget. The management team advised that having a bank of agency staff available to cover annual and sick leave is essential to ensure service delivery for the refuse collection service. Further scrutiny and assessment is being undertaken by the Service on vacancies within the establishment and the current staffing structure, and will be informed by the recommendations set out in this report.

From the detailed budget monitoring, it was determined that some £1.5M was expended on derv, oil, workshop consumables and materials. The question was raised as to how these elements were procured and whether there was any merit in reviewing this, particularly in light of the introduction of the new shared procurement agreement. The Management team advised that gas oil is ordered separately in the areas as and when the fuel is required at the various landfill sites and Waste Transfer Stations and that it is purchased through the approved supplier (Certas Energy). Derv and Petrol are bought using fuel cards which have been procured through fleet so should be at the best value rates.

There was a budgeted amount of £92k for specialist plant and equipment and the actual expenditure was £134k. The management team were asked as to how these items were procured and it was determined these were done on an ad-hoc basis. There are currently 3 load-all vehicles on hire located at Transfer Stations in Portree, Invergordon and Seater. There is currently no corporate contract in place for this type of specialist plant but it is understood that the Council's Fleet Manager is in the process of procuring a contract which is to include this type of plant. Included in these costs are also specialist vehicles on contract hire which were procured via a National Framework and these were determined Best Value by the Fleet Manager as there is no in-house expertise to maintain these types of vehicles.

Expenditure on contracts is one of the largest costs for the Council currently around £9.5M and this is covered in detail later in the report. Landfill Tax and SEPA licenses are also a large area of expenditure with a combined cost of circa £4M, set to increase annually by an estimated 4%.

During this redesign review, it became apparent that the budget and trading accounts are complex and the coding of outgoings and income varies with some of it being centralised and some of it coded to 7 operational areas. Operationally, Managers seem to have a good grasp of their area budget or allocation specific to some parts of the service. There is however a need to ensure greater collective knowledge of budget structures and the need for a clearer overview of service wide costs and income. This will assist in the development of recommendations set out later in this report.

Recommendations		
	Short term	Longer term
Financial responsibility	1.1 The service should review budget responsibilities to ensure a greater collective knowledge of budget structures and a clearer overview of service wide costs and income.	
Staffing	1.2 Further review should be undertaken on the staffing budget – analysing staff establishment, vacancies, agency and overtime costs although this cannot be done in isolation and is tied in with route optimisation and the overall waste collection and recycling strategies.	

Chapter 2 Management of Licensed Waste Management Sites

Context

The Council has responsibility for:

- 18 licensed waste disposal (Landfill) sites;
- 10 Waste Transfer Stations (WTS); and
- 21 Recycling Centres (RC)

These sites are the subject of waste management licences enforced by SEPA. Two landfill sites are currently operational at Granish (Badenoch & Strathspey) and Seater (Caithness) and operate under a Pollution Prevention Control (PPC) Permit. The remaining 16 landfill sites have been fully restored and are closed. However, surrender of waste management licences will only take place when the Scottish Environment Protection Agency (SEPA) is satisfied that the sites are stable and are no longer generating any leachate or landfill gas. This could take up to 50 years or more. To date no waste management licences for closed landfill sites in Scotland have been accepted for surrender by SEPA.

All of the waste management licences and PPC permits impose conditions which the Council must comply with and these include ongoing environmental monitoring of leachate and landfill gas. There is an annual subsistence charge payable to SEPA for each of the waste management licences and any discharges to water courses (CAR Authorisations). For 2016/17 these fees total just over £160k. SEPA will raise their fees annually by RPI + 4 % until 2021. The waste budget has had to absorb these price increases within our budget year on year. Last year the increase was 7 %

We have 2.6 FTE members of staff involved in the monitoring of the leachate and gas. They also produce the Annual Environmental Monitoring Reports required by SEPA for each of the licences. Analysis costs are around £61k per annum with staff costs of just over £65k. The sampling frequency and range of pollutants monitored are specified in the individual waste management licences.

The waste transfer stations are used to bulk up waste and recycle for onward transport to the final disposal point / treatment facility. They are critical to the collection service particularly those provided in the remoter parts of the Council area, as they are used by the collection vehicles locally to reduce the route distances for the vehicles. If they were not there, additional vehicles would be required to deliver the collection service. They also combine a recycling facility for local householders to deposit household waste and a facility for commercial businesses to deposit waste / recycle.

Of the 21 recycling centres, 10 of them are provided as a combined waste transfer station / recycling centre. Seater and Granish also have a recycling centre included as part of the facility. The remaining sites are designated solely as recycling centres. Householders can take a range of materials to these facilities for recycling and disposal. Recycling Centres are dealt with in more detail in Chapter 7.

Findings

The only landfill sites still accepting residual waste in volume is Seater in Caithness. Significant investment has been made in recent months to ensure that capacity remains both up to 2021 and beyond (after 2021 commercial waste can still be landfilled). On the basis that the Seater landfill site will remain operational there is a need to develop a strategy up to and beyond 2021. It is recognised by the waste management team that there may be opportunities for commercial waste disposal into the future at this location. It is recommended that a specific strategy for the short and medium term is prepared for Seater Landfill site. **This should be a redesign priority.**

The monitoring team do some work for Dounreay which generates a small amount of income. Given the detailed programme of monitoring and testing which is prescribed by SEPA, there is limited opportunity for additional savings or outsourcing of expertise. The redesign team is concerned over the costs of the licences and associated monitoring activity. Efforts must be made to ensure that the fees being set are proportionate and that the monitoring activity is fit for purpose. This may require a national approach to SEPA.

There are a number of recommendations in this report which will have implications for the Council's current network of waste transfer stations. Changes to collection routes, collection frequencies or disposal technologies may require a review of the current network. In the short term, the review is recommending that potential sites for waste transfer stations should be identified within the Fort William and Aviemore areas in order to provide greater choice in future decision making.

There have been a number of investigations carried out as to whether there are income opportunities arising from the harnessing of renewable energy at landfill sites. Several reports have been considered at the Income Generation Project Board. It is clear that there is limited scope for any large increase in income in the short term due to the rural location of most of the sites and the risk of using new technologies. The Council has however entered into a partnership agreement with a private company for the Longman site for the provision of transferring methane into energy. The company has subsumed all of the risk by the provision of the technology and its maintenance. In return the Council and Inverness Common Good Fund will receive an annual rental income. There is scope to buy energy at a reduced rate in the future from this plant. A similar arrangement is also in place at Seater with the additional benefit of purchasing the energy at reduced costs as the site is currently operational and can use the energy.

Sites have also been investigated for the siting of wind turbines but due to technical considerations, planning restrictions and other factors, these have not proved viable. Another option which had been explored was the provision of solar panels on redundant sites but again this is only beneficial if there is plant or property nearby within which the energy can be utilised. Emerging technologies and income opportunities are still being explored by the Council. It is considered essential that within the context of wider Council redesign proposals, the close synergy between waste management and energy generation is maintained and enhanced wherever possible.

Summary of Recommendations

Redesign Priority Recommendations	
<ul style="list-style-type: none"> The Council should prepare a development strategy for Seater Landfill Site, with particular emphasis on whether the Council should be using Seater from 2019 up until 2021 for <u>all</u> of our residual waste disposal, particularly if the transfer stations/treatment facility set out above can be delivered over the course of 2017/18 and 2018/19. The strategy should also develop a plan for potential commercial opportunities post 2021. 	

Other Recommendations		
	Short term	Longer term
SEPA Charges and Monitoring Activity	2.1 Efforts should be made to ensure that the fees being set are proportionate and that the monitoring activity is fit for purpose. This may require a national approach to SEPA.	
Transfer Stations	See Recommendations in Chapter 3.	
Energy Generation/ Waste Management		2.2 Ensure that within the context of wider Council redesign proposals, the close synergy between the teams responsible for waste management and for energy generation is maintained and enhanced wherever possible.

Delivery options considered

In house	
In source back in	
Shared services	
outsource	
Partnership/integrated	
Arms length	
Community run	
Place based approaches	
Stop service	
Commercial opportunities	

Chapter 3 Waste Transfer and Disposal

Context

70% of the waste that is collected by the Council is handled through contracts with the private sector – these contracts relate to transfer, transport and disposal. Waste from Ross & Cromarty, Skye, Sutherland and Caithness is transported to and disposed of at the Council owned Seater landfill site in Caithness. An overview of the waste source/destinations is shown in table 2 below.

Table 2 - Waste Source / Destination summary 2016

Area Source	Residual	Recyclate	Green Waste
Caithness	THC direct delivery to THC Seater Landfill Site	Bulked at Seater Recycling Shed. Transferred via contract to Munro's MRF, Evanton.	Bulked at Seater Landfill and transported by contract to THC Longman Landfill Site, Inverness. Shredded and distributed under agreement to 7 farms. Used as soil conditioner @ £55 per tonne (£880K per annum)
Sutherland	Seater Landfill Site. Bulked in THC Transfer Stations in Sutherland and transported by THC vehicles.	Bulked in Sutherland Transfer Stations and transferred to Munro's MRF, Evanton by THC vehicles.	No collections. Recycling Centre material bulked in THC TS in Brora and transferred by THC to Longman.
Ross and Cromarty	THC direct delivery to Munro's Transfer Station, Evanton. Transported under contract to Seater Landfill Site	THC direct delivery to Munro's MRF, Evanton.	Bulked at THC leased Invergordon Bulking Station. Transported via skip contract to Longman Landfill Site, Inverness.
I/Ness and Nairn	THC direct delivery to SUEZ Transfer Station, Inverness. Transported under contract to Stoneyhill Landfill Site, Peterhead.	THC direct delivery to SUEZ Transfer Station, Inverness. Transported under contract to Munro's , MRF Evanton.	THC direct delivery to Longman Landfill Site, Inverness.
Badenoch and Strathspey	THC direct delivery to THC Granish landfill Site,Aviemore.	THC direct delivery to Ritchie's Transfer Station. Bulked and transported under contract to Munro's MRF, Evanton.	THC direct delivery to Granish, Aviemore. Transported via skip contract to Longman Landfill Site, Inverness
Lochaber	THC direct delivery to Locheil Logistics Ltd, Duisky Landfill Site nr Fort William.	THC direct delivery to Locheil Logistics Ltd , Transfer Station, nr Fort William. Bulked and transported under contract to Munro's MRF, Evanton.	THC direct delivery to Locheil Logistics Ltd, Duisky,nr Fort William. Used as soil enhancer. Not PAS standard. Recovery only.

Skye and Lochalsh	THC direct delivery to THC Portree Transfer Station. Transported under contract to Seater Landfill Site	THC direct delivery to THC Portree Transfer Station. Transported under contract to Munro's MRF, Evanton	No collections. Recycling Centre material bulked in THC TS in Portree and transferred via skip contract to Longman.
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The Council's strategy for future waste management arrangements is dependent on and must take account of the ban (in Scotland) on the landfill of municipal biodegradable waste on 1 January 2021, the current contractual position and the potential impact of the Household Waste Recycling Charter and Code of Practice which the Community Services Committee agreed at its meeting on 18 August 2016.

The last formal waste strategy presented and agreed to by Highland Council dates from 2009 (see link [here](#)). This set out two options for the longer term waste solution in Highland:

- Option 1: Centralised solution – comprising a central EfW plant and in-vessel composting; and
- Option 2: Locally based solutions – comprising three EfW plants in Highland and one plant in Moray and in-vessel composting.

An overview of the current position was considered at the Community Services Committee on 16 August 2016 and can be accessed [here](#).

The major waste management contracts are set out in table 3 below, along with their expiry dates. It is clear that a number of these are approaching the end of their terms and the decision has been made to utilise the extensions to a number of them (as shown) for a further two years. This extension period allows the Council a window of opportunity to come forward with a coherent strategy.

Findings

Waste Strategy – the Short Term (2016-2019)

As set out in table 2, the current approach to bulking up, transfer and final disposal of residual waste and recycle is different across the area. Some elements are undertaken by the Council and others by the private sector under contract. These contracts are largely being extended to 2019. The function and operation of our waste transfer stations is very important in this context. The review team is of the view that there is merit in the Council taking a much more proactive approach to dealing with waste before it is transferred for disposal. In the short term this means investigating the potential for Council run transfer stations in the Fort William and Aviemore areas (where this is currently undertaken by the private sector).

All of the contracts identified in table 3 involve the transport of waste. Part of the challenge to the waste management team in this review was to question whether this is a function that could be undertaken by the Council. It is clear that the volumes of waste transport are very significant and that the private sector operators benefit from having backhaul contracts when returning to the Highland area. This is an area within which the Council does not operate and would be too great a risk to take on. It would also require a full fleet of vehicles, which will have significant capital and ongoing maintenance implications. The review team is therefore of the view that contractual arrangements with the private sector going forward must provide for the transport of both residual waste and

recyclate. Clearly, the sooner the Council can identify and deliver local disposal options or identify whether alternative modes of transport (e.g rail or sea) are affordable the better.

Glass collection is contracted out to the private sector at present, albeit the current contract has expired. Consideration was given some time ago as to whether this service could be undertaken in-house but at the time the view was that it was more economic for it to be out-sourced. Reasons for this included the requirement for a new vehicle with a hi-lift, additional crews which would likely be full-time as the glass collection covers Highland-wide and the requirement for back-up arrangements. Options could also be explored for third sector organisations to assist with glass collection and recycling. Perth & Kinross Council ran a charity campaign with the Children's Hospice Association Scotland (CHAS) between October 2015 and September 2016. This raised a total of £3.5K for the charity and involved a campaign to increase glass recycling. The amount of glass recycled at centres and points was measured before the campaign and again after. Any increase during the campaign was calculated and the income given to the charity. All glass recycled is taken out of area to a glass processor for recycling.

Waste Strategy – Medium and Long Term (2019 onwards)

As set out elsewhere in this report Seater landfill site in Caithness has potential to offer capacity up to 2021 for municipal waste and is likely continue to provide for waste disposal in the Caithness, Sutherland, Ross & Cromarty and Skye areas up to that point. An options appraisal as to whether Seater could deal with some waste from other areas in the period between 2019 and 2021 should be undertaken now and be used to inform the strategy going forward.

Given the context set out above, it is essential that the Council comes to a decision on what the preferred waste transfer and disposal options for the medium term (2019 – 2025 or so) and the long term option (beyond 2025) should be. This is a Redesign Priority.

A significant amount of work was undertaken on strategy during 2015. An outline business case (OBC) was completed for both the medium and long terms options, albeit the detail of that report has not been reported to Committee. The report was prepared to provide the necessary technical and commercial evidence bases (Reference Case) to allow the Council to consider and formalise its preferred long-term future waste management arrangements and then commence the delivery and procurement of the necessary new infrastructure and contracts.

The OBC recognised that there is a clear imperative for the Council to take the lead in procuring long-term residual waste processing capacity in Highland. There are a number of key regulatory drivers on residual waste management. The requirements of these policy drivers will be met partly through the introduction of residual waste processing and partly through enhanced kerbside services.

Given the complexity of the issue, the interplay with recycling policy and practice, and market developments it was agreed at Community Services Committee on 18 August 2016 that a final business case for the medium term is prepared. The final business case is also intended to develop detailed proposals for residual waste treatment for all Highland at a plant(s) located in Highland. It will benchmark this option against options offered across the sector and in so doing will provide the Council with a robust case on which to base its medium term decision. This work has not yet been commissioned.

The most favourable option identified for dealing with residual waste in the medium term is to create Refuse Derived Fuel (RDF) within the Highlands for export to Europe, North East England or the central belt of Scotland via contracts with end-user power plants located in these areas. RDF is a general term to use to refer to materials which have been processed to some degree to produce a fuel, generally means that all recyclable material has been removed. Various options (and associated costs) have been put forward depending on whether the RDF was transported by sea from one of the Inner Moray Firth Ports or by road. It should also be noted that further information gained from SLR during the course of this review has highlighted that because of the depreciation of sterling and saturated markets in Europe and England, export to the Central Belt is probably now the most favourable option, although capacity there is limited by the current lack of Energy from Waste plants.

Other options, including the additional development of Energy from Waste capacity in the Highland area, tied into the pre-treatment described above or the bulking up and transport of untreated residual waste outwith the area, have also been assessed and offer potential. As set out above it is critical now to reach a preferred solution. At present there is some £15m set out in the capital programme for waste strategy purposes, which will require review in due course.

Given the financial and regulatory position facing the Council, the review team is of the opinion that the final business case work should be issued as soon as possible with two main work packages. The first element should be the feasibility and final business case for the delivery of a mechanical treatment plant by the Council to provide RDF for use elsewhere in Scotland, the UK or Europe in the short term with the long term option of using the RDF locally. This is tried and tested technology and there are many examples of these types of facilities – Fife Council for example has offered the opportunity for a visit to see their plant in action.

There is a pressing need therefore to confirm whether the Council will continue to rely on private sector contracts for the storing, bulking up, transport and disposal of recycle. If not, this should be integrated in with the final business case work.

Although the identification of sites is not part of this redesign project it is important to note that there is a site in Inverness at the former Longman Landfill site that is allocated for waste management use in the Local Development Plan – the team considers that every effort should be made now to determine whether this mechanical treatment plant (and any potential for future plant) can be accommodated on the former Longman landfill site from an operational, technical, political and planning perspective. This need not be in conflict with surrounding existing or proposed uses. **Having confidence that the Council has a deliverable site will, if nothing else, strengthen the hand of the Council in any future contract negotiations with the private sector.**

As noted above, the longer term option for the Council is for the development of energy from waste capacity in the Highlands. Community Services Committee on 18 August 2016 ([link](#)) approved the intention to prepare a final business case to develop detailed proposals for residual waste treatment for Highland at a plant(s) located in Highland. A clear plan of action and delivery timescales within a project management framework is essential. The Review team feel that this is an issue which requires a strong corporate and political lead and should be an immediate priority for the new Council.

There are examples from elsewhere of different operating models for waste management services within the local authority setting. Fife Council for example established an arms length organisation to deal with a range of waste and energy functions. **Appendix 1** sets out some details on this approach

and it is recommended that further scrutiny is undertaken on the pros and cons of such an approach in the context of the significant changes that may arise for the short, medium and long term options set out above. It may be appropriate for example that the final business case work referenced to above also makes recommendations as to the preferred model for delivering services going forward.

Table 3 – Current Waste Management Contracts

Contract	Contractor	Start date	Expiry date
Receipt, Transfer and transport of the residual element of Municipal Solid Waste from Easter Ross to Authority landfill site at Seater, Caithness (estimated 18K tonnes per annum)	William Munro Construction (Highland) Limited	01/10/2014	30/09/2017 (option to 2019)
Receipt, transfer, transport, treatment and/or disposal of the residual element of Municipal Solid Waste from Inverness to contractor's selected site (estimated 31K tonnes per annum)	SUEZ (previously known as SITA UK Limited)	01/10/2014	30/09/2017 (option to 2019)
Receipt of segregated food waste, transfer into Authority's containers, and storage until uplifted by the Authority (estimated 2.5K tonnes per annum)	SUEZ (previously known as SITA UK Limited)	01/10/2014	30/09/2017 (option to 2019)
Receipt, transfer, transport and disposal of skip-contained segregated domestically produced bagged asbestos cement from Recycling centres to contractors selected site (estimated 50 tonnes per annum)	SUEZ (previously known as SITA UK Limited)	01/10/2014	30/09/2017 (option to 2019)
Receipt, transfer, and transport of mixed dry recyclables from Inverness to Authority selected treatment site (estimated 6K tonnes per annum)	SUEZ (previously known as SITA UK Limited)	01/10/2014	30/09/2017 (option to 2019)
Receipt, storage and loading of colour segregated glass destined for recycling, into Authority's vehicles. (estimated 5.5K tonnes per annum)	SUEZ (previously known as SITA UK Limited)	01/10/2014	30/09/2017 (option to 2019)
Receipt, transfer, transport, treatment and/or disposal of the residual element of Municipal Solid Waste from Lochaber to Contractor's selected site (estimated 7.5K tonnes per annum).	Locheil Logistics Limited	01/10/2014	30/09/2017 (option to 2019)
Receipt, transfer and transport of mixed dry recyclables from Lochaber to Authority selected treatment site (estimated 1.5K tonnes per annum)	Locheil Logistics Limited	01/10/2014	30/09/2017 (option to 2019)
Receipt, transfer and transport of mixed dry recyclables from Badenoch and Strathspey to Authority selected treatment site	David Ritchie & Sons Ltd	01/10/2014	30/09/2017 (option to 2019)
Receipt and treatment of mixed dry recyclables collected by Authority in Highland (estimated 16K tonnes per annum)	William Munro Construction (Highland) Limited	15/05/2015	14/11/2016 (option to 2017)
Skye Waste Transport of residual waste in Skye and Lochalsh to Authority landfill site at Seater , Caithness(estimated 6K tonnes per annum) and transport of mixed dry recyclables from Skye and Lochalsh to Authority selected treatment site (estimated 1000 tonnes per annum).	Oran Environmental Solutions Limited	12/09/2014	30/09/2017 (option to 2019)

Servicing of public glass recycling banks and treatment of glass collected	Viridor Waste Management Limited	March 2006	March 2013
WEEE collection and treatment	REPIC	02/12/2009	01/12/2020
Provision of Skip Servicing for Inverness and Moray Firth	Daviot Farms Limited	01/12/2014	05/06/2017 (option to 2018)

Summary of Recommendations

Redesign Priority Recommendations
<ul style="list-style-type: none"> • We need to establish a Corporate Project Board to drive forward with fresh impetus the identification and acquisition of transfer stations in Lochaber and Aviemore in the first instance and in any other locations where there will be an operational and financial benefit to waste collection in the Highlands. At the appropriate time this Board should oversee the application process for appropriate consents to allow the Council to have a much stronger bargaining position with the private sector or consider in-house delivery of waste services in these areas. • We should identify a facility for the Mechanical Treatment of residual waste and production of Refuse Derived Fuel in Inverness. A Corporate Project Board should be established for this purpose. The work should focus on finalising a business case to determine if the position set out in the most recent business case report is still valid, to update the Council on key risks and to consider whether there is merit in this being done in-house or through an arms-length company. The outcomes should be reported to Members at regular intervals to ensure that progress on this is maintained. • Work should also progress immediately on finalising the business case for long term waste disposal in the Highlands, with an emphasis on determining whether and at what scale an Energy from Waste plant is appropriate. A clear plan of action and delivery timescales within a project management framework is essential. The Review team feel that this is an issue which requires a strong corporate and political lead and should be an immediate priority for the new Council.

Other Recommendations		
	Short term	Longer term
Transport, Pre-treatment and Disposal of Recyclate	3.1 The Council should determine whether the bulking up, sorting and storage of recyclate will continue to be dealt with through the private sector or whether it will be brought back in-house.	
Management Arrangements		3.2 Review the Fife model of an arms length organisation to run waste management functions, and review the opportunities to include strong linkages to the Council's energy team.

Delivery options considered

In house	✓ - the final business case should make recommendations on this.
In source back in	✓ - currently carried out by contractors - the final business case should make recommendations on whether this should continue..
Shared services	✓ - Aberdeen City, Aberdeenshire and Moray Councils have entered into a partnership to develop an energy from waste solution which will meet the needs of the three Councils. There is no spare capacity for Highland within this arrangement.
outsource	✓ - the final business case should make recommendations on this.
Partnership/integrated	✓ - the final business case should make recommendations on this.
Arms length	✓ - the final business case should make recommendations on this. Fife Council operates an arms length organisation and may be a useful reference point.
Community run	n/a
Place based approaches	n/a
Stop service	n/a
Commercial opportunities	n/a

Chapter 4 - Collection of waste

Context

Collection of waste costs more in Highland than in any other Scottish local authority (See **Appendix 2**). **Gross** costs at £132.03 per household are **57.6%** higher than the Scottish national average. The position is slightly better in terms of **net** cost of collection. At £97.95 per household it is **51%** higher than the Scottish national average and we rank 30th out of 32 Scottish local authorities, performing better than Eilean Siar and Argyll & Bute.

The waste management team is of the opinion that our huge, sparsely populated geographical area is a significant factor in our increased cost of collection. An analysis of the available benchmarking information supports this view.

Although collection costs are high, Highland Council recycles 46.1% of household waste, against a Scottish average of 42.8%. The Scottish Government has set a target of 70 per cent recycled, and maximum 5 per cent sent to landfill, both by 2025. There are no penalties if the target is not reached.

Findings

Route Management and Capacity

Collection routes are largely historic and based upon same routes that were established by the 8 district council's pre 1996. They are manually tweaked as and when new properties or developments come on board.

Routes often overlap, particularly to facilitate regular collections from commercial customers and roadside litter bins.

Due to distances involved, many rural routes cannot be completed within a normal working day and therefore routinely require overtime working. Urban routes are generally determined by weight/number of bins. Some of these routes routinely take less than a normal working day to complete and some routinely require overtime working. For 2015/16, the overtime spend was £794,000

As well as reducing environmental impact, **optimising routes** could offer efficiencies in terms of number of vehicles, vehicle running costs, fuel, staff and overtime. At present we do not have a complete record of all routes. Instead, we rely on the knowledge of the foremen and other operational staff. The sheer number of vehicles, routes, and factors to be taken into account makes it almost impossible to complete a comprehensive, Highland wide, optimisation using manual methods.

Many local authorities successfully use software to optimise their routes and there are a number of products on the market that get very good reviews. Software typically costs in the region of £60k to £70k which is around a half percent of the £11.5 million that is spent on collection. Software trials in the Ross and Cromarty and Inverness areas have previously indicated that efficiencies could be achieved, and the investment would easily be recouped in the first year.

The review team recommends that the Council should procure route optimisation software to challenge our existing collection routes and frequencies from a cost and environmental impact perspective. This should be a **Redesign Priority**.

In the meantime, we need to:

- review all routes that routinely require overtime as standard and try to contain within a normal days work
- Review all routes that are routinely less than a normal day's work and try to expand where possible to free up capacity/reduce overtime elsewhere
- Consider withdrawal/reduction in number of roadside litter bins to free up capacity and reduce route overlap/time to complete routes

Collection Crews

Crews consist of a driver plus either one or two loaders. The majority of crews have 3 people, with salary costs, including on costs but excluding overtime, in the region of £71,000. Generally there is one loader when collecting from the more sparsely populated areas and two loaders when collecting from the more densely populated areas with more bins, although this is not always the case as can be seen in table 4 below.

Table 4 – Collection Crews - Examples

Bins	hours	miles	men	Av. Bins per man per hour	Area
1000	7	100	3	47.6	Wick
876	7	111	3	41.7	B&S
746	6.75	118	3	36.8	Ross
201	5	128	3	13.4	Wick
65	6.5	173	2	5	A9
552	10.15	114	2	27.19	Skye
476	6.75	115	2	35.25	Nairn

The review has identified the need to review 3 person crews/ number of bins/tonnages/ Masternaught data to identify opportunities to maximise the use of smaller 2 person crews. It may also be possible to use driver only operation for smaller routes wherever possible. We currently have one route where we use a 2 man crew to empty the litter bins on the A9, taking a full day and covering 173 miles to empty 65 bins.

Admin and Supervisory Staff

The team structure originally had 1 waste management officer in each of the 8 Council areas. Lochaber area has been operating with 0.6 FTE for some time due to phased retirement. Skye and Lochalsh area has been operating without a waste management officer since early in 2016. The Waste Management Officers are supported locally by 9.5 forepersons who play the lead role in the day-to-day delivery of

Refuse & Street Cleaning Service, managing operatives and resources. There are 2FTE in each of Caithness and Ross and Cromarty, 0.5fte in Nairn, and 1fte for each of the other 5 areas.

In Skye and Lochalsh where there is no Waste Management Officer, duties are generally being handled by the Foreman with support from the Operations Manager. The Foreman is also filling in as a driver on the Refuse Collection Crews when need be. The Operations Manager feels that the current situation is unsustainable and a longer term solution needs to be found.

The review team recommends that the Waste Management Officer role should be deployed at a service wide rather than area specific level. This would resolve the issues in the Skye and Lochalsh area, facilitate better workload management across the service, and create opportunities for further efficiencies in future.

Agency Staff

Agency staff are primarily used to support the delivery of the service given that the established FTE is beneath the level that is required to deliver the service. This is especially so in Ross and Cromarty and Sutherland. Agency staff are also used to cover vacant posts and long term sickness. The numbers vary from time to time and the length of time individual agency staff spend with Highland Council also varies, but some can be measured in terms of years.

Using agency staff gives greater flexibility on a daily basis and costs are generally slightly cheaper than employing permanent staff. In some instances they can cost more though, for example, due to a shortage of agency drivers in Sutherland, they actually cost more than employing staff directly.

The waste management team feel that the level of agency staff is fairly high and it may be more appropriate to recruit some permanent staff. The review team agree this might be appropriate in limited cases where agency costs are significantly higher, but suggest that it may otherwise be better to wait until routes have been optimised. Having agency staff rather than permanent staff would make it more straightforward to realise efficiencies from route optimisation.

Collection Frequencies/Fleet

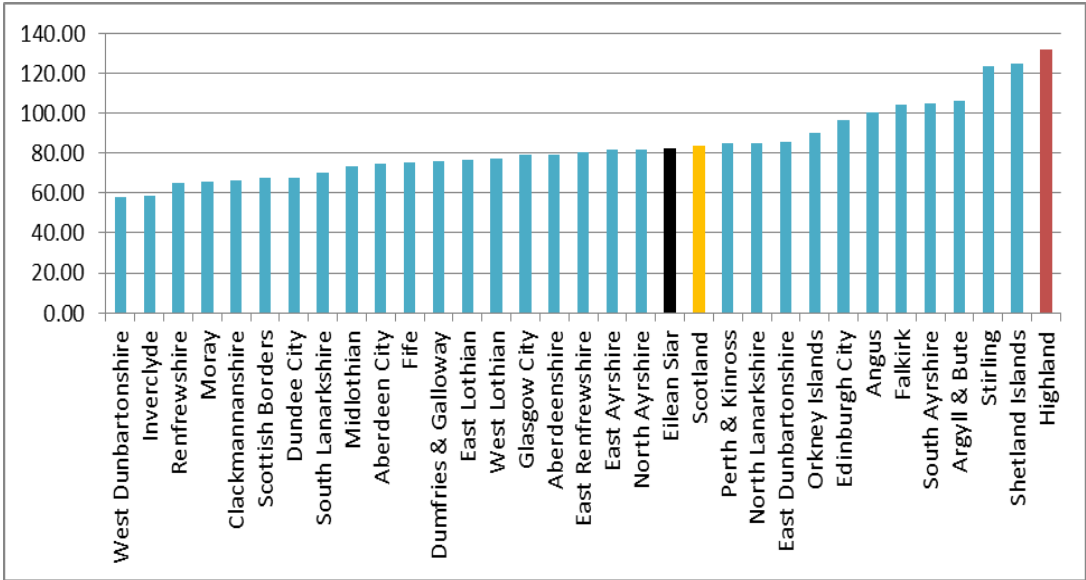
Household waste is generally separated by the householder into 2 bins, co-mingled recyclate and residual waste. Collections generally operate on an alternate weekly basis. Refuse collection vehicles are often operating under capacity in terms of the tonnage collected, particularly as routes are often based upon the tonnages collected during the residual cycle. Rural routes are often at capacity in terms of time although vehicles are under capacity in terms of tonnage.

The authorities with the cheapest cost of collection also tend to collect on 2 weekly cycles; however they have up to 6 bins per household.

The fleet of bin lorries in Highland limits collection to one type of refuse at a time. However, it is possible to purchase vehicles that allow separate collection of up to 3 different types of refuse at the same time. The review found that Comhairle nan Eilean Siar (CNES) have been using these vehicles as standard for many years now. They initially tried 4 compartment vehicles before eventually settling on

split load vehicles which worked much better as they allowed better load capacities. They collect co-mingled recycling waste and glass in one pass and residual waste and organic waste in another pass. Their gross collection costs per household are much lower than ours at £82.43 compared to £132.03. They also perform slightly better than the Scottish average of £83.77, despite their rural geography (see Figure 1 below).

Figure 1 – Gross Collection Costs – Eilean Siar vs Highland



The Council’s current vehicle supplier can supply split load vehicles in a number of different formats to suit our needs. Their 26 tonne 70/30 split vehicle is only slightly longer and higher than the vehicles we currently use and can accommodate approximately 6 tonnes of waste in the 70% side and 2 tonnes of waste in the 30% side. These are the vehicles used by CNES and they have no issues using them on single track roads. They find the 6x2 rear steer models work very well. Smaller and larger vehicles are also available, as are different load configurations and 6x4 models. Demonstration vehicles are readily available for trial purposes.

Whilst smaller split loads may not be suitable for every current route there is certainly scope to generate efficiencies by facilitating a fortnightly single pass collection in some areas. This is particularly so where we have vast distances to cover to collect quite small tonnages. Analysis of the tonnage collected on one route during 2016 showed that 23% of the residual loads tipped were under 6 tonnes, whilst 10% of the recycle tipped was under 2 tonnes.

The review team recommends that the Council needs to consider changing collection methods in some remote/hard to reach areas and routes with lower tonnage, by using vehicles that can accommodate different waste types. Rather than an alternate weekly cycle to collect recycling and residual it would make more sense to do it once.

Any change in vehicles could be incorporated into the normal vehicle renewal cycle. CNE Siar used that approach to replace their fleet over a period of a few years. This allowed them to optimise routes area by area, building experience as they went.

In terms of affordability, it is also important to recognise that there are some remote areas where it may simply be uneconomic to carry out separate collections. Argyll and Bute also faced this problem and they resolved it by collecting one residual bin every 3 weeks with no recycle service. The review team recommends that this approach should be considered for our more remote areas.

Some local authorities have also fairly recently moved to 3 or 4 weekly residual waste collections as standard. Fife has been particularly successful in reducing collection frequencies and has achieved significant efficiencies. Appendix 3 details the work undertaken by Fife Council to implement a change to their collection frequency which has assisted the recycling rate and reduced costs (additional information is also available). The trials are now live and are operating well. Fife Council has also indicated that they would host a visit if Council officials or Members would like to see their operation in practice.

As part of the recent Citizen's Panel consultation, when respondents were asked in respect of waste collection, 'to what extent would you support a pilot project in your area, trialling less frequent collections?' there was no clear preference with 50% against and 49% either in favour or neither agreeing nor disagreeing.

The review team recommends that in order to support the increase in recycling rates and to reduce costs associated with collection, that there should be an implementation of a number of trials to change the frequency of collections – particularly focussed on Inner Moray Firth area, where the main population centres are. In time this can be tied in to discussions with Zero Waste Scotland Recycling Charter (as per CS Committee decisions on 18 September – see chapter 6). This should be a **Redesign Priority** and should be implemented as soon as possible. This will allow the service to establish the optimum level of **affordable** service that can be achieved.

Charging for Bins

Many other local authorities already charge for new, replacement, and additional bins. Appendix 4 provides further information on rates charged elsewhere in Scotland. Charges vary and some sell at cost price plus a small fee to cover admin and delivery. Highland Council spent around £117,000 on bins during 2015/16 but income from bins sales only generated around £20,000. A charge of £43.62 applies to supply and deliver residual bins to new properties but no charge is made for additional, replacement, or recycling bins.

Depending on size, it costs Highland Council around £19 to £35 to purchase each bin. Many of our residual bins are approaching the end of their lives. With over 120,000 in use, replacement will be very costly. The review team recommends that the Council implements charges for all new, replacement and additional bins. Charges should reflect the purchase cost of the bins including a fee to cover administration and delivery, ensuring all bins are provided on a cost neutral basis (unless bin damaged by HC).

Charges should be collected via the council's online Pay For It facility to ensure bins are paid for in advance with minimum admin overheads. Service Centre staff should log requests and take payments for customers who are unable to go online.

Some properties, particularly in urban areas, have limited capacity for storage of bins. Other local authorities have encountered the same problems and have a variety of solutions, as follows:

- collecting no recycle and just one residual bin – either weekly or fortnightly
- providing locked or unlocked communal bins where space is at a premium
- outsourcing collections from flats
- using bin bags in urban areas and high rise flats where there is no storage for bins

There is a need to ensure that new developments are designed in such a way as to assist our collection routes and priorities. The use of communal bins needs to be investigated further both in existing developments and new developments. It is recommended that work is carried out to ensure that the planning guidelines used to inform new developments reflect the most up to date thinking on waste management and that these guidelines are implemented on a consistent basis.

Management Information

Data is automatically collected via Masternaught which is a GPS based vehicle tracking system fitted to all our collection vehicles. It collects data such as drive time, idle time and MPG. The associated software has functionality that allows analysis of individual, or groups of, vehicles. Weighbridge data is also collected where possible and gives management information such as tonnages collected and time tipped at transfer station.

Individual elements of the available data are used for various purposes, such as department of transport monitoring, calculation of landfill taxes, and monitoring vehicle activity. Initial analysis of limited data samples indicates that a detailed analysis of the whole range of data is likely to highlight opportunities for efficiencies.

The review team recommends that the Council should analyse Masternaught and tonnage data across all vehicles to identify opportunities for efficiencies.

Summary of Recommendations

Redesign Priority Recommendations
<ul style="list-style-type: none">• We need to procure route optimisation software to challenge cost and environmental impact of existing collection routes/frequencies• We need to support the implementation of trials on changing the frequency of collections – particularly focussed on Inner Moray Firth area, where the main population centres are – this will be tied in to discussions with Zero Waste Scotland Recycling Charter (As per CS Committee decisions on 18 September). However, a Redesign Priority should be to implement a trial ASAP.

Other Recommendations		
	Short term	Longer term
Routes	<p>4.1 Review all routes that routinely require overtime and try to contain within a normal days work</p> <p>4.2 Review all routes that are routinely less than a normal day's work and try to expand where possible to free up capacity/reduce overtime elsewhere</p> <p>4.3 Consider reduction/withdrawal of roadside litter bins to free up capacity and reduce route overlap/time to complete routes</p>	<p>4.4 Analyse collection costs for each route</p> <p>.</p>
Staff	<p>4.5 Review 3 man crews/ number of bins/tonnages to identify opportunities to maximise use of 2 man crews wherever possible. Consider use of driver only operation for smaller routes.</p> <p>4.6 Operate the HC08 Waste Management Officer role at a service rather than area level to facilitate better workload management across the service</p> <p>4.7 Review the use of agency staff where costs are significantly higher than for permanent staff.</p>	<p>4.8 Postpone any wider review of the use of agency staff until routes have been optimised.</p>
Collection frequency	<p>4.9 Look to Fife for best practice</p>	<p>4.10 Consider using vehicles that could allow collection of multiple types of waste in one pass, particularly for areas where tonnage/route data shows high collection costs and/or low tonnages.</p> <p>4.11 Consider different collection frequencies for different areas – particularly less frequent or residual only collections on routes that have very high collection costs.</p>
Bins	<p>4.12 Charge for all new, replacement, and additional bins at cost price plus a fee to cover admin and delivery, ensuring all bins are provided on a cost neutral basis (unless bin damaged by HC)</p> <p>4.14 Charge via pay for it facility to ensure bins are paid for in advance with minimum admin overheads. Service Centre staff could log request and take payments for customers who are unable to go online.</p>	<p>4.13 Where there is limited capacity for storage of bins, consider providing locked or unlocked communal bins , OR collecting no recycle and just one residual bin –fortnightly unless volume means weekly collection is essential.</p> <p>4.15 Consider making recommendations re planning guidance, for example communal bins for flats.</p>
Management Information	<p>4.16 Analyse Masternaught and tonnage data across all vehicles to identify opportunities for efficiencies.</p>	

Delivery options considered

In house	✓
In source back in	N/A
Shared services	Very unlikely other authorities would be interested due to extra collection costs unavoidably incurred in Highland due to the vast geographical area that needs to be serviced. Other

	authorities are also facing major challenges in service delivery due to the impending 2021 household waste landfill ban and the Scottish Governments all waste target of 70 per cent recycled, and maximum 5 per cent sent to landfill, both by 2025.
outsource	Possible but would need to be considered in conjunction with our overall waste strategy
Partnership/integrated	We could seek partners, particularly through ALO or LLP but this is likely to be a longer term solution so needs to be considered in conjunction with our overall waste strategy
Arms length	Works very well in Fife. Likely to be a longer term solution so needs to be considered in conjunction with our overall waste strategy. Fife are open to a visit from Highland to learn more.
Community run	On a wide scale, this is unlikely to be a workable solution. There may, however, be opportunities to work with some communities in future, particularly remote communities where standard collection methods/frequencies are cost prohibitive.
Place based approaches	✓
Stop service	N/A – statutory function
Commercial opportunities	See section 7 on commercial collections

Chapter 5 - Food Waste

Context

The Waste (Scotland) Regulations 2012 places a duty on Scottish Councils to make provision for the separate collection of food waste from households subject to specific rules around population of settlement and rurality. It also places a duty on councils to collect food waste from food premises if it is requested to do so. Food waste from such premises is commercial waste and Councils are duty bound to collect commercial waste if asked to do so (Controlled Waste Regulations 1992).

The food waste collection service in Highland is available to around 27,000 households and businesses in the Inverness City area. This is carried out using 4 dedicated vehicles with 2 person crews on each. Funding to purchase the collection vehicles etc was provided by Zero Waste Scotland in grant form. However since April 2015 the revenue costs have had to be met by The Council.

The uptake in the Inverness area is currently estimated to be around 40%. Waste is transferred under contract to a processor in the Aberdeenshire area. Any increase in volume collected would result in an increase in treatment (composting) costs.

In a change to the position at the time of the introduction of the Waste (Scotland) Regulations 2012, the Scottish Government has now classified Nairn and Fort William as “urban” rather than “rural”. It is therefore possible that they will revisit the Regulations to reflect the new classifications and require separate food waste collections to be implemented in these areas.

Findings

The review found that given the statutory duty placed on the Council, there are a limited number of options for a redesign of how we collect and dispose of food waste.

Cessation of the service has been considered in the past but here may be legal implications if the Council was to do this as well as an increase in the amount of residual waste being sent to landfill. Given the relatively low rates of uptake of the service, it may be worthwhile considering a fortnightly service for food waste. This will reduce the resources allocated to collection. The food waste containers are secure so any environmental risks can be managed. It is considered that the service should investigate a trial fortnightly collection to assess public acceptability and potential cost savings.

Recommendation		
	Short term	Longer term
Food Waste		5.1 Consider the implementation of fortnightly food waste collection by implementing a trial to assess public acceptability and potential cost savings.

Delivery options considered

In house	
In source back in	
Shared services	
outsource	
Partnership/integrated	
Arms length	
Community run	
Place based approaches	✓
Stop service	✓
Commercial opportunities	

Chapter 6 - Collection of Recyclate

Context

This function is covered by Section 35 of the Environmental Protection Act, and requires local authorities to provide householders with a collection service for dry recyclables. There is flexibility around the level and type of service provided and other collections need not be at the doorstep. In December 2015 the Household Recycling Charter and associated Code of Practice was developed and agreed on by the Scottish Government-COSLA Zero Waste Taskforce. The aim is to have consistent recycling systems across Scotland, diverting as much as possible from landfill and maximising recycling.

The Council has a high rate for recycling and has been quoted by the Improvement Service for examples of good practice. However, the cost of recycling is high and this review afforded the opportunity to challenge the Council's approach in respect of the affordability challenge that is faced.

The council provides a household door to door dry-mixed recyclate collection service which is collected on an alternate weekly cycle with residual waste (Chapter 4). In some areas we also collect food waste (Chapter 5). Our 21 recycling centres (Section 8 and **Appendix 5**) allow communities the opportunity to bring items for recycling to central points where they are bulked up and transported for reprocessing.

In addition to the recycling centres and doorstep collection services outlined above, we also collect recyclate through a network of over 200 recycling banks, located in various locations such as supermarket car parks and public car parks (**Appendix 5**).

Currently most recyclate collected has to be transported out of the Highlands as there are few treatment facilities available here. The following contracts are in place specifically relating to recycling:

Table 5 – Recycling Collection and Transport Contracts

Contract	Contractor	Area	Contract ends
Receipt, transfer and transport of mixed dry recyclables to Authority selected treatment site	SUEZ	Inverness	end of Sept 2017
	Lochiel Logistics	Lochaber	end of Sept 2017
	David Ritchie & Sons	B&S	end of Sept 2017
Receipt and treatment of mixed dry recyclables	William Munro Construction (Highland) Ltd	Highland	Nov 2016 with option to extend to 2017
Receipt, storage and loading of colour segregated glass destined for recycling, into Authority's vehicles	SUEZ	Highland	end of Sept 2017
Servicing of public glass recycling banks and treatment of glass collected	Viridor	Highland	contract expired

For each of the materials that we collect, we try to either gain an income, or secure a disposal cost that is lower than the cost of landfill. We generally perform well in this area and regularly review the materials we collect. The contracts that are currently in place are shown in table 6 below:

Table 6 – Recycling Use Contracts

Material	Cost/Contract	Income	Comment
Glass (210 banks)	Viridor –price based on current number/location of bins (Contract has expired)	No processor in Highland so no current income available	Heavy weight material, so good to take out of residual waste.
Used batteries	monthly bidding system	Small income	
Metal	monthly bidding system	£92661	
Books	None	None	No market for books so no longer recycle.
WEEE (electrical)	REPIC (contract in place until Dec 2020)		Producer Responsibility Contract and is provided at zero cost to the Council
Textiles (180 banks)	HC paid Blythswood £230,100 in 15/16 to divert clothing and other materials. This is covered in the diversion of recycle section below	Nathans – pay us £70 per tonne Salvation Army – pay us market rate, currently £53 per tonne	All 3 organisations collect from the textile banks.
Wood	4000 Tonnes @ £26 Per Tonne.		Tonnage too small and dispersed to make selling on a viable option. Would cost more to transport. We sort and pay a reduced rate to dispose of as this is cheaper than residual landfill (£84.40/tonne).
Rubble	8978 tones @£10 Per Tonne Gets shredded and goes to energy plant.		Tonnage too small and dispersed to make selling on a viable option. Would cost more to transport as our only quarry is in Skye. We sort and pay a reduced rate to dispose of as this is cheaper than residual landfill (£84.40/tonne).
Cardboard	Non-contractual	£12k this year	

Findings

Glass Recycling

60 of the 200 or so glass recycling banks are either not currently used or rarely used but still incur costs for servicing and collection. It is recommended that many of those could be removed from their current location as there will be alternatives adjacent to supermarkets, shops, schools and other public

buildings within a reasonable distance. It may be appropriate, prior to removal, to liaise with local communities to determine whether some of these can be relocated to other locations which will encourage greater use. The recent citizen's panel consultation exercise overwhelmingly supports this approach.

The waste awareness management team have advised that any change could affect supplier's arrangements for collection and they would likely need to re-negotiate the price for the remaining collections. However, this should not prevent us from seeking to negotiate a solution that allows us to at least limit the £42k loss we are currently incurring through continued servicing of these underused banks.

Diversion from Landfill

The Council pays charitable organisations to divert goods from landfill. They collect goods/accept donations as part of their normal day to day function but they keep a note of the number of and type of items they sell on, or otherwise re-use. The Council previously paid per ton recycled/re-used based on the charity's own figures and a standard weight for each type of item. In 2015/16 we paid the charities around £380,000 for this service, primarily to New Start Highland and Blythswood Care, although Acharacle Community Company also received around £2,500.

For 2016-17, the diversion budget for New Start Highland and Blythswood Care was reduced to around £150,000. This was split equally between the two groups but is not related to the amount of material they divert. Each charity is paid £6250 per month, regardless of the volume of goods that they divert from landfill. Acharacle Community Company also still receives around £2,500 per year.

Since the funding has been cut, the charities have reduced the amount of material they divert to landfill, especially from the containers at the recycling centres. Current figures suggest that they are still recycling enough to cover the cost of diversion

The Council has no statutory responsibility to provide this payment but it is paid on the basis that if the charities did not divert the goods then there would be a need to pay landfill and transportation costs. Given the reduction in the amount diverted from landfill, this arrangement should be reviewed for 2017/18 to ensure it continues to be cost effective. It is unclear why we pay Blythswood and Newstart to divert textiles when this is a commodity that other charities are willing to pay for. This should be taken into account when the arrangement is reviewed for 2017/18.

Zero Waste Scotland

Zero Waste Scotland (ZWS) is funded by the Scottish Government to support the delivery of its Zero Waste Plan and other low carbon and resource efficiency policy priorities. At the meeting of the Community Services Committee on 18 August 2016, the Council agreed to sign up to the Household Recycling Charter, subject to receiving appropriate funding.

Colleagues from the Waste Management team have been attending meetings with ZWS with a view to determining the process for options appraisal and investigating the possibility for any available funding towards initiatives. ZWS have indicated that the process will not commence until early 2017 and as there are other Local Authorities in this process, it is difficult to gauge timescales for completion. This

will be dependent on the resources available within ZWS as well as the resources each Local Authority has to complete the process based on individual circumstances with contractual arrangements for materials processing and/or vehicle leases. The funding from Scottish Government/ZWS will be phased over a number of years so this will limit the number of Councils that can make the transition to the Household Recycling Charter code of practice requirements.

The main aim of the ZWS charter is to standardise the collection service across Scotland and increase the recycling rate. It is likely that their recommendations will result in an additional bin for each property in Highland. Cost of collection is unlikely to be a major consideration and given the geography of the Highlands, this could be a significant issue. The options that could be modelled may include garden waste collections, potentially expanded food collections, co-collection of food and garden waste, as well as various scenarios to collect the main dry recycling materials from the kerbside (such as separate paper and cardboard collection or glass collection). ZWS will also be looking at how the Council collects commercial waste particularly when it is collected on the same routes as the household waste.

The paper considered by Community Services Committee on 16 August 2016 set out some possible scenarios for amended collection bin capacities/collection frequencies that might be adopted to strive to meet the Code with minimal change to the existing arrangements. The review team believes that whilst it is important to continue to engage with Zero Waste Scotland we must be mindful that it may take some time to see an outcome, that an additional bin is unlikely to be financially viable unless we can collect multiple waste types in the one pass, and that a standard service may not be the best option in an area that is geographically anything but standard. We must also be careful that we do not lose valuable time awaiting a ZWS outcome without dealing with our medium and long term solutions. The focus of the engagement with ZWS must be entirely focussed on more populated areas, particularly the Inner Moray Firth. This will ensure that economies of scale are provided for. The ZWS work should also not stop trialling different collection frequencies (see Chapter 4).

Recommendations		
	Short term	Longer term
Glass Recycling	6.1 Review the 60 glass recycling banks that are either not currently used or rarely used to determine whether some of these can be removed or relocated.	
Diversion from landfill	6.2 Given the reduction in the amount diverted from landfill, the arrangement with Newstart and Blythswood should be reviewed for 2017/18 to ensure it continues to be cost effective.	
ZWS	6.3 Whilst it is important to continue to engage with Zero Waste Scotland we must be mindful that it may take some time to see an outcome, that an additional bin is unlikely to be financially viable unless we can collect multiple waste types in the one pass, and that a standard service may not be the best option in an area that is geographically anything but standard. We must also be careful that we do not lose valuable time awaiting a ZWS outcome without dealing with our medium and long term solutions. The focus of the engagement with ZWS must be entirely focussed on more populated areas, particularly the Inner Moray	

	Firth. This will ensure that economies of scale are provided for. The ZWS work should also not stop trialling different collection frequencies	
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Chapter 7 - Collection of Commercial waste

Context

Section 45(1)(b) of the Environmental Protection Act 1990 places a duty on Scottish Councils to arrange for collection of commercial waste if requested to do so. Section 45(4) of the same act allows councils to apply a reasonable charge for the collection and disposal of the waste. The Council does not have to provide a collection service in-house, but does need to arrange collection if requested to do so. 'Reasonable' is not defined but it is likely to mean we can at least aim to cover costs. There are several private waste collection companies operating commercial waste collection services within the Inner Moray Firth area, however, in some areas the Council is the only service provider.

Findings

Customers

In Highland, there are currently 16,470 non-domestic ratepayers operating from 14,803 different premises. The service currently collects commercial waste from only around a third (5,289) of these customers so there is certainly scope to increase our commercial activity.

Detailed records are held at an area level covering the type of customers, frequency of collection, type and volume of waste, expected income, and payment methods. Inverness and Ross and Cromarty generate the highest gross income, however, the Skye and Lochalsh area has the highest number of customers (see table 7 below).

Table 7 – Commercial Waste Information

potential gross income from commercial				number of commercial customers			
area	No. custs	potential income	% income	area	No. custs	potential income	% custs
Inverness	908	£773,112	20.61%	Skye & L	988	£521,095	18.55%
Ross & Crom	899	£659,198	17.57%	Inverness	908	£773,112	17.05%
Caithness	557	£586,469	15.63%	Ross & C	899	£659,198	16.88%
Skye & L	988	£521,095	13.89%	Lochaber	697	£509,186	14.03%
Lochaber	697	£509,186	13.57%	Sutherland	569	£262,253	10.69%
Bad & Strath	471	£312,719	8.34%	Caithness	557	£586,469	10.46%
Sutherland	569	£262,253	6.99%	Bad & Strath	471	£312,719	8.85%
Nairn	186	£127,598	3.40%	Nairn	186	£127,598	3.49%
all	5275	£3,751,630		all	5275	£3,751,630	

Note actual income is less -£3.26 million in 15/16 - further details in billing & recovery section later in report

40% of our commercial customers in Highland are operating self-catering units. 10% are Internal or partner organisations. The remaining 50% cover a wide variety of business types, including retail, service, industrial and office based.

The review found that there does not appear to be any one team member who has a regular responsibility for identifying and bringing on board new customers or managing existing customer contracts and accounts. It is recognised that the current focus is on providing the very best service that we can to our customers. However, the review team also feel that the Council is unable to provide evidence that operating the service in this manner is actually affordable in respect of covering costs. This is largely because, like most other local authorities, there has historically been no emphasis on operating in a commercially viable manner.

It is therefore essential that the Service refocus existing staff to ensure commercial opportunities and income are maximised and accounts are managed on a regular basis. Depending on other redesign decisions, it may be appropriate to create a specific commercial waste team. **This should be a redesign priority.**

Routes/ Frequency of Collection

Inverness and Caithness areas operate routes which are primarily devoted to collections from the bulk of their commercial customers on a weekly basis. They also have routes that combine domestic and commercial collections. Most other areas combine commercial collections with household residual and recycle collections on an alternate weekly basis.

Some areas, for example, Skye and Lochalsh, also have routes that overlap to facilitate weekly collections from commercial customers. This means that multiple vehicles may visit the same area on multiple occasions each week. There is no evidence that work has been done to establish whether or not this approach is cost effective.

As we already have to cover the whole of the Highlands to collect household waste, it makes financial sense to generate income from collecting commercial waste along the way, as long as the charges we levy cover any extra costs incurred. Where commercial waste is collected in different cycles or routes from household waste, extra costs are likely to be more significant.

Where the Council is the only provider, it is largely because it is not commercially viable for private companies to provide a regular service in these geographic areas, yet the Council organises routes specifically to provide a weekly service for commercial customers in these areas. The waste management team do have some legitimate concern that collecting less frequently in these areas may lead to reputational damage, particularly for tourism related businesses. However, in many areas we already collect on an alternate weekly basis and there is no evidence to suggest we have suffered reputational damage as a result of this.

In light of the affordability challenge facing the Council, commercial routes and frequencies of collection need to be reviewed to ensure we manage the reputational risk, but also recognise that the Council is often the only provider in particular areas. We need to achieve the best balance between quality of service and affordability that ensures we recoup the cost of providing the service. In line with the recommendations under collection of waste in Chapter 4, the review team believes that the Council must invest in route optimisation software, analyse and understand collection costs for each route, and consider investing in vehicles that could allow collection of multiple types of waste in one pass. We also need to consider reduction/withdrawal where commercial routes are not cost effective.

Volumes and Charging Policy

The volume of commercial waste is unknown since it is generally collected along with domestic waste. Although we do know the number and size of bins that we are supposed to collect for both residual and recycle, we do not use average bin weights to calculate approximate volumes. Instead, it is assumed that the charging policy is sufficiently robust to ensure we cover the costs of disposing of the full volume of waste collected.

The charging policy is the same throughout the Highlands, regardless of the cost of collection. The charges were originally devised in 1996 and aimed to recover full costs, including landfill taxes. The charges have generally been uplifted each year by either a percentage to cover inflation (RPI), or a percentage as set by Committee in light of the overall council budget situation.

In recent years there have been many changes that affect landfill and disposal charges. The review found no evidence to suggest that work has been done to ensure that charges continue to cover costs. There was some evidence that collection frequencies from remote locations currently results in the service to those customers being provided at a loss. The review team considers that the Council should consider putting in place delegated charging powers, allowing a more dynamic approach to changes in the market and should review the charging policy to ensure the service, including cost of admin, provision of bins, collection, disposal and landfill taxes, is at least cost neutral.

The Council's Commercial Manager advises that advertising our charges puts us at a disadvantage with private competitors, as does having to advertise changes to our charges 8 weeks in advance and having one set charging policy. Many authorities do not advertise their charges, but instead offer competitive quotes on a case by case basis.

If it is deemed unacceptable to fully delegate charging powers, limited changes to the charging policy would allow the Head of Service delegated powers to vary charges where location or frequency makes collection/disposal economically unviable under the standard charging policy.

In line with many other authorities, we should charge a fee to cover administration costs for any changes made during contracts.

Contracts

The Council issues new commercial waste contracts each year. This is a huge exercise and there are often delays as many customers omit to return their signed paperwork. The waste management team advise that these new contracts must be issued annually due to the increase in charges, and the legal requirement to have new waste transfer notes signed by both the customer and the service provider. The Duty of Care Regulations do indeed require waste transfer notes and signatures, however, they also clearly state that 'this can be an electronic copy, including electronic signatures'.

Contracts for the new financial year cannot be issued until the waste charges have been set. In the last few years the charges have not been set until mid-February. This has left very little time for new contracts to be drawn up, issued, and returned by customers in time for the start of the new financial

year and for revised direct debits to be manually keyed. Similarly, it has meant that by the time it has become evident that a customer no longer wished the service or neglected to pay for it, we have already provided the service and are left unable to recoup the costs.

In previous years, the charges were set around Christmas time. This allowed time for the administration to be completed in time for the new financial year, and the service to be stopped if customers chose not to continue paying for it. Commercial charges should therefore be set earlier to allow time for administration work to be completed in time for the new financial year. We should also improve our current contracts process by using our on-line facilities to allow customers to renew contracts, and sign up to transfer notices.

Billing and Recovery

There is no reconciliation between the area customer spreadsheets and the income received. Neither is there any reconciliation between the area figures for bins collected and the number of customers being billed. The area spreadsheets suggest that gross income from commercial customers should be around £3.75 million. Actual income last year was £3.26 million.

Internal customers and partner organisations used to be billed by internal recharge. To reduce the work involved in this, a decision was taken a few years ago to transfer a portion of budget instead. The amount transferred is arbitrary and not linked to the actual cost of collection. Last year the figure was £706k although the spreadsheets suggest the actual cost of collection was much higher. This will account for some but not all of the shortfall between potential and actual income.

We do not have a billing and recovery system that can keep track of each commercial customer's account, what they owe, what they have paid and what the outstanding balance is. We also do not have clear policies or procedures covering billing and recovery. Billing for some commercial customers is carried out via invoice on Integra but the majority of customers pay by paper based monthly direct debit (DD) even though the council can offer an online facility.

Customers who do not wish to pay by DD should be given the facility to 'pay for it' online rather than via invoice. For those who do pay by DD, we should move from paper to online as it is more resource efficient, offers a better, quicker service to the customer, allows the Council to collect debt more quickly and contributes to our Digital First targets.

The direct debit process on Integra could be improved to make it more efficient. Most billing and recovery systems show the full debt and the outstanding balance reduces each month when the direct debit is credited to the account. At present when a direct debit is set up on Integra, there is no record of the full amount due or balance outstanding. Instead a dummy invoice is created for the value of the direct debit. This process is then repeated manually each month. Integra does have a facility to set up recurring Direct Debits but this isn't used at present.

The current system of billing and recovery relies on staff in different teams liaising with each other and keeping track of the amount due and every direct debit failure on a case by case basis. There do not appear to be any clear policies or procedures dealing with failed direct debits, or decisions to withhold service. This is left to the judgement of individual members of staff.

Although the vast majority of customers pay by direct debit, there is currently around £87,000 worth of uncollected debt on invoice. Around £80,000 of this debt is more than 90 days old. Although it is a small percentage of the overall income, there is no evidence of a co-ordinated approach to pursuing the debt. Some debtors owe large sums of money yet we are still providing them with services such as new bins and commercial collections.

Clear policy and procedures should be adopted to ensure the approach to unpaid accounts is standardised, each team involved understands their role and interrelationships within the recovery process, all debts are pursued timeously in line with wider finance service billing and recovery procedures, and the collection service is ceased as quickly as possible when appropriate.

We need to ensure that all of our commercial customers are being billed effectively and ensure the technology is in place within the team to allow this to be managed effectively. We should look at using the full features of Integra, however, if this cannot facilitate better management of customer debt then an alternative system should be considered.

Overheads

There does not appear to be any clear understanding of the cost of collection, cost of disposal, landfill taxes or other overheads incurred in relation to commercial waste. It is hoped that some of the improvements identified within this report will assist in providing this information.

Business Development

The review found that there is no published commercial strategy. Some adhoc exercises have tried to identify commercial customers illegally using household recycling centres and encourage them to contract the Council to collect and dispose of their commercial waste. Although this has had some success, it has been labour intensive and is not the most efficient method of finding new customers.

There is no systematic method of contacting potential new customers despite the fact that the Council has a record of every new business customer and the Non-Domestic Rates team already contacts them when they are entered on to the valuation role – this asset should be used to its maximum potential and the relationship between the waste management team and finance colleagues should be strengthened.

When NDR bills are issued to new ratepayers, we could include information advising them of their legal obligations regarding commercial waste, advertising the benefits of using the HC service, and directing them to our online contract sign up facility. Where ratepayers do not take up our service, we should contact them as a matter of course to ensure a waste transfer notice is in place and follow up on potential contract opportunities where they have not made other arrangements.

We need to promote an understanding at all levels within the service of the need to shift from focusing purely on service standards to a more commercial balance of quality of service and affordability. A commercial waste marketing strategy should therefore be defined and adopted.

Other Local Authorities

The review team contacted a number of other local authorities and each had a dedicated team for commercial waste. The aim of such a team is to secure as much business as possible, to ensure bills are paid timeously and to pursue defaulters. Most control this via spreadsheet or access database. One issues bills quarterly and automatically uploads from a spreadsheet to Oracle, thereby reducing admin and double keying. Their customers have until the end of the quarter to pay.

All had some form of monitoring in place to ensure they contacted defaulters swiftly and stopped the service timeously when bills were unpaid.

Depending on other redesign decisions, it may be appropriate to create a specific commercial waste team. **This should be a redesign priority.** Recommendations to how we could achieve this refocus are made later in this report under Chapter 12, Waste Awareness and Education.

Collection Staff

Collection teams have a duty to consult run sheets to ensure they only collect from household bins or commercial bins that have a valid contract which is being paid, and to put stickers on bins when bills have not been paid. They often have to spend time engaging with the customer on-site when they dispute that the bills are unpaid, although ultimately the customer must resolve the billing issue with administration staff. The review team feels that the Council should stop using the non-payment sticker system in favour of shifting emphasis to direct engagement with either refocused existing staff or a dedicated commercial team. The Council should also consider use of technology to manage communications between admin and collections staff.

Summary of Recommendations

Redesign Priority Recommendations	
<ul style="list-style-type: none">• Refocus existing staff to ensure commercial opportunities and income are maximised and contracts are managed on a regular basis.• Depending on other redesign decisions, it may be appropriate to create a specific commercial waste team.	

Other Recommendations		
	Short term	Longer term
Routes	7.1 Review commercial routes per recommendations 4.1 to 4.2 in section 4 on collection of waste 7.2 Analyse net cost of routes offering weekly commercial collections and consider	In line with recommendations under section 4 on collection of waste.... 7.4 Invest to save in route optimisation consultancy/software to facilitate a complete route optimisation exercise and continual

	<p>reduction/withdrawal of routes that are not cost effective.</p> <p>7.3 Review frequency of collection to achieve the best balance between quality of service and affordability that ensures we recoup costs</p>	<p>ongoing optimisation</p> <p>7.5 Analyse and understand collection costs for each route</p> <p>7.6 Consider investing in vehicles that could allow collection of multiple types of waste in one pass, particularly for areas where tonnage/route data shows high collection costs and/or low tonnages.</p> <p>7.7 Consider different collection frequencies for different areas – particularly less frequent or residual only collections on routes that have very high collection costs.</p>
Charging policy	<p>7.8 Review charging policy to ensure commercial collection service is at least cost neutral (including cost of admin, provision of bins, collection, disposal and landfill taxes)</p> <p>7.9 Consider changing policy of advertising our commercial charges on our website as this puts us at a disadvantage commercially.</p> <p>7.10 Consider changing policy of advertising intended changes to charges 8 weeks in advance as this puts us at a disadvantage commercially.</p> <p>7.11 Introduce a fee to cover administration costs for any changes made during contracts</p>	<p>7.12 Consider delegated charging powers to allow a more dynamic approach to changes in the market.</p> <p>7.13 If it is deemed unacceptable to fully delegate charging powers, consider changes to charging policy to allow Head of Service delegated powers to vary charges where location or frequency makes collection/disposal economically unviable under standard charging policy.</p>
Contracts	<p>7.14 Commercial charges should be set earlier to allow time for administration work to be completed in time for the new financial year.</p>	<p>7.15 We should also improve our current contracts process by using our on-line facilities to allow customers to sign up for new contracts, renew contracts, and sign up to transfer notices.</p>
Billing and Recovery	<p>7.16 Customers should be given the facility to set up a DD on-line.</p> <p>7.18 Per recommendation on collections, all bins (new, replacement, additional) should be paid for in advance via our online Pay For It facility.</p> <p>7.19 Clear policy and procedures should be adopted to ensure:</p> <ul style="list-style-type: none"> • approach to unpaid accounts is standardised • each team involved understands their role & interrelationships within recovery process • collection service is ceased as quickly as possible when appropriate • all debts are pursued timeously • 	<p>7.17 Customers who do not wish to pay by DD should be given the facility to 'pay for it' online rather than issuing invoices.</p> <p>7.20 We should look at using the full features of Integra to ensure that all of our commercial customers are being billed effectively.</p> <p>7.21 If Integra cannot facilitate better management of customer debt then an alternative system should be considered.</p>
Income Overheads Net cost of providing the service	<p>7.22 In line with the charging policy recommendations above, work should be done to establish and understand the gross and net income figures, the cost of collection, disposal, landfill taxes and other overheads</p>	<p>7.23 Once net income and operating overheads are clearly understood, the service will be in a position to understand whether they are operating at a profit or loss.</p> <p>7.24 Once overheads are clearly understood, work should begin to try to reduce costs wherever possible, ensuring we achieve best value and are able to compete in the market.</p>
Business development	<p>7.25 An exercise should be carried out comparing the NDR database to the list of commercial customers to identify potential new customers.</p>	<p>7.28 Promote an understanding at all levels within the service of the need to shift from focusing purely on service standards to a more</p>

	<p>7.26 When NDR bills are issued to new ratepayers, we should include information advising them of their legal obligations regarding commercial waste, advertising the benefits of using the HC service, and directing them to our online contract sign up facility.</p> <p>7.27 Where ratepayers do not take up our service, we should contact them as a matter of course to ensure a waste transfer notice is in place and follow up on potential contract opportunities where they have not made other arrangements.</p>	<p>commercial balance of quality of service and affordability.</p> <p>7.29 A commercial waste marketing strategy should be defined and adopted</p>
Collections staff	7.30 We should stop using the non-payment sticker system in favour of shifting emphasis to direct engagement with either refocused existing staff or a dedicated commercial team	7.31 We should consider use of technology to manage communications between admin and collections staff update after webinar

Delivery options considered

In house	✓
In source back in	N/A
Shared services	Very unlikely other authorities would be interested due to extra collection costs unavoidably incurred in Highland due to the vast geographical area that needs to be serviced. Other authorities are also facing major challenges in service delivery due to the impending 2021 household waste landfill ban and the Scottish Governments all waste target of 70 per cent recycled, and maximum 5 per cent sent to landfill, both by 2025.
Outsource	Possible but would need to be considered in conjunction with our overall waste strategy
Partnership/integrated	We could seek partners, particularly through ALO or LLP but this is likely to be a longer term solution so needs to be considered in conjunction with our overall waste strategy
Arms length	Works very well in Fife. Likely to be a longer term solution so needs to be considered in conjunction with our overall waste strategy. Fife are open to a visit from Highland to learn more.
Community run	N/A
Place based approaches	✓
Stop service	N/A – statutory function
Commercial opportunities	✓

Chapter 8 - Recycling Waste Collected

Context

The Refuse Disposal (Amenity) Act 1978 requires that we provide our residents with at least one place where they can dispose of household waste. The duty to provide such a facility is in addition to the requirement to collect residual and recycle waste from householders at their doorstep (Chapters 4 and 6).

To meet our statutory duties, we operate a network of Household Waste Recycling Centres. Recycling centres play a vital role in reducing the amount of waste that ends up in landfill and in reducing the cost of waste disposal. We currently have 20 staffed centres and one unmanned centre (Durness). Of these 21 centres, 10 are combined with Waste Transfer Stations – this provides some efficiency on transport costs. The centres are spread throughout the Highlands and mostly concentrate in the most populated areas.

Findings

Number of Sites

The waste management team advise that increasing the number of unmanned sites is not an option as current licensing laws now prevent this. The Council does however, have discretion over the number of Household Waste Recycling Centres that it provides, so could choose to reduce the number. As part of the process of ensuring that all of the centres are operating to a satisfactory level, analysis of tonnage recovered should continue to be maintained but also constantly challenged to assess whether we can close sites with low tonnages.

Opening Hours

The opening hours and staffing arrangements at some recycling facilities means that overtime is required as a matter of course. Holiday and sickness cover is also regularly provided by using operational staff and paying them overtime. A previous savings proposal suggested reducing opening hours in some of the Centres but it would have required a change in terms and conditions for some staff, meaning that Saturday working would become part of their normal working week. Initial discussions commenced with Trade Unions but the proposal was not taken forward. Further work should be undertaken to identify sites that habitually require the use of overtime. The opening hours and staffing arrangements at these sites should be reviewed to reduce the use of overtime wherever possible.

The review team considered whether levying a small charge to use recycling centres at weekends to help cover costs and keep them open was an option. The citizens panel consultation exercise clearly showed that that public are unlikely to support this initiative with 66% saying they would not pay a small charge.

Roles and Responsibilities

The roles and responsibilities of staff at the recycling centres should be reviewed. There is scope for improving our approach to challenging the public, both on entry and when they are segregating of waste. Currently this is done in Inverness Recycling Centre by the Waste Awareness team but resources in this team are limited and best utilised elsewhere. This is explored further in Chapter 12 Waste Awareness and Education.

Layout of Sites

The review has found that some improvement could be made in the layout of some existing recycling centres regarding signage, information, and entry procedures. To support recycling centre staff, access to sites should be controlled, clear signage should be erected to advise householders of the procedures and conditions of using the sites, for example that staff will engage with them to help ensure their waste is disposed of in the correct container and so on. Skips and containers should clearly display the cost of disposing of the different types of waste to encourage householders to separate the waste correctly rather than dumping it into residual containers.

Recommendations		
	Short term	Longer term
Number of Sites	8.1 We should analyse tonnage data for all existing recycling centres. This will allow consideration of whether it is affordable for all of them to remain open	
Opening Hours	8.2 We should identify sites that habitually require the use of overtime and review the opening hours and staffing arrangements to reduce the use of overtime wherever possible	
Roles and Responsibilities	8.3 The roles and responsibilities of staff at the recycling centres should be reviewed.	
Layout of Sites	8.4 To support recycling centre staff, access to sites should be controlled, clear signage should be erected to advise householders of the procedures and conditions of using the sites. Skips and containers should clearly display the cost of disposing of the different types of waste to encourage householders to separate the waste correctly	

Delivery options considered

In house	
In source back in	
Shared services	
Outsource	
Partnership/integrated	✓
Arms length	
Community run	
Place based approaches	
Stop service	✓
Commercial opportunities	

Chapter 9 - Green Waste Collection

Context

Collection of garden waste is offered to 67,000 households in Highland. This is not a statutory service and was implemented through funding from the Strategic Waste Fund in 2003. There are 7 vehicles operating across the Council area and the service costs in the order of £700,000 to deliver. 16,000 tonnes of garden waste is collected and disposal costs are reduced given the diversion from the residual waste bin. In addition, the collection of this garden waste contributes 11% to our recycling rate (although some of this comes from recycling centres).

Findings

Waste is currently collected and brought to the former Longman Landfill site, for bulking up, shredding using specialist machinery then passed to local farms at a cost to the Council, where it is turned into compost. We do not produce our own compost. Some risks have been flagged up regarding the future of this arrangement, given the change to the standards of compost which are allowed to be used for food production. The situation should be monitored.

Two options for redesigning the approach to the collection of green waste have been considered as part of this review. The first was a cessation of the Service, which is not statutory.

Aberdeenshire Council, for example, does not operate a garden waste collection service. The Council is of the view that collecting garden waste from such a large geographical area would be expensive and it would not result in net environmental benefits. They instead encourage the public in Aberdeenshire to consider ideas like investing in mulching mowers, doing more composting or pruning shrubs before they get too big as alternatives. Alternatively they offer recycling facilities at Household Waste and Recycling Centres. In addition they do offer community skips during the summer months at pre-advertised times and locations.

The other option considered was the introduction of a small charge for the delivery of the Service. This is a practice that has been introduced in a number of authorities south of the border, and more recently in Angus Council in July 2016. **Appendix 6** sets out the experience of the scheme in Rushcliffe Borough Council where the initial charges were set at £25 per bin with a £10 charge per additional bin.

The waste management team has brought forward a savings proposal involving the introduction of a charge of £25 per participating household for the collection of garden waste. This has identified that £500,000 net additional income could be generated based on a 50% uptake of the service within existing households.

It is important to note that the experience of other Councils that have introduced this approach is that there is no significant increase in waste diverted to the residual waste stream and have not experienced a noticeable increase in fly tipping as a result. Facilities will continue to be available to dispose of garden waste at the waste recycling centres located across the area. It is also worth noting that the Citizens Panel Survey carried out in December 2016 concluded that around half of respondents would consider paying a fee.

Recommendation		
	Short term	Longer term
Green Waste	9.1 Steps should be taken to implement a charge for the collection of garden waste in the areas currently covered by the collection system. Best practice should be referred to, and back office systems developed to collect information, payment details and optimisation of collection routes.	

Delivery options considered

In house	
In source back in	
Shared services	
outsource	
Partnership/integrated	
Arms length	
Community run	
Place based approaches	✓
Stop service	✓
Commercial opportunities	✓

Chapter 10 - Bulky Uplifts

Context

The bulky uplift service operates across the whole Highland area. The charges levied are standard at £18.20 for 3 items or £36.40 for 6 items, regardless of the cost to the council to collect and dispose of the items. Collections can be arranged either on-line or by calling the Service Centre. Collections require a 2 person team to ensure health and safety requirements on lifting are met.

We arrange over 3000 bulky uplifts per year and this generates a gross income of around £55,000 to £65,000 per year.

Findings

Cost of Collection

The review team found that there is no clear understanding of the cost of providing this service. Part of the difficulty is that the cost of collection cannot be viewed in isolation since the service is integrated with other duties to maximise efficiency, e.g. clearance of fly tipping.

Nevertheless, an estimate of the cost of providing the bulky uplift service carried out as part of the review clearly shows that the service is running at a loss since the income generated covers less than half the cost of providing the service (see table 8 below)

Table 8 - Weekly Information on Bulky Waste Collection

Area	Labour hours	approx costs	Vehicle hours	Vehicle Costs	Fuel	Total Weekly Cost	
Caithness	20	£ 250.00	10	60	50	£ 360.00	
Sutherland	5	£ 62.50	1.5	6	3	£ 71.50	
R&C	15	£ 187.50	7.5	30	15	£ 232.50	
Skye	16	£ 200.00	8	32	16	£ 248.00	
Lochaber	20	£ 250.00	10	40	20	£ 310.00	
B&S	15	£ 187.50	7.5	30	15	£ 232.50	
Nairn	10	£ 125.00	5	20	10	£ 155.00	
Inverness	40	£ 500.00	20	120	100	£ 720.00	
						£ 2,329.50	£121k/annum

The waste management team acknowledge that the weekly figures that they have used above are conservative, for example, 1½ hours to collect from the whole of Sutherland, or £16 in fuel to collect from the whole of Skye and Lochalsh. They also do not include the cost of administration in organising the uplifts, processing the payments, resolving difficulties around collection, or landfill tax to dispose of the items.

Collection Issues

Issues can arise when the householder does not leave the items at the kerbside and it can be unclear to collection teams which items are meant to be collected. This can result in double journeys to collect the correct items. In rural locations it can often be difficult to identify the correct property and the Council have been open to claims of uplifting items from the wrong premises.

The service focuses on providing a fast, cheap, reliable service to householders. This is good value for householders, particularly those who are unable to take bulky items to recycling centres, or those who do not live within a reasonable distance from a recycling centre.

A number of alternative approaches were considered as part of this review:

1. Focus on bulking up the waste to be collected. This would mean providing the service but doing so on a less frequent basis. Although this would undoubtedly reduce the number of journeys and therefore reduce fuel consumption, there would be no reduction in other operating overheads and this would likely remain a loss making service.
2. Provision of community skips as an alternative to doorstep collection. Community skips would allow bulk collection of goods on a less frequent basis. However, it is notoriously difficult to ensure they are used for only household waste, for example, asbestos and other hazardous materials have been found in community skips in the past. The community skips are also very expensive to deliver and uplift which would likely negate any savings.
3. Communities may wish to organise collection of bulky goods from members of the community who are unable to take goods to the re-cycling centres, perhaps due to age or ill health. If there were an interest in offering such a service, the Council could make arrangements with the communities to ensure that they could dispose of these items free of charge at the recycling centres.
4. 97% of our customers live within an hour's travel of a recycling centre. Subject to meeting equalities legislation, the service could be limited to only those 3% of customers that live further afield.
5. With around 3000 bulky uplifts per year, the service is only used by a very small percentage of our 116,000 householders. If the service were withdrawn, householders would still be able to dispose of goods free of charge at their local recycling centres. For those who are unable to do this themselves, it is likely that they may enlist the help of friends, relatives or neighbours. It may encourage householders to contact charities who will collect and reuse the goods. It could also present a business opportunity to the local 'man/woman with a van'.

The Council is under no obligation to provide an alternative should we chose to withdraw this service. We could however, if we chose to do so, perhaps provide a list of private companies or individuals that could be used to uplift bulky items. We could also decide to ensure that these contractors were approved in some way. We would of course want to avoid any arrangement that meant the Council had liability, but this area is worthy of further investigation. Community run initiatives could also be a potential solution as outlined above.

There is a general perception that withdrawing this service could lead to an increase in the instances of fly tipping, however, the available evidence does not support this view. This was also identified as a risk when charges for bulky uplifts were first introduced. Although the number of bulky uplifts reduced by 93%, the evidence shows that fly tipping did not increase at that time.

Table 9 – Requests for Bulky Uplifts/Fly Tipping Incidents

Year	Requests for Bulky Uplifts	Reported incidents of Fly Tipping
2008/09	48,751	2,458
2009/10	5,650	2,286
2010/11	4,102	1,439
2011/12	3,603	1,082
2012/13	3,401	1,098

The service was unable to provide up to date figures due to issues with the new CRM system and also in extracting recorded information from the old CRM system. However, they are of the opinion that the figures are much the same as those recorded for 2012 and that there has been no material change in the number of requests for bulky uplifts or the instances of fly tipping. There is no evidence to suggest that the remaining 7% who chose to pay for the bulky uplift service would choose to fly tip if the collection service were not available.

Review of the Charging Structure

The £18.20 charge for 3 items initially appears lower than in many other local authorities (table 10 below), however, other authorities do tend to collect more items. On a per item basis our charges are slightly higher. Our vast geographic area means we have much further distances to travel to collect the goods, so our operating costs will likely be much higher.

Table 10 – Local Authority Charges

Council	Fee
Aberdeen	£25.00 for 4 items
Argyle & Bute	£59.70 for a 10 minute pick-up
Perth & Kinross	£24.40 for 5 items
Moray	£22.02 for 5 items
Western Isles	£21 per collection
Shetland	£30 for 6 items
Edinburgh city	£26 for 6 items
East Renfrewshire	£29.00 for 15 minute pick up
Fife Council	£25 per uplift
East Dunbartonshire	£21.00 per uplift

The service has put forward a savings proposal to increase the charge to £30 per uplift for up to 3 items to generate an additional £60,000 of income to allow for close to full cost recovery. When asked whether the Council should increase the charges or stop the service, the Citizens Panel showed no clear preference, with 55% supporting an increase in the charges and 45% supporting stopping the

stopping the service altogether. There was also no strong difference between responses from rural and urban areas

Summary of Recommendations

Recommendations	
Short term	Longer term
10.1 Stop the bulky uplift service	10.4 Review effect of any changes on recorded instances of fly tipping
10.2 If stopping the service is deemed unacceptable - carry out further work to establish the full cost of providing this service before increasing the charges to more closely match the costs of providing the service	
10.3 Work with local communities to arrange authorised disposal of goods on behalf of local householders	

Delivery options considered

In house	✓
In source back in	N/A – currently in-house
Shared services	N/A - not cost effective for other La's due to vast area we cover and lack of prospects to cover costs
Outsource	N/A - not cost effective
Partnership/integrated	N/A – service not available elsewhere
Arms length	N/A – not cost effective
Community run	✓
Place based approaches	✓
Stop service	✓
Commercial opportunities	✓

Chapter 11 - Fly Tipping

Context

The Council has a statutory duty under section 89 of the Environmental Protection Act to keep land and highways, for which we are responsible, clear of litter. The clearance of fly-tipping also supports redesign outcome statement 2 - **The world class environment of Highland is protected, enhanced and enjoyed by residents and visitors.**

Reported incidents of Fly Tipping are recorded via the CRM system. The service was unable to provide up to date figures due to issues with the new CRM system and also in extracting recorded information from the old CRM system. The last recorded figures that were available for fly tipping are as shown in table 11 below:

Table 11 – Reported Incidents of Fly Tipping

Year	Reported incidents of Fly Tipping
2008/09	2,458
2009/10	2,286
2010/11	1,439
2011/12	1,082
2012/13	1,098

Findings

Data on Incidents of Fly Tipping

The service is of the opinion that the current figures are much the same as those recorded for 2012 and that there has been no material change in the number of instances of fly tipping. The CRM issues in extracting data should be logged via the helpdesk and resolved to ensure the service can extract fly tipping data in future.

Zero Waste Scotland Mapping Tool

Many of the reported issues of fly tipping tend to be minor, eg waste being left beside litter bins. Often these are cleared by waste crews during the course of their day to day duties without being formally recorded. The service used to record these instances but stopped doing so as the manual system in place at the time meant it was too time consuming.

Zero Waste Scotland has already developed a handheld mapping tool that would allow crews to easily log instances of fly-tipping as and when they clear it. This will allow the Council to build up a better picture of the scale of the problem, identify any hotspots, focus prevention activities on hotspot areas and so on. The service has advised that this is available for Highland to use but installation has not been completed due to the wider Council ICT changes. The review team recommends that following the transition process to the new ICT provider, this software should be implemented without delay.

The instances of fly tipping of commercial waste tend not to be so common, although they can often be much more expensive to clear and may require the use of machinery to do so.

Private Landowners

Private landowners are responsible for clearing fly tipping on their own land. The Council does sometimes clear this and does not attempt to recoup the cost from the landowner. Consideration should be given to charging landowners to cover costs of clearing fly tipping on their land unless there are exceptional circumstances, for example if the waste is hazardous and cannot be left, or the landowner cannot be traced.

Response Timescales

Fly tipping reports are treated as stage 1 complaints and generally given a priority response. Teams do try to use vehicles and crew that would be in the area anyway, but also have to be mindful of the stage 1 complaint response timescales. The review team recommend that reports of fly tipping be treated as requests for service rather than stage 1 complaints, and be prioritised by managers on an individual basis.

Cost of Providing the Service

Since most fly tipping is dealt with along with other day to day duties, it is difficult to determine the cost of clearing fly tipping. An exercise to estimate the cost was carried out as part of this review and this has determined that the cost of clearing instances of fly tipping costs the Council around £52,000 per year (see table 12 below).

Table 12 – Costs of Clearing Fly Tipping

Area	Labour hours	Approx. costs	Vehicle hours	Vehicle Costs	Fuel	Total <u>Weekly</u> Cost
Caithness	6 £	75.00	6	24	12 £	111.00
Sutherland	2 £	25.00	2	8	4 £	37.00
R&C	10 £	125.00	5	20	10 £	155.00
Skye	3 £	37.50	3	12	6 £	55.50
Lochaber	10 £	125.00	5	20	10 £	155.00
B&S	2 £	25.00	2	8	4 £	37.00
Nairn	2 £	25.00	2	8	4 £	37.00
Inverness	20 £	250.00	20	80	40 £	370.00
					£	957.50

The Service acknowledges that the weekly figures they have used in table 12 are conservative, for example, 3 hours per week to deal with fly tipping anywhere in Skye & Lochalsh, or 2 hours in Sutherland. They also do not include the cost of administration, the cost of plant hire where necessary, or the cost of landfill. Ross and Cromarty and Lochaber tend to use 2 man teams so cost more than other areas.

Given the relatively low costs involved, our statutory duties in this area, and our aims under outcome 2, it is unlikely that a redesign in this area could make the service significantly more affordable. There are however a few recommendations on improvements that could be made to the current service.

Summary of Recommendations

Recommendations	
Short term	Longer term
11.1 Reports of fly tipping should be treated as requests for service rather than stage 1 complaints, and be prioritised by operations managers on an individual basis.	11.2 Consideration should be given to charging landowners to cover costs of clearing fly tipping on their land unless there are exceptional circumstances, eg waste hazardous and cannot be left, or landowner cannot be traced.
	11.3 After the current change freeze/ ICT contract handover, pursue implementation of the Zero Waste Scotland fly-tipping mapping tool
	11.4 CRM issues in extracting data should be logged and resolved to ensure the service can extract fly tipping data in future

Delivery options considered

In house	✓
In source back in	N/A – in house at present
Shared services	N/A - not cost effective for other La's due to vast area we cover and lack of prospects to cover costs
Outsource	N/A - not cost effective
Partnership/integrated	N/A – service not available elsewhere
Arms length	N/A – not cost effective
Community run	N/A
Place based approaches	N/A
Stop service	N/A
Commercial opportunities	N/A

Chapter 12- Education and Awareness on Waste and Recycling

Context

The waste awareness team is responsible for education and awareness on waste and recycling. The team are split over various locations, including Dingwall, Inverness and Lochaber. There is no statutory requirement to have a waste awareness and education team, no statutory obligation to meet recycling targets, and no penalties if the targets are not reached.

Waste awareness work will continue to be important to ensure we can continue to increase recycling and reduce the amount of waste going to landfill. This will be particularly the case if the Council makes significant changes to the collection service under the Household Waste Charter and associated Code of Practice, in preparation for the 2021 landfill ban, or indeed under the Redesign process.

The team currently have 8.66 FTE reporting to a Principal Waste Management Officer, although one post is currently vacant. The team have 3 vehicles and a budget of £75,000. The overall cost of the team excluding the Principal is around £362,000.

Findings

Performance

The service performance report that went to committee on 16th August 2016 shows that the household recycling rate has remained largely unchanged in the last two years or so.

Figure 2 – Household Recycling Performance

3. Waste Management

Table 2

3.1		2016/17	2015/16				2014/15			
	Target	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr3	Qtr 2	Qtr 1
	36,500	36047	29166	29815	36794	35358	28199	29391	35937	36949
	Household Waste – Collected (Tonnes)									
	Household Waste – Composted %	60%	14.8	6.4	9.4	15.8	15.2	7.1	10.0	16.4
	Household Waste – Recycled %	35%	32.7	32.8	32.8	31.9	32.0	32.6	32.8	32.7
	Total Composted and Recycled %	50%	47.5	39.2	42.2	47.7	47.2	39.7	42.8	49.1

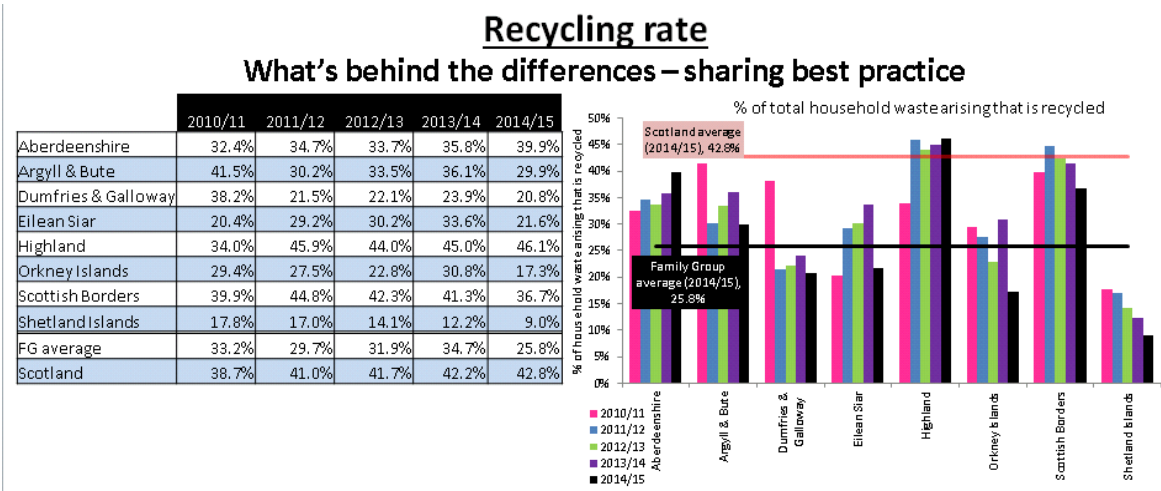
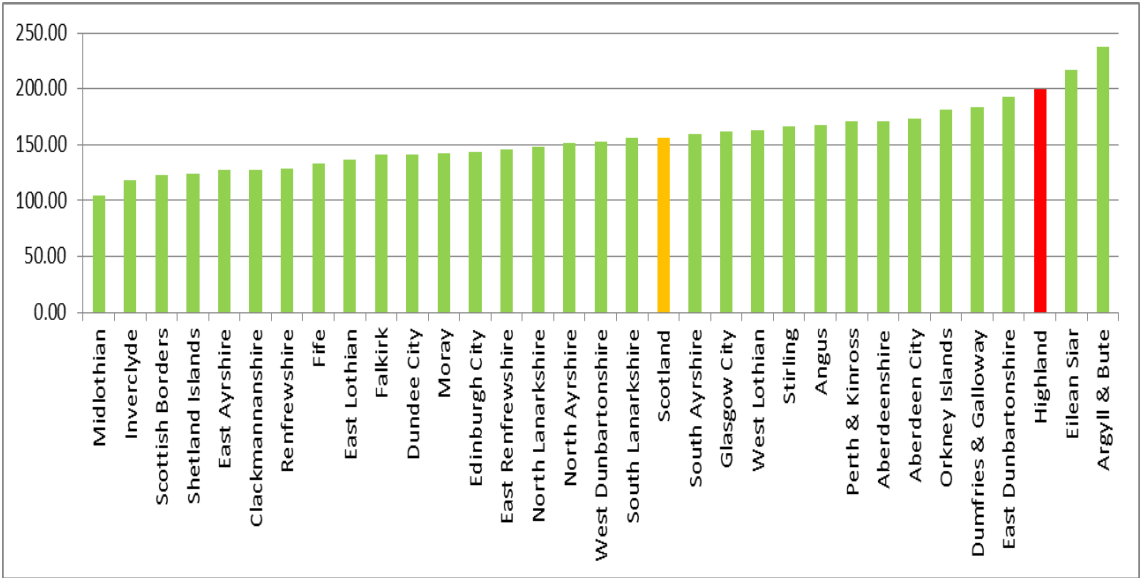
3.2 Household waste recycling rate remains largely unchanged notwithstanding the slight increase in waste arisings.

Benchmarking

The Improvement Service often refers to Highland as a source of good practice. Figure 3 below show that the household waste recycling rate in Highland is consistently above the Scottish average. Highland does of course also have one of the highest costs, being ranked 30th out of 32 authorities in terms of net costs.

Figure 3 also shows that the recycling rate in Highland increased dramatically when alternate weekly collections were introduced between 2010 and 2012 and has remained fairly static since then.

Figure 3 – Household Recycling Rates in Scotland



Recycling Targets and Strategy

The current recycling targets for Scotland, which exceed EU targets, are 60% of household waste recycled by 2020 and 70% of all waste recycled/composted by 2025.

Between 2008 and 2011 the Council undertook a recycling trial in Culbokie. Using 100 motivated and enthused volunteers, the maximum recycling rate achieved was just over 65%. The purpose of the trial was to establish the potential recycling rate that could be achieved if we could get everyone making the best use of a three bin collection service. This trial showed that we could potentially reach a higher recycling rate than at present, however, the cost of collection was prohibitive.

The service goal is to work towards the 2020 recycling target of 60 %. This year's target for household waste recycling/composted has been set at 50% and our performance in Quarter 1 was 47.5%. The waste awareness team is trying various different types of interventions to increase the rate but there doesn't appear to be any clear strategy to achieve the target.

We should review our recycling targets and strategy for meeting them in light of our higher than average costs, the lack of penalties for not meeting national targets, our already higher than average recycling rate, and the affordability challenge we face.

Interventions

The waste awareness team carry out targeted interventions at recycling centres to educate and encourage the public to increase recycle and reduce landfill. The available evidence shows that targeted interventions do result in an increase in recycling and a reduction in landfill. However, it is also clear that this does not generally continue once the targeted intervention ends.

All but one of our recycling centres are staffed but helping and encouraging customers to recycle as much as possible does not appear to be a routine part of the role. However, the service acknowledge that where staff do currently engage with the public very well, these recycling sites tend to have higher recycling rates. Recycling centre staff are graded at HC4, and the job description notes their job purpose as follows:

To maximise and promote the amount of recycling by assisting and advising site users on waste segregation, site facilities and use. To ensure that the recyclables and other waste is placed in the receptacles provided in an orderly manner and the amount of residual waste going to landfill is minimised. To ensure that the site is run fully in accordance with the Site Licence/Working Plan and Health and Safety Legislation etc.,

As per their job descriptions, the role of engaging with the public at recycling centres to encourage them to increase recycling and reduce landfill should sit with recycling centre staff. Staff should be given clear procedures, be trained, and given support by the management team to ensure that they can be effective in this task. Access to sites should be controlled, rules should clearly be displayed at the entrance, staff should try to engage with every customer, the cost of landfill or disposal should also be displayed on skips/containers as appropriate to promote awareness.

In addition to the established staff, two temporary HC06 waste management assistants are currently employed full-time to engage with the public at Inverness recycling centre. Given that this role comes within the remit of the recycling centre staff, the review team suggests that the Service should re-consider whether the two temporary staff are still required, or whether these posts should be directed to other priorities coming out of this review.

Accompanying Collection Crews

The waste awareness team accompany collection crews once a week. The aim of doing this is to encourage collection crews to consult run sheets to ensure they only collect from household bins or commercial bins that have a valid contract which is being paid, put stickers on bins when bills have not been paid, check inside bins to ensure they are not contaminated, record any inappropriate use of bins, refuse to collect bins under various circumstances (eg. lid not closed) and engage with the public

on site if need be. The evidence suggests that this occurs when members of the waste awareness team accompany crews but not otherwise as a matter of course.

After spending some time on a route with a collection crew, the review team would question whether accompanying collections staff is the best use of time for either the waste awareness team or collection crews.

For the waste awareness team, it would seem that the time they spend on vehicles trying to get crews to follow procedures is having no lasting effect and therefore seems to be an ineffective use of their time. For the crews, it would appear that the procedures are seen as unworkable or inefficient. The evidence would suggest that, in some instances, this may indeed be the case. For example, checking inside each and every bin is time consuming and could pose a health and safety risk if the crew were to do anything other than look at what they can see on the top of the bin. To check the contents more thoroughly requires them to put their hands into the bins and they may encounter glass, needles or other risks. A tool could be used to move the rubbish to allow them a closer look, however, this would be time consuming and ultimately expensive since many routes already require overtime to complete.

The review team would recommend that the practise of waste awareness staff routinely accompanying collection staff should cease on the basis that it is perhaps not delivering sustainable benefits and that other priorities may be a better use of the time spent on the routes.

Putting no payment, no collection stickers on bins can lead to conflict with customers who expect the crew to resolve the issue there and then and collect the bin. Crews report that when they do refuse to collect bins, they are quite often sent back later to collect them so it is seen as a wasted exercise. Crews are of the opinion this would work better if contact with non-payers came directly from the admin staff who are able to resolve payment issues. Customers can also easily remove the stickers, so the stickers themselves don't actually prevent the bins being lifted.

It is recommended that the service should review procedures to ensure responsibility for engaging with non-payers lies directly with admin staff with responsibility for commercial waste rather than collections crews. The staff need to have authority to take payment and authorise collection. Consulting run sheets and recording inappropriate use of bins can be difficult due to the fast pace of the job. The drivers are continually stopping and starting, watching the traffic, and watching the camera to see that the loaders are clear and safe. The loaders are often faced with a large collection of bins that are often unmarked, making it difficult to even establish which bin relates to which property.

The information recorded by the crews is manually keyed into a spreadsheet by Business Support staff. Up to 75% of the time, Business Support staff are recording nil entries and there is little evidence to suggest that much else happens with the information, other than specific actions required eg. replacement bins.

It is recommended that we review the use of run sheets and cease all recording that does not add value. We should also cease keying all information into spreadsheets and only record specific actions that are required.

In Cab Technology

In cab technology is available that could significantly streamline communications between the collection crews and the admin staff. It can replace paper run sheets and reduce duplication in recording issues encountered by collections staff.

The systems generally work by using the mobile phone network to link a GPS based map to information from the council's property database. This allows crews to use a hand held device to easily log details such as damaged bins, and see map based instructions from the admin team regarding bins that shouldn't be collected or perhaps require assisted collections.

These systems also often include the ability to take photographs, allowing admin or call centre staff to immediately see the issue found by the collections team (perhaps a contaminated bin, or evidence that no bin has been presented).

Authorities already using this software advise that the ability to see a photo in real time has significant advantages. When presented immediately with photographic evidence, customers who ring to complain about bins not being collected accept that they did not present their bins on time, or presented contaminated bins. The collections staff are happy to use the system as they are very easy to use, can evidence the fact that the bin was not presented, the crew do not 'get the blame', and they do not have to return to collect a bin that hadn't been presented.

Systems generally also work offline so that they can still be used in areas where the mobile reception isn't consistent. Some systems also make use of barcodes so that crews can clearly identify which bins should be collected and admin staff can easily get a record of what has been collected when for each route and customer. Some systems also offer reporting suites and route optimisation capabilities.

Logging issues and viewing route data in real time at source is certainly more efficient than recording issues on paper and then subsequently keying onto spreadsheets, or transferring data from spreadsheets onto paper run sheets. Whether the efficiencies gained would be enough to justify the investment would naturally depend upon the costs involved.

The cost of in cab technology varies according to the level of service and number of devices required. There are likely to be small admin savings in each of the teams that are currently involved in preparation of the run sheets, daily logs and spreadsheets. Additionally it is likely to reduce complaints and reduce time returning to collect unrepresented bins. More importantly though, the ability to map routes and record collections could present an opportunity to maximise income and reduce cost by helping to ensure we charge for all commercial waste collections and only collect when contracts are being paid.

Waste Awareness Campaigns

The waste awareness team conduct waste awareness campaigns and promote the "reduce, reuse and recycle" message through events in the local community, for example at schools, community council

events, and local shows. Some schools already incorporate waste awareness into their syllabus and use the promotional materials without the need for on-site visits from the team.

The waste awareness team no longer design our own promotional material to encourage recycling. Instead, like many other local authorities, they use the standard material provided by Zero Waste Scotland, and customise it if need be. Rather than on-site visits from the waste awareness team, we should work with Care and Learning to encourage schools to use off the shelf materials to incorporate waste awareness/recycling into the curriculum

It is also recommended that the Council should consider whether Members could take on a “champion” role for recycling when speaking to schools/local groups.

Encouraging Kerbside Sorting

Where there have been frequent problems with contamination or incorrect use of recycling bins, the waste awareness team try to engage with the householders to encourage them to change their behaviour. If writing to the customers does not work, the team visit them at home.

There are some geographical areas where, despite many letters and repeated visits by the waste awareness team, it has just not been possible to persuade householders to sort their waste at the kerbside.

The team’s only recourse at present is to threaten to take the recycling bins away. Since the problem is that the householders aren’t recycling in the first place, this very often does nothing to resolve the issue of the householder failing to sort their waste.

We need to recognise that in some areas, it may be too resource intensive, or simply not possible to persuade householders to recycle. Where written notification does not result in the householder recycling, the waste awareness team should arrange for the recycling bins to be removed rather than making repeated home visits.

Commercial Waste

In addition to waste awareness and education duties outlined above, the waste awareness team has been trying to ensure that we maximise our income from commercial customers. The review has concluded that whilst the team have had some success in this area, have a clear idea of what needs to be done and are very keen to do more, this is a duty which is an added extra to their main awareness and education duties.

On that basis the review team believe that the role of the Waste Awareness Team should be reviewed. Non value added tasks and tasks that do not lead to sustainable improvements in recycling rate should cease, which will create capacity to focus on maximising commercial opportunities.

Summary of Recommendations

Redesign Priority Recommendations
<ul style="list-style-type: none"> The role of the Waste Awareness Team should be reviewed. Non value added tasks and tasks that do not lead to sustainable improvements in recycling rate should cease, creating capacity to focus on maximising commercial opportunities Per their job descriptions, the role of engaging with the public at recycling centres to encourage them to increase recycling and reduce landfill should sit with recycling centre staff

Other Recommendations	
Short term	Longer term
12.1 We should review our recycling targets and strategy for meeting them in light of our higher than average costs, the lack of penalties for not meeting national targets, our already higher than average recycling rate, and the affordability challenge we face.	
12.2 We should consider whether the two temporary waste management assistants at Inverness Recycling Centre are still required, and whether the £64,000 cost is affordable	
12.3 Review procedures to ensure responsibility for engaging with non-payers lies directly with admin staff rather than collections crews.	
12.4 We should work with Care and Learning to encourage schools to use available off the shelf materials to incorporate waste awareness/recycling into the curriculum.	
12.5 We should consider whether Members could take on a "champion" role for recycling when speaking to schools/local groups.	
12.6 Review use of run sheets and cease all recording that does not add value. Cease keying all information into spreadsheets and only record actions required.	12.8 Consider use of in cab technology to replace spreadsheets, run sheets and improve communications between collection crews and admin staff

Delivery options considered

In house	✓
In source back in	N/A – already in house
Shared services	Unlikely other authorities would enter into an arrangement due to the huge geographical area we need to cover. They also all have well established waste awareness teams, use the same ZWS promotional material
Outsource	Unlikely other authorities would enter into an arrangement due to the huge geographical area we need to cover. A desk based service would likely be cheaper in house as ZWS already provide the bulk of the promotional material.
Partnership/integrated	N/A
Arms length	N/A
Community run	N/A
Place based approaches	Already target areas of largest population and highest volume of waste/recycling
Stop service	We could do this as there is no legal requirement to provide this service. However, some waste awareness work will be required in the coming years due to upcoming changes. The team are also already working in the area of commercial waste and have proven that they

	can increase income in this area. The preference of the service is to cut back on the awareness work and refocus on ensuring we run commercial collections on a commercial basis.
Commercial opportunities	Unlikely to be any commercial opportunities in terms of promoting waste awareness and education, however, there are opportunities to refocus on making commercial waste collection more commercial (as above)

APPENDIX 1 - Fife Council Arms-Length External Organisation (ALEO)

The Council's Arms-Length External Organisation (ALEO) commenced operations on 1 April 2014. It was established to provide services to the Council and to utilise Council assets to expand the provision of services to third parties, with a view to increasing external income. It was envisaged that increasing income in this way would make a positive contribution to the Council's revenue budget reduction process and thereby help to protect key services provided to Fife's communities.

The activities that transferred initially to the ALEO were those that were carried out by the Sustainability Unit of Asset and Facilities Management Services. In broad terms these activities were Waste Treatment & Disposal, and Climate Change & Zero Waste. Sixty employees of Fife Council were transferred to the new organisation under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), and have been employees of FRS since 1 April 2014.

On 1st October 2015, a further 160 employees were transferred to the ALEO from the Council under TUPE in relation to the following activities:

- Waste transfer, including two operational waste transfer stations
- Commercial waste collections
- Skip hire
- Servicing of household waste recycling centres and points

The rationale for the transfer of activities in October 2015 was the synergies between them and the waste related activities that transferred in 2014 which present significant opportunities for efficiencies and income growth. The ALEO currently employs 220 people direct, and another 30 people indirectly via contractors. Budgeted turnover for 2016/17 is £31.2 million

The principal activities and outputs of the ALEO are set out below.

Waste Treatment and Disposal:

(1) Anaerobic Digestion of Food and Garden Waste.

The AD Plant has been operational since late 2013, and its operation transferred to FRS on 1 April 2014. It is the first of its kind in the UK and, according to the technology providers, is the second largest of its type in the world. It has not been without its challenges, which, at the time of writing, are the subject of contract negotiations with the Design and Build Contractor. However, In 2015/16, the Plant processed in excess of 35,000 tonnes of food and garden waste collected by Fife Council, producing over 5 million kWh of renewable power. This is sufficient to meet the electrical power demands of 1250 households and will generate a forecast income of circa £800,000. The plant also produces compost which recently became accredited as meeting an industry recognised quality standard, PAS 100. The principal benefit of this is that the compost is now regarded as a product that can be marketed to local agricultural outlets.

(2) Green Waste Composting

This business unit produces approximately 12,000 tonnes of PAS 100 compost from green waste delivered to Recycling Centres. This product is an agricultural grade that is used by local farmers.

(3) Wood Biomass Production

FRS is a supplier of wood biomass to RWE's combined heat and power plant at Markinch. In 2015, approximately 13,000 tonnes of biomass was sold to RWE, providing an income in excess of £250,000.

(4) Production of Refuse Derived Fuel

A new Refuse Derived Fuel facility is in operation at Lower Melville Wood Landfill Site. Residual waste is processed, baled and wrapped for export to energy from waste plants in Sweden and Denmark. The first shipment of fuel is expected to be exported from the port of Dundee in the last week of May. A two year contract for the supply of 30,000 tonnes of fuel per year is in operation.

(5) Landfill

The business unit operates two landfills for the final disposal of non-recyclable waste. In the two years of operation, the ALEO has earned over £3 million from landfilling third party waste, in addition to landfilling Fife Council's residual waste

(6) Renewable Power and Heat

Gas extracted from the landfills operated by the ALEO produces approximately 15 million kWhrs of renewable electricity per year, sufficient to meet the needs of up to 3,750 households. At Lochhead, heat recovered from the generation of electricity is used to provide hot water to the Dunfermline community heating system. A photovoltaic array on the roof of a building at Lower Melville Wood produces a modest amount of renewable power, whilst a recently erected wind turbine is expected to produce up to 1.3 million kWhrs of electricity per year, sufficient to meet the needs of 300 households. Total renewable power production at the ALEO's waste management facilities is expected to be approximately 21.3 million kWhrs in 2016, sufficient to meet the electrical power needs of a town the size of Cupar.

(7) Recycling Centres

This business unit operates eleven Recycling Centres on behalf of Fife Council.

Climate Change and Zero Waste

(1) Climate Change

The Climate Change and Zero Waste unit is responsible for the development of climate change mitigation strategies and delivery programmes for Fife Council. This includes the development and

implementation of the Council's Energy Strategy, including aspects relating to renewable power and low carbon heat. Work carried out in relation to low carbon heat is at the cutting edge of public sector engagement in this area. Our expertise has also been employed by third parties, most recently in partnership with St Andrews University for investigations into the use of geothermal heat by the University.

(2) Zero Waste

This business unit provides strategic advice to the Council in relation to the sustainable management of waste and project manages the delivery of improvements to household waste collection services, most recently the kerbside waste collection trials carried out in Markinch and Glenrothes.

(3) Long Term Residual Waste Treatment

In partnership with Fife Council, the ALEO is leading a project to deliver a long term residual waste treatment solution for Fife Council post 2020. This is a critical project for both parties since there will be a de facto prohibition on landfilling of municipal solid waste from 1 January 2021.

(4) Services to Others

The Climate Change and Zero Waste Team provides consultancy services to other councils and public bodies. In each of the last two years it has generated £100,000 of income from these activities.

Commercial & Waste Transfer Operations

(1) Commercial and Industrial Waste Collection

This business unit provides waste and recycling collection services to over 3,500 customers, generating over £3 million of income. Since the transfer of these activities from the Council, the ALEO has been successful in securing additional skip waste business from Fife Council, has commenced household waste skip services and has secured a contract with Saica Natur to service all of its Fife based customers for the collection of waste paper. It has also secured a contract with the same company to provide waste haulage services from East Lothian to Aberdeen. This contract is due to commence on 20 June 2016 and will involve the TUPE transfer of three employees from Saica Natur to the ALEO.

(2) Waste Transfer

The Commercial and Waste Transfer unit operates two waste transfer stations on behalf of the Council, providing for the transfer of over 50,000 tonnes of waste and recycles per year.

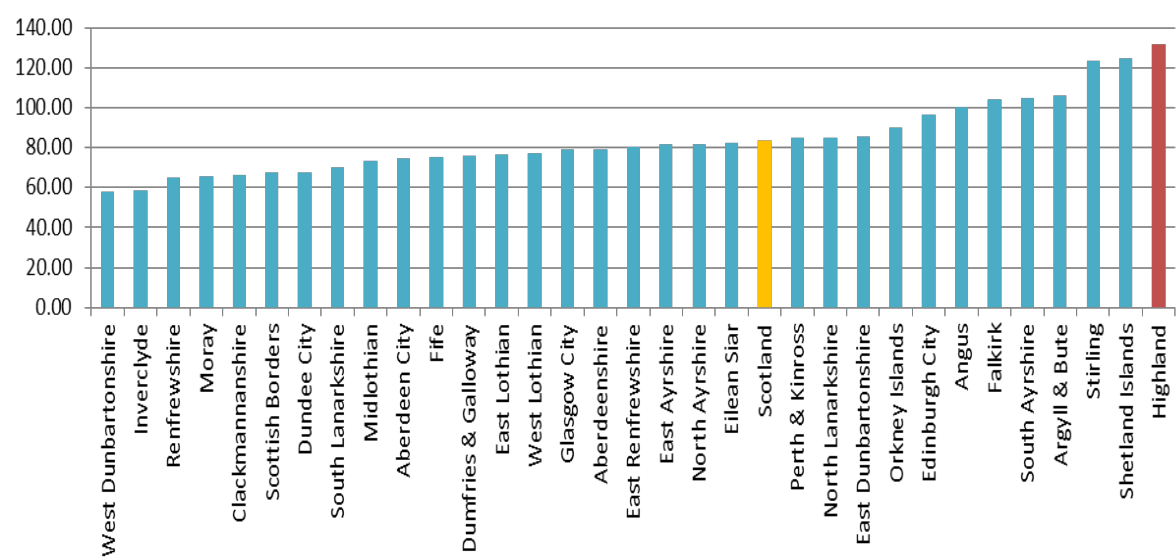
(3) Servicing of Recycling Centres and Points

Eleven Recycling Centres are serviced by a fleet of eight Hooklift vehicles, and over 350 Recycling Points are serviced for the collection of glass, plastics & cans, and waste paper. In 2015, approximately

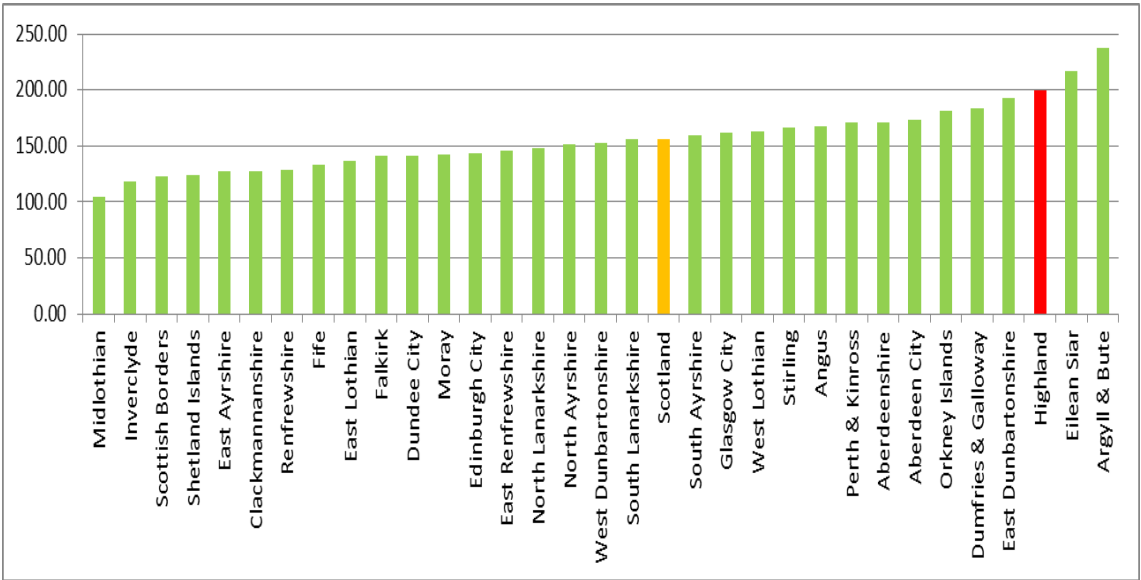
70,000 tonnes of waste and recyclates was collected from the Council's Recycling Centres, of which 20,000 tonnes was landfilled at a cost to the Council in excess of £1.8 million.

Appendix 2 – Costs of Waste Collection

Our gross collection costs per household are £132.03 compared to the Scottish average of £83.77



Highland has one of the highest costs, being ranked 30th out of 32 in terms of net collection costs.



Appendix 3 – Fife 3 weekly collection trials

Fife is a unitary authority situated between the Firth of Tay and the Firth of Forth, with inland boundaries to Perth and Kinross and Clackmannanshire. The total number of dwellings within Fife was 163,938 in 2011, with a total population of 367,260 in 2014¹.



Figure 1: Location of Fife (Pink). (Google Maps, 2015)

Urban rural make up (using 6 classifications)	
Large Urban areas (over 125K)	0%
Other urban areas (10-124,999K)	64.3%
Accessible small town (3-9999K)	17.3%
Remote small town (3-9999K)	0%
Accessible Rural (<3K)	18.4%
Remote Rural (<3K)	0%

The suitability of properties to receive an extended residual collection is part of the present research. However from rolling out their previous 4 bin service they managed to put the service into 150,000 households out of around 167,000 – Of the remainder 5,000 are rural (and have rural specific service, 2,500 problem access properties, remaining 9,500 – mixture of flats and households with storage issues.

¹ <http://www.nrscotland.gov.uk/files/statistics/council-area-data-sheets/fife-factsheet.pdf>

Collection Service Provided

From September 2015 the Council commenced trialling two new waste collection patterns, one in Markinch and Coaltown of Balgonie and another in Thornton and Stenton, Glenrothes. The trials will run for 9-12 months.

MARKINCH AND COALTOWN OF BALGONIE TRIAL

Container	Materials	Collection Frequency	Capacity
Blue bins	Residual	3 Weekly	70 litre
Green bins	Plastics - bottles, containers, packaging such as bread bags, food trays and empty carrier bags Metals – Food cans, drink cans, foil trays and metal lids	3 Weekly	70 litre
Grey bins	Newspapers, greeting cards, catalogues and envelopes Cardboard boxes, drinks cartons, cardboard tubes and other cardboard containers	3 Weekly	70 litre
Brown bins (non-chargeable)	Garden waste – grass cuttings, flowers and plants, twigs and small branches Food waste – fruit and vegetables, poultry, meat, fish, plate scraping and tea bags and coffee grounds	Fortnightly March – November and 4 Weekly December – February	March – November: 120 litre. December – February: 60 litres.

THORNTON AND STENTON, GLENROTHES TRIAL

Container	Materials	Collection Frequency	Capacity
Blue bins	Residual	4 Weekly	140 Litre
Green bins	Plastics - bottles, containers, packaging such as bread bags, food trays and empty carrier bags Metals – Food cans, drink cans, foil trays and metal lids	Fortnightly	240 Litre
Grey bins	Newspapers, greeting cards, catalogues and envelopes Cardboard boxes, drinks cartons,	4 Weekly	240 Litre

	cardboard tubes and other cardboard containers		
Brown bins	Garden waste – grass cuttings, flowers and plants, twigs and small branches Food waste – fruit and vegetables, poultry, meat, fish, plate scraping and tea bags and coffee grounds	Fortnightly March – November and 4 Weekly December – February	240 Litre
Recyclable material can be taken to a local Recycling Point or Recycling Centre Landfill waste can be disposed of free of charge at the nearest Recycling Centre			

Drivers for change

Fife, along with all other Scottish local authorities, has to meet the requirements set out in both Scotland's Zero Waste Plan and in the subsequent Waste (Scotland) Regulations 2012:

- The national Zero Waste plan established recycling targets for local authorities of 50% of household waste by 2013 increasing to 60% by 2020, and to 70% for not just household waste but all waste by 2025.
- Provide separate collections of recyclable material (glass, card, paper, food waste, metal and plastic).
- Landfill bans on specific materials including a landfill ban on biodegradable municipal waste (BMW) from 1st January 2021.

While Fife is in a good position to meet the 60% recycling target of 2020 considerable effort and changes are going to be required to achieve the 2025 target of 70% recycling of all wastes. Disposal costs for landfill waste have increased to where landfill tax is now at a rate of £80 per tonne and it is expected that when the ban on landfilling of BMW starts in January 2021 officers identified that disposal costs could rise to £130 per tonne.

If no improvements are made post the implementation of the 4 bin service and landfill tonnage remains static this increase in disposal costs could cost Fife Council an additional £1.5M per year. A review of current service (Capture materials) identified that 50% of the residual waste could have been otherwise recycled through the existing kerbside collection, while a further 14% could have been recycled at the HWRCS network.

Service Design

In light of these challenges a review of the current recycling service, including an assessment of future options for further improvement, was carried out. This followed officer discussion with the policy advisory group. Officers forwarded the recommendation to the executive with a business case.

As part of this process Absorbent Hygiene Products (AHP) was discussed. The Council estimated the number of potential properties producing AHP based on previous AHP survey work and also birth rate data. It was estimated that around 10% of total households produced AHP.

The approach to these householders was those on the 3 weekly trial are given a larger bin, but the frequency of collection is same as for all others.

On the 4 weekly trial, AHP households, have 2 choices: retain the 140Ltr small landfill bin but get it emptied every 2 weeks or get a larger 240Ltr landfill bin emptied every 4 weeks along with everyone else's bins. These properties (plus other properties that have not been out on the trial like flats) on the trial are serviced by existing collection crew / vehicles after the other collections have been completed. At present this is achievable due to the relatively small number of households in the trial. If the service was rolled out, additional vehicle & crew have been built into the costs / savings to simply service these properties. 1 RCV – on 2 shift system manned by driver plus 2 (2 shifts).

The business Case forwarded a total of 7 options were assessed which included modelling work conducted by Zero waste Scotland. ZWS looked at yields achieved by other local authorities operating similar services and current capture rates from Fife's 4 bin service to identify expected decreases/increases in landfill/recyclates respectively.

Five of these options were discarded for reasons including:

- Being operationally unworkable
- Low increases in recycling rate
- High costs implementation and/or running costs
- Long payback periods on investment

Two options realised comparable recycling rate increase, provided similar ease of use, costs/savings and carbon emission reductions. It was proposed therefore that a practical trial of both options should be carried out in 2015/16.

- The review of the 4 bin recycling service found that over 50% of the contents of the household landfill (blue) bins could be recycled in the kerbside bins, and a further 14% could have been taken to a recycling point or centre. Only 36% of the contents of the landfill bins needed to be disposed of in this bin.

Dependant on the results a preferred option would then be put forward for political approval for implementation across Fife. This would take place over two years – 2016/17 –2017/18.

- Fife wide implementation of one of the options being considered could potentially increase Fife's recycling rates to over 65%, ensuring it would meet the 2020 – 60% recycling target, and placing it in a much better position for meeting the 2025 – 70% target.
- Costs savings from the implementation of the options across Fife could see annual revenue savings (post completion) of over £350,000 in the short term rising to over £900,000 post 2021. This would be compared to a "do nothing" option which could see Fife face additional disposal costs of up to £1.5M annually post 2021.

The net cost of carrying out field trials of options to improve household waste recycling services is forecast to be £201,000. Subject to the successful implementation of the field trials, the forecasted cost of implementing this option across Fife was a one off total capital and revenue cost of £540,241, less the anticipated £627,824 saving from reduced disposal costs, over two years. Included within this cost is equipment costs, additional containers, communications campaigns, vehicle hire and fuel and staffing costs.

Implementation strategy

The project was managed by Resource Efficient Solutions (RES)² RES are an arm's length organisation who manage the landfill, prepare the waste strategy as well as carrying out work for other Councils. They were supported by a project implementation team which was formed with input and support from other services and teams from within Fife Council:



- Environment & Transportation – Environmental operations
- Business Support Service
 - Finance Services
 - Customer Services
 - Fleet services
- Routes were identified (Areas well established in recycling/ representative of the whole of fife by selecting a range of council tax banding/ selecting somewhere representative/ average recycling rate / fairly close to the depot)
- Householders were granted an amnesty on side waste for the first collection but after that the service enforced
- Flats are likely to remain on a weekly basis but there are not a great number of them in Fife
 - For additional capacity requests three criteria are assessed
 - Medical issue
 - 5 or more permanent members of household
 - AHP

For the trial the Council will organise an assessment by a recycling adviser. They will investigate each case on a case by case basis This will identify issues that we need to address in the wider roll out:

- 3 weekly go from 140 ltr to 240lt
- 4 weekly bigger bin, they have a choice to keep the bin smaller and stay on fortnightly or get a bigger bin and move to 4 weekly collection

All householders can get additional recycling bins to increase recycling capacity.

Other areas under investigation as part of the trial is the introduction of in cab technology. The

actual implementation strategy has not been agreed as yet. This includes the number of phases it will be rolled out in or indeed when this would start. All will be determined / decided after the trial is finished and the results are fed back to local members. The decision will depend on the results of the trial.

Communal collection frequencies vary depending on range of other bins households have – can be more than weekly, weekly, fortnightly. If they have full range / capacity of recycling then they may even be put on the trial.

The approach to communal collection frequencies varies depending on the range of other bins households have, at present the Council are open, they can be more than weekly, weekly, and fortnightly. If they have full range / capacity of recycling then they may even be put on the trial.

² www.refsol.co.uk

Communication strategy

The communication strategy implemented by Fife Council for the introduction of these trials is given below³.

Pre implementation

- Informal officer/ member discussion
- Member briefing papers
- Briefings/ discussions with operatives were undertaken including targeted training

Post Implementation

- Teaser leaflet before rollout
- Bin tags identifying when the change would occur
- Household information guide providing details about the scheme (Why the scheme has been introduced, information on the collection frequencies, materials that will be collected and in what container and where to find more information).
- Public information evenings
- Community events/ school fayres
- Community Council meetings/ ward meetings
- Utilise social media to provide information / get and respond to feedback
- Training of contact centre staff
- Door knocking through temporary recycling advisers

Your questions answered

Is my blue bin big enough?
Up to 7.5% of the waste you produce can be recycled at the kerbside - this should mean that for the majority of householders they will be able to manage for 3 weeks between collections. However we will have staff available to offer advice and address specific concerns throughout the trial period. We do offer additional capacity under certain circumstances.

How do I get more recycling bins?
As part of the trial we will be relaxing the policy of additional recycling bins. Please call our Recycling Helpline on 03451 55 00 22 or visit www.fifedirect.org.uk/bincollectiontrials for further information.



A member of our household uses nappies / incontinence products. Do we get extra help?
Yes. If a member of your household uses nappies or incontinence products we will provide a bigger blue bin for your landfill waste. Please contact us on the details below.

Why is my brown bin emptied every 4 weeks over winter?
Very little garden waste is put out for collection between December and February, and as a result the bins have a lot less in them. We are therefore trialling collecting your brown bin every four weeks throughout these months.

Find out more
You can get in touch using the contact details below, or come and meet the team at one of our information evenings.


Markinch	Markinch Town Hall Balgon Street Markinch KY7 6AA	Monday 7th September 7:00pm
Coatstown of Balgonie	Queen Victoria Hall Main Street Coatstown of Balgonie KY7 6HS	Tuesday 8th September 7:00pm

Please contact us for more information about the new service:

 Recycling Helpline 03451 55 00 22
(Monday to Friday 8am to 6pm)
 www.fifedirect.org.uk/bincollectiontrials

Starting Tuesday 22nd September


Bin collection trials



- Why the change
- How often will your bins be emptied
- What goes in your green, grey, brown and blue bins
- How to find out more

Fife
COUNCIL

Reduce Reuse Recycle

 **recycle**
for Fife

³ <http://www.fifedirect.org.uk/news/index.cfm?fuseaction=committee.event&evntid=0ECFA7F6-9A21-B812-586FA87BC4C7F3F9>

Results of the Changes to date

- Monitoring is being carried out pre, during and post-trial in order to monitor whether predictions made within the business case were accurate.
- Customer feedback on the current 4 bin service is overwhelmingly in favour of increasing the current four weekly collection frequency of the green comingled bin. This is supported by the findings of a doorstep survey which identified that over 80% of respondents' green (plastic & cans) bins were full or overfull at the time of collection. Revising the collection frequency of the bins as part of service improvements would address this issue.
- Depending on the outcome of the trials, a subsequent report and business case will be produced for committee approval either seeking support for a Fife wide rollout of an option or to agree to not take it any further
- High media interest
- Surprisingly neutral in the trial areas (positive/ negatives)
- Low number of complaints for the trial area
- Some comments- not any more or less than prior to the trial
- Councillors very supportive/ cross party support very useful. Underlying this support was that the team have a track record of successfully delivering previous recycling services
- Local members were involved in the selection of the trial areas
- The business case states that
 - *Successful implementation of one of the options on a Fife wide basis is currently forecast to provide annual revenue savings of £350,000 (£1.05M cumulative) until 2021, during which period landfill will be the principal option for disposal of residual waste. From 1 January 2021, landfilling will no longer be an option for residual waste disposal, and an assumption is made that the principal alternative will be incineration. Soft market testing suggests that this may be significantly more expensive than landfilling. Accordingly, the recycling improvements forecast for the options referred to in this paper have the potential to yield annual savings of £900,000 per year from 2021 when compared to the status quo.*

The trials still ongoing so no post-trial data is available yet.

Lessons Learnt

- Preparation work on the business case to highlight the savings has proved highly beneficial as it is able to provide the answers to most enquiries
- Early and frequent communication to all sectors of the community
- Development of a highly motivated and skilled Implementation Team
 - Zero Waste officers service managers
 - Operations officers (Crews)
 - Contact Centre
- Council financial support for the implementation costs such as equipment, vehicles, communications and staffing.
- The next steps are to continue to evaluate and monitor the trials and recommend the introduction of one service for the whole of the Council.

Appendix 4 – Charges for Replacement Bins

The undernoted table provides some examples of other Scottish Councils who currently charge for replacement residual bins:

Local Authority	Current charge
Shetland Islands Council	240 litre bin £40
Renfrewshire Council	240 litre bin £21.50
Argyll & Bute Council	Size not listed but bin cost £31.05
Aberdeenshire Council	240 litre bin £57.80
West Dunbartonshire Council	Website says there may be a charge for new or replacement bin
South Lanarkshire Council	240 litre bin £56.45





Cabinet

14 January 2014

Green Waste Club Scheme- Renewal Process for
2014/15

8

Report of the Executive Manager- Neighbourhoods

Cabinet Portfolio Holder- Councillor N C Lawrence

Summary


The discretionary green waste collection scheme has been successfully operating as a chargeable service since 2011/12 with over 28,000 members. This report explains the arrangements that are required to ensure an effective and efficient renewal process for 2014/15. The report also highlights changes in the fee structure as cost pressures relating to key service consumables such as fuel have continued to mount and there is a need to ensure that the service moves back towards a cost recovery basis.

Recommendations

It is RECOMMENDED that Cabinet endorse the renewal process for the Green Waste Club Scheme 2014/15

Background

1. A charge for the discretionary green waste collection service was introduced in March 2011 for the financial year commencing 2011/12. At the time a fee was set of £25 for the first bin and £10 for subsequent bins. The cost of £25 roughly equated to the costs of delivering the green waste collection service in 2009/10.
2. Following a very successful renewal process in 2012/13 and again in 2013/14 the green waste collection scheme has steadily grown in popularity from 25,837 members to 28,436. In addition to an overall increase in customer numbers a particular increase has been seen in those customers with larger gardens wanting additional green bins.
3. As part of the renewal process for 2012/13 a satisfaction survey was undertaken and this gave a very positive score of 85% overall satisfaction with the green waste collection service. A similar survey carried out in May for 2013/14 resulted in an increase to 89% satisfaction.
4. In terms of recycling performance the scheme has not had a major impact as the continued take up of the scheme and the actual tonnage presented by residents i.e. fuller wheeled bins has seen recycling performance remain buoyant at 51.5% for 2012/13. This places the Council as the best performing Council in the county and in the top 20% of authorities, for recycling performance, in the country.

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5. The past year has also seen the Council launch the first edition of the Rushcliffe Gardner magazine which is part of the Council's aspirations to grow the scheme, bring a wider range of benefits to scheme members and to develop the club concept. The magazine included over £10 of vouchers from a local garden centre and the businesses that supported it saw an increase in their footfall.

Considerations for 2014/15

6. To ensure the timely and effective administration of the scheme the renewal process has to commence around week commencing 27 January 2014 to allow club members to have sufficient time to renew as collections will cease for members not re-joining by 31 March 2014. As in previous years residents may join the scheme at any point during the year upon payment of the full annual fee
7. The current level of gross income for green waste collection is £759,510 however work has been undertaken to compare the current income against the cost of delivering the service (£900,000) which provides evidence that the Council are now subsidising the service by approximately £140,000.
8. This is primarily due to an increase in the costs of materials and supplies associated with delivering the service e.g. tyres and in particular fuel costs which have risen since the original fee was set. Such costs and future fee levels will continue to be monitored as part of the Council's budget process.
9. However the current situation and the need to move the service back towards a cost recovery basis was explored by Members of the Council as part of the budget consultation workshop in November 2013. During the exercise Members considered a number of different charging options.
10. The Members that attended both events showed strong support for increasing the fee to £30 for the first bin and £15 for each additional wheeled bin. Based on the data for 2013/14 this change would generate additional income of approximately £140,000 taking into account the likely attrition rate across single and multiple wheeled bin customers. Essentially the change should put the green waste collection service back on a cost recovery basis.
11. Such a fee still compares favourably with similar charges elsewhere as there continues to be significant variations across the country with the highest being in London at £69 however Sheffield charge £40 and Melton Borough Council charge £32 per wheeled bin via their scheme delivered by Biffa. Currently in the county the highest charge is Gedling with £34 with Mansfield charging £25 for the first and any subsequent collections and then charging £30 in Newark and Sherwood. This is the same fee that the Council will be charging when it expands its service into the south west of Newark and Sherwood in April 2014.
12. Therefore in line with the Council's scheme of delegation officers will be taking on board the feedback from the Member's budget workshops and making arrangements to proceed with the 2014/15 renewal plan.

Financial Comments

The main financial implications are contained within the body of the report.

Section 17 Crime and Disorder Act

There are no crime and disorder implications from this report.

Diversity

An Equality Impact Assessment has been undertaken and the increase in fee for 2104/15 may have a disproportionate impact on members of the scheme that are physically disabled and who therefore may not be able to easily make alternative arrangements to deal with their green waste.

Background Papers Available for Inspection:

Equality Impact Assessment- Green Waste Collections November 2013

Appendix 7 – Citizens Panel Results December 2016

A survey was distributed to just over 2,300 members of the Citizens' Panel in December 2016 comprising questions regarding various Council services, including waste and the panel were given two weeks to respond. A total of 877 responses were received providing a response rate of 37%. Previous surveys have received a slightly higher response rate of around 44%, this may be reflective of the time of year and the necessary, but short, timescale for response. The questions specific to waste were related to garden waste collections, the bulky uplift service, recycling and collection frequencies.

The first question asked about the garden waste collection service and whether respondents would be prepared to either pay for this service or make more use of their local recycling centre. 47% responded saying they would be prepared to pay a charge whereas 53% advised they would prefer to take their garden waste to their local recycling centre. Incidentally, from the demographics, respondents living in rural areas were more in favour of using local recycling centres than those in urban areas.

The next question asked about use of the Council's bulky uplift service and views on increasing the charges to meet costs. Surprisingly, only a small percentage of respondents (11% in total) have used this service. More than half the respondents (55%) were in favour of increasing the charge whereas 45% were in favour of ceasing the service altogether but continuing to allow householders to dispose of the items free of charge at local recycling centres.

The next question asked to what extent did respondents agree the Council should remove the bottle banks which are not well used, to make the service elsewhere more affordable. 60% of respondents agreed this should be actioned with a further 8% neither agreeing nor disagreeing.

Respondents were also asked if they would support a pilot study to reduce frequency collections. 37% of respondents agreed they would support a pilot with a further 12% neither agreeing nor disagreeing.

Lastly, the survey asked about use of local recycling centres and support of a possible charge at weekends. The survey showed that the majority of respondents use their local centre at some point during the year with only 8% advising they never visited their local centre. However, only 34% would support a charge to cover the cost of weekend opening.

These survey results will hopefully supplement and support some of the proposals contained within the foregoing report although it is accepted that further targeted consultation will require to take place regarding some of the proposals.

Redesign Recommendations Operational					
Timescale	Ref	Recommendation	Indicative Saving	Source	Note
Priority	7P1	Refocus existing staff to ensure commercial opportunities and income are maximised and contracts are managed on a regular basis.	£64k additional cost offset by 12P1 £260k income	Current cost of 2FTE Additional income from commercial – 10% increase on last years £2.6m income	
	12P1	The role of the Waste Awareness Team should be reviewed. Non value added tasks and tasks that do not lead to sustainable improvements in recycling rate should cease, creating capacity to focus on maximising commercial opportunities	£64k re-invested in commercial waste per 7P1	Current cost of 2FTE including on-costs –	
	12P2 & 8.3	Per their job descriptions, the role of engaging with the public at recycling centres to encourage them to increase recycling and reduce landfill should sit with recycling centre staff	TBC		
Short term	1.1	The service should review budget responsibilities to ensure a greater collective knowledge of budget structures and a clearer overview of service wide costs and income.			
	1.2	Further review should be undertaken on the staffing budget – analysing staff establishment, vacancies, agency and overtime costs although this cannot be done in isolation and is tied in with route optimisation and the overall waste collection and recycling strategies.			
	2.1	Efforts should be made to ensure that the fees being set are proportionate and that the monitoring activity is fit for			

		purpose. This may require a national approach to SEPA.			
	2.2	Ensure that within the context of wider Council redesign proposals, the close synergy between the teams responsible for waste management and for energy generation is maintained and enhanced wherever possible			
	4.1	Review all routes that routinely require overtime and try to contain within a normal days work	£40k	5% reduction in overtime budget	THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18
	4.2	Review all routes that are routinely less than a normal day's work and try to expand where possible to free up capacity/reduce overtime elsewhere	Contributes to 4.1 saving	free up capacity/reduce overtime elsewhere	THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18
	4.5	Review 3 man crews/ number of bins/tonnages to identify opportunities to maximise use of 2 man crews wherever possible. Consider use of driver only operation for smaller routes.	£100k		THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18
	4.6	Operate the HC08 Waste Management Officer role at a service rather than area level to facilitate better workload management across the service	Prevents additional budget pressure and creates opportunity for further efficiencies in future	Not necessary to have specific presence in each of the 8 areas Every area has at least one foreman	
	4.7	Review the use of agency staff where costs are significantly higher than for permanent staff.	£15k	Conservative estimate based on 2 drivers. Perm staff 33% cheaper than agency drivers in Sutherland	THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18

	4.16	Analyse Masternaught and tonnage data across all vehicles to identify opportunities for efficiencies.	Contributes to 4.1 saving		THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18
	6.2	Given the reduction in the amount diverted from landfill, the arrangement with Newstart and Blythswood should be reviewed for 2017/18 to ensure it continues to be cost effective	Potential to save up to £75k	All items currently diverted through charities would not end up in landfill, estimate up to 50%	
	6.3	Whilst it is important to continue to engage with Zero Waste Scotland we must be mindful that it may take some time to see an outcome, that an additional bin is unlikely to be financially viable unless we can collect multiple waste types in the one pass, and that a standard service may not be the best option in an area that is geographically anything but standard. We must also be careful that we do not lose valuable time awaiting a ZWS outcome without dealing with our medium and long term solutions. The focus of the engagement with ZWS must be entirely focussed on more populated areas, particularly the Inner Moray Firth. This will ensure that economies of scale are provided for. The ZWS work should also not stop trialling different collection frequencies	Potential to secure funding		
	7.1	Review commercial routes per recommendations 3.1 to 3.2 in section 3 collection of waste	Contributes to 4.1 saving		
	7.9	Consider changing policy of advertising our commercial charges on our website as this puts us at a disadvantage commercially.	Contributes to additional income per 7P1		
	7.10	Consider changing policy of advertising intended changes to charges 8 weeks in advance as this puts us at a disadvantage commercially.	Contributes to additional income per 7P1		

	7.25	An exercise should be carried out comparing the NDR database to the list of commercial customers to identify potential new customers	Contributes to additional income per 7P1		
	7.30	We should stop using the non-payment sticker system in favour of shifting emphasis to direct engagement with either refocused existing staff or a dedicated commercial team	Contributes to additional income per 7P1 and savings under 4.1		
	11.1	Reports of fly tipping should be treated as requests for service rather than stage 1 complaints, and be prioritised by operations managers on an individual basis.	Prevents additional budget pressure and creates opportunity for further efficiencies in future		
	12.1	We should review our recycling targets and strategy for meeting them in light of our higher than average costs, the lack of penalties for not meeting national targets, our already higher than average recycling rate, and the affordability challenge we face.	Contributes to additional income per 7P1, and 12P1		
	12.2	We should consider whether the two temporary waste management assistants at Inverness Recycling Centre are still required, and whether the £64,000 cost is affordable – particularly in view of 11P2, role should sit with existing recycling centre staff	£64k	Cost of current temp staff	
	12.3	Review procedures to ensure responsibility for engaging with non-payers lies directly with admin staff rather than collections crews.	Contributes to additional income per 7P1 and savings under 4.1		
	12.6	Review use of run sheets and cease all recording that does not add value. Cease keying all information into spreadsheets and only record actions required	Contributes to additional income per 7P1 and savings under 4.1		

Longer term	4.4 & 7.5	Analyse collection costs for each route	Contributes to additional income per 7P1 and savings under 4.1, 4P1 and 7.4		
	4.8	Postpone any wider review of the use of agency staff until routes have been optimised. Prevents additional budget pressure and creates opportunity for further efficiencies in future			
	4.13	Where there is limited capacity for storage of bins, consider providing locked or unlocked communal bins , OR collecting no recycle and just one residual bin –fortnightly unless volume means weekly collection is essential.	Contributes to 4.15 saving	Resolves storage issues, reduces associated complaints, reduces collection costs	Flexible approach to frequency of collection
	7.28	Promote an understanding at all levels within the service of the need to shift from focusing purely on service standards to a more commercial balance of quality of service and affordability.	Contributes to additional income per 7P1		
	7.29	A commercial waste marketing strategy should be defined and adopted	Contributes to additional income per 7P1		
	8.4	To support recycling centre staff, access to sites should be controlled, clear signage should be erected to advise householders of the procedures and conditions of using the sites. Skips and containers should clearly display the cost of disposing of the different types of waste to encourage householders to separate the waste correctly	Contributes to additional income per 7P1, and supports 12P1 and 12P2		
	10.4	Review effect of any changes on recorded instances of fly tipping			

Redesign Recommendations
Operational – support required

Timescale	Ref	Recommendation	Indicative Saving	Source	Note
Priority	2P1	The Council should prepare a development strategy for Seater Landfill Site, with particular emphasis on whether the Council should be using Seater from 2019 up until 2021 for all of our residual waste disposal, particularly if the transfer stations/treatment facility set out above can be delivered over the course of 2017/18 and 2018/19. The strategy should also develop a plan for potential commercial opportunities post 2021.			
Short term	2.1	Efforts should be made to ensure that the fees being set are proportionate and that the monitoring activity is fit for purpose. This may require a national approach to SEPA.			
	4.14 & 7.18	Charge via pay for it facility to ensure bins are paid for in advance with minimum admin overheads. Service Centre staff could log request and take payments for customers who are unable to go online.	£5k	Increased income, reduced admin	
	6.1	Review the 60 glass recycling banks that are either not currently used or rarely used to determine whether some of these can be removed or relocated	£42k.		
	7.16	Customers should be given the facility to set up a DD on-line.	TBC -Minor admin savings	quicker service to the customer, and allows the Council to collect debt more quickly	
	7.19	Clear policy and procedures should be adopted to ensure:	Contributes to additional income per		

		<ul style="list-style-type: none"> •approach to unpaid accounts is standardised •each team involved understands their role & interrelationships within recovery process •collection service is ceased as quickly as possible when appropriate •all debts are pursued timeously 	7P1		
	7.22	In line with the charging policy recommendations at 7.8, work should be done to establish and understand the gross and net income figures, the cost of collection, disposal, landfill taxes and other overheads	Prevents additional budget pressure and creates opportunity for further efficiencies in future		
	7.26	When NDR bills are issued to new ratepayers, we should include information advising them of their legal obligations regarding commercial waste, advertising the benefits of using the HC service, and directing them to our online contract sign up facility.	Contributes to additional income per 7P1		
	7.27	Where ratepayers do not take up our service, we should contact them as a matter of course to ensure a waste transfer notice is in place and follow up on potential contract opportunities where they have not made other arrangements	Contributes to additional income per 7P1		
	8.1	We should analyse tonnage data for all existing recycling centres. This will allow consideration of whether it is affordable for all of them to remain open	Prevents additional budget pressure and creates opportunity for further efficiencies in future	No statutory requirement to have 21 recycling centres	
	8.2	We should identify recycling centres that habitually require the use of overtime and review the opening hours and staffing arrangements to reduce the use of overtime wherever possible	Prevents additional budget pressure and creates opportunity for further efficiencies in future	No statutory requirement to have recycling centres open at specific times	

	10.3	Work with local communities to arrange authorised disposal of bulky goods on behalf of local householders			
	12.4	We should work with Care and Learning to encourage schools to use available off the shelf materials to incorporate waste awareness/recycling into the curriculum.	Contributes to additional income per 7P1 & 12P1		
Longer term	2.2	Ensure that within the context of wider Council redesign proposals, the close synergy between the teams responsible for waste management and for energy generation is maintained and enhanced wherever possible			
	3.2	Review the Fife model of an arms length organisation to run waste management functions, and review the opportunities to include strong linkages to the Council's energy team.			
	4.15	Consider making recommendations re planning guidance, for example communal bins for flats.	£20k	Resolves storage issues, reduces associated complaints, reduces collection costs	THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18
	7.15	We should also improve our current contracts process by using our on-line facilities to allow customers to sign up for new contracts, renew contracts, and sign up to transfer notices.	£25k	estimate	
	7.17	Customers who do not wish to pay by DD should be given the facility to 'pay for it' online rather than issuing invoices			

	7.20	We should look at using the full features of Integra to ensure that all of our commercial customers are being billed effectively.	Contributes to additional income per 7P1		
	7.21	If Integra cannot facilitate better management of customer debt then an alternative system should be considered	Contributes to additional income per 7P1		
	7.23	Once net income and operating overheads are clearly understood, the service will be in a position to understand whether they are operating at a profit or loss.	Prevents additional budget pressure and creates opportunity for further efficiencies in future		
	7.24	Once overheads are clearly understood, work should begin to try to reduce costs wherever possible, ensuring we achieve best value and are able to compete in the market.	Creates opportunity for further efficiencies in future		
	7.31 & 12.8	Consider use of in cab technology to replace spreadsheets, run sheets and improve communications between collection crews and admin staff	£20k	Estimate – time savings	
	11.3	After the current Fujitsu change freeze/ ICT contract handover, pursue implementation of the Zero Waste Scotland fly-tipping mapping tool	Prevents additional budget pressure and creates opportunity for further efficiencies in future		
	11.4	CRM issues in extracting data should be logged and resolved to ensure the service can extract fly tipping data in future	creates opportunity for further efficiencies in future		

Redesign Recommendations
Member consideration required

Timescale	Ref	Recommendation	Indicative Saving	Source	Note
Priority	3P1	We need to establish a Corporate Project Board to drive forward with fresh impetus the identification and acquisition of transfer stations in Lochaber and Aviemore in the first instance and in any other locations where there will be an operational and financial benefit to waste collection in the Highlands. At the appropriate time this Board should oversee the application process for appropriate consents to allow the Council to have a much stronger bargaining position with the private sector or consider in-house delivery of waste services in these areas			
	3P2	We should identify a facility for the Mechanical Treatment of residual waste and production of Refuse Derived Fuel in Inverness. A Corporate Project Board should be established for this purpose. The work should focus on finalising a business case to determine if the position set out in the most recent business case report is still valid, to update the Council on key risks and to consider whether there is merit in this being done in-house or through an arms-length company. The outcomes should be reported to Members at regular intervals to ensure that progress on this is maintained			
	3P3	Work should also progress immediately on finalising the business case for long term waste disposal in the Highlands, with an emphasis on determining whether and at what scale an Energy from Waste plant is appropriate. A clear plan of action and delivery timescales within a project management			

		framework is essential. The Review team feel that this is an issue which requires a strong corporate and political lead and should be an immediate priority for the new Council			
	4P1 & 7.4	We need to procure route optimisation software to challenge cost and environmental impact of existing collection routes/frequencies	£70k	Estimate – cost of one crew	Flexible approach to frequency and types of collection
	4P2	We need to support the implementation of trials on changing the frequency of collections – particularly focussed on Inner Moray Firth area, where the main population centres are – this will be tied in to discussions with Zero Waste Scotland Recycling Charter (As per CS Committee decisions on 18 September). However, a Redesign Priority should be to implement a trial ASAP.	creates opportunity for further efficiencies in future		Flexible approach to frequency and types of collection
	7P2	Depending on other redesign decisions, it may be appropriate to create a specific commercial waste team.	Contributes to additional income per 7P1		
Short term	3.1	The Council should determine whether the bulking up, sorting and storage of recyclate will continue to be dealt with through the private sector or whether it will be brought back in-house.			
	4.3	Consider reduction/withdrawal of roadside litter bins to free up capacity and reduce route overlap/time to complete routes	Contributes to 4.1 saving		
	4.9	3.9 Look to Fife for best practice. 3 weekly collection could generate significant savings	£380k	Based on figures from December 2015	THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18
	4.12	Charge for all new, replacement, and additional bins at cost price plus a fee to cover admin and delivery, ensuring all bins are provided on a cost neutral basis (unless bin damaged by HC)	£33k	Estimate	

	7.2	Analyse net cost of routes offering weekly commercial collections and consider reduction/withdrawal of weekly routes that are not cost effective.	TBC		Flexible approach to frequency of collection
	7.3	Review frequency of collection to achieve the best balance between quality of service and affordability that ensures we recoup costs	TBC		
	7.8	Review charging policy to ensure commercial collection service is at least cost neutral (including cost of admin, provision of bins, collection, disposal and landfill taxes)	TBC		
	7.11	Introduce a fee to cover administration costs for any changes made during contracts	TBC		
	7.14	Commercial charges should be set earlier to allow time for administration work to be completed in time for the new financial year.	Prevents loss of income and contributes to additional income per 7P1		
	9.1	Steps should be taken to implement a charge for the collection of garden waste in the areas currently covered by the collection system. Best practice should be referred to, and back office systems developed to collect information, payment details and optimisation of collection routes			
	10.1	Stop the bulky uplift service			
	10.2	If stopping the service is deemed unacceptable - carry out further work to establish the full cost of providing this service before increasing the charges to more closely match the costs of providing the service			
	11.2	Consideration should be given to charging landowners to cover costs of clearing fly tipping on their land unless there are exceptional circumstances, eg waste hazardous and cannot be left, or landowner cannot be traced.	£20k income	Estimate	

	12.5	We should consider whether Members could take on a “champion” role for recycling when speaking to schools/local groups	Contributes to additional income per 7P1 & 12P1		
Longer term	4.10 & 7.6	Consider using vehicles that could allow collection of multiple types of waste in one pass, particularly for areas where tonnage/route data shows high collection costs and/or low tonnages.	TBC		Flexible approach to frequency and types of collection
	4.11 & 7.7	Consider different collection frequencies for different areas – particularly less frequent or residual only collections on routes that have very high collection costs.	TBC		Flexible approach to frequency and types of collection
	5.1	Consider the implementation of fortnightly food waste collection by implementing a trial to assess public acceptability and potential cost savings.			
	7.12	Consider delegated charging powers to allow a more dynamic approach to changes in the market.	Contributes to additional income per 7P1		Flexible approach to charging policy
	7.13	If it is deemed unacceptable to fully delegate charging powers, consider changes to charging policy to allow Head of Service delegated powers to vary charges where location or frequency makes collection/disposal economically unviable under standard charging policy	Contributes to additional income per 7P1 Reduced costs TBC.		Flexible approach to charging policy

The Highland Council
Redesign Board Workshop – January 2017

Agenda Item	
Report No	

Transport Services

Report by Transport Services Redesign Review Group

Summary

This report details the findings of the Transport Services Redesign Review Group, and makes recommendations for the future operation of Local Transport Strategy, Statutory Quality Partnership, Public and Community Transport and Corran Ferry.

1. Background

- 1.1 Between November 2016 and January 2017, the Transport Services Redesign Review Group was charged with looking at the following transport services:

- TS1 Local Transport Strategy
- TS2 Statutory Quality Partnership
- TS3 Public and Community Transport
- TS4 Corran Ferry

- 1.2 The Review Group has consulted the following:

- Director of Community Services
- Head of Planning and Building Standards
- Transport Planning Manager
- Head of Infrastructure
- Head of Resources
- Policy and Programmes Manager
- Services Finance Manager
- Joint Head of Commercial and Procurement Services (Aberdeen City/Aberdeenshire/Highland)
- Principal Traffic Officer
- Transport Coordination Unit
- Roads Operations Manager – Lochaber, Nairn, Badenoch and Strathspey
- Corran Ferry crew members
- HITRANS
- Community Transport Association
- Badenoch and Strathspey Community Transport Company
- Citizens Panel.

The review group has also received guidance and advice from the five Redesign Champions as well as advice from HR, Health Safety and Wellbeing and the Policy Team. Extensive information has been obtained from committee and budget reports.

2. Local Transport Strategy

2.1 The Local Transport Strategy (LTS) is not a statutory function. Strategic transport issues are covered in the (statutory) Regional Transport Strategy, which HITRANS is responsible for, which in turn reflects national priorities (the National Transport Strategy was refreshed/updated in Jan 2016). LTS is useful for development planning, planning gain etc. and has now been incorporated into the Council's Local Development Plan process.

2.2 Meeting the Council's Affordability Challenge

No specific budget is allocated to the LTS so there is no opportunity to deliver savings.

2.3 Recommendations

TS1 Council continues with the current arrangements, whereby the Local Transport Strategy is incorporated into the Local Development Plan process.

3. Statutory Quality Partnership

3.1 A Statutory Quality Partnership, despite the name, is entirely discretionary. The Council has the power to create an SQP if it chooses to. Statutory refers to the fact that the power to create and enforce an SQP is based on statute, not that every Transport Authority has to create one. The SQP commits bus operators to sign up to Bus Operator Standards of Service. These are set out in the partnership agreement and cover things such as vehicle specifications and service frequency. In return SQP commits HC and HITRANS to deliver infrastructure improvements including:

- Bus stop infrastructure
- Real Time Passenger Information
- Bus priority measures (bus lanes, bus priority junctions etc.)
- Traffic Regulation Orders (bus friendly restrictions on waiting and loading)
- Ongoing maintenance.

This is the only control HC has over commercial bus services. The proposed SQP covers Inverness (where mostly commercial services operate) and does not commit HC to any work additional to that already planned. Additional investment (£700K) has been received from Scottish Government through Bus Improvement Grant, which has been used to invest in the measures outlined above and new buses for Stagecoach. Development of an SQP was included in the Bus Improvement Grant proposal.

3.2 Meeting the Council's Affordability Challenge

No specific budget is allocated to the SQP so there is no opportunity to deliver savings.

3.3 Recommendation

TS2 Council continues with the proposed SQP.

4. Public and Community Transport

Public and community transport are not statutory. School transport, which is closely tied to public transport, is a statutory function. The Redesign Board classified public and community transport as desirable (high).

4.1 Public Transport

The current public transport network is shown on the map in Appendix 1. The network comprises the following:

Commercial Services

These are commercially operated and the Council has no control over routes, timings or fares on these services. However the development of a Statutory Quality Partnership, such as that proposed for Inverness, commits operators to maintaining service quality including network frequency and vehicle standards. The commercial network connects Inverness with Thurso, Wick, Nairn (and A96 east), Aviemore (and A9 south), Uig, Dingwall and Ullapool as well as Inverness urban routes. Commercial services also connect Fort William with Glasgow, Oban and Uig.

Commercial Services with Limited HC Support

These are commercial services where the Council contracts the operator to provide additional journeys that otherwise would not be commercially viable, typically these are evening and weekend services on otherwise commercially viable routes. Examples include Dingwall – Beaulieu – Inverness, Black Isle to Inverness and Inverness to Fort William.

Contracted Services on Non-commercial Routes

HC supports a Highland-wide network by identifying gaps in the commercial network and contracting operators to provide services that would otherwise not operate. This is achieved through a Highland-wide tendering process every 5 years, with the latest round recently completed through the Transport Programme (see below). The contractor keeps the fare income and receives additional payment from HC. The Council specifies service levels and fares in the contract. The majority of these services are closely linked to school services. Also includes dial-a-bus services and subsidised taxis.

4.2 Home-to-School Transport

There is a statutory duty to provide home-to-school transport for entitled

pupils. Entitled pupils are those who live more than 3 miles from the school whose catchment they live in (or more than 2 miles if aged under 8) or over a shorter distance if there is no safe walking route. There are some other provisions, e.g. for Additional Support Needs. Pupils attending schools outwith their catchment or who live nearer the schools are not entitled to transport, but may pay for a "privilege" place if there are spare seats on a suitable route.

There are four types of school transport for entitled pupils:

- Dedicated school transport – this is a bus, taxi or car service that only carries pupils to and from school
- School/ Public bus – a school bus that also allows members of the public to travel on the bus
- Public bus – pupils are given tickets to travel on regular public service buses or other modes (trains, ferries etc.) – most of these are contracted but in a few cases tickets are purchased on commercial services
- Parent transport – Parents are compensated (50p per mile) for taking their children to and from school.

4.3 Interdependency of Public and Home-to-School Transport

In many cases the Council has combined school and public transport needs into one contract so that operators are enabled to maximise the use of vehicle and driver. This efficiency has evolved over several years and delivers more provision for the available budget than if the two were not linked. However this creates some significant risks to the future redesign of transport services:

- If the Council decides not to contract any non-commercial services, the cost of providing school transport alone is likely to rise, because the operator still has to pay bus capital costs and fixed running costs (insurance etc.) although there would be savings on wages and fuel.
- Smaller operators may not be able to cover their running costs through school-only contracts and decide to wind up the business, meaning that there is reduced competition for routes or even no operator willing to provide the school services. The impact is two-fold: damage to the local economy and the Council is unable to deliver its statutory duty.
- The complex linkages between school and public transport make redesigning the service network very difficult as there are so many interdependencies. This is compounded by retendering all of Highland at the same time, and although this "big bang" approach is more efficient in terms of officer time, it inhibits development and change in the network.

Some operators have also opened routes tendered as dedicated school transport to the public, and/or have used school transport vehicles to provide off-peak bus services commercially. These approaches have been encouraged by the Council because they increase the total amount of public transport available.

4.4 Community Transport

4.4.1 Current Position

The Council currently supports 25 community transport projects (see Appendix 2) with grants totalling £0.376m per year for the next 3 years (up to and including FY18/19). While these projects are based in communities across Highland there are many communities where, due to lack of community capacity or interest, there is no community transport available. Funded projects are mostly in rural areas, although there are projects in some towns including Inverness, Nairn and Fort William. The projects range from community car schemes to demand-responsive public bus routes. Responses from the Citizen's Panel with regard to community transport were mixed: while 58% agreed that resources should be targeted at community transport, only 16% were themselves willing or able to volunteer or help in other ways, with key barriers being lack of time, work or family commitments and health reasons. 32% stated they were not qualified to drive minibuses – formerly this (Category D1) was an automatic entitlement, but since 1997 new drivers have had to take a separate driving test costing £115 plus typical training costs of £500-£600.

4.4.2 Community Transport Case Studies

Glenelg and Arnisdale Bus Users Group

The group co-ordinates a pre-booked, public (i.e. open to all) service providing a subsidised taxi that connects Glenelg with the commercial network (Citylink) at Shiel Bridge. The service only operates in the evening, complementing a Council contracted bus service which runs in daytime only Glenelg – Kyle of Lochalsh (via Shiel Bridge). Tickets (£3) are available from village shop or online and a local taxi firm provides the car which the passenger books direct. The scheme is supported by HC Community Transport Grant (£3,100/yr).

The service offers a connection at Shiel Bridge allowing day return journeys to Inverness or evening arrival to Glenelg. The financial support required for the service is minimal for the connection to the transport network it affords the community. The system is simple and low maintenance.

Badenoch and Strathspey Community Transport Company

Badenoch and Strathspey Community Transport Company (B&SCTC) runs a range of community transport services including a community car scheme and "Section 19" services to activities such as day care. These services are open to B&SCTC Members only, of which there are over 1,600. Membership (and services) are aimed at the elderly, disabled and those with no access to transport. B&SCTC also runs a "Section 22" (i.e. open to all) dial-a-bus service throughout Badenoch and Strathspey (Laggan to Tomatin to Grantown) covering different areas on different days. B&SCTC employs 8 people (5FTE), owns and operates 3 wheelchair accessible vehicles and relies on 160 volunteers, including 120 voluntary car drivers. B&SCTC receives a Community Transport Grant of £30K from HC, which represents

approx. 15% of income.

The services offered by the organisation are extensive and require full time coordination – particularly the Community Car scheme which requires the coordination of volunteer drivers and clients. The s22 service is a scheduled bus service registered with the Traffic Commissioner and which must be provided as scheduled. While this attracts Scottish Government funded Bus Service Operator Grants and reimbursement of concessionary fares, it also poses a significant bureaucratic burden. B&SCTC is a long established organisation, but faces challenges including a reliance on volunteers, (which limits capacity to expand regular services) and has faced some opposition from local taxis and bus operators, although B&SCTC is careful to not directly compete with local operators.

B&SCTC is more than a transport company; it also runs a befriending service and offers events/clubs for elderly and disabled which it services with its own transport. It also offers a mobility scooter loan service. These services have developed in response to needs identified by its core target group. It regards transport as an “enabler”; and regards its core purpose as tackling social exclusion and isolation.

4.4.3 Community Transport Challenges

There are situations where CT is the most appropriate and cost effective transport solution, for example CT is often suited to local trips within the immediate area to local services (health, shopping) or as feeder routes to commercial services (as in Glenelg). However, the two case studies above illustrate some key challenges to CT providing a comprehensive transport solution for Highland:

- CT encompasses a very broad range of activities and coverage
- CT organisations have varying objectives - often extending beyond transport provision, and often focussed on specific groups (e.g. elderly, disabled)
- Transport may be seen as an enabler which supports specific activities such as day care, shopping
- CT organisations often require expert advice and facilitation as well as financial support
- Unlikely to be able to provide a Highland-wide publicly accessible network
- CT groups are unwilling to compete with local operators
- Lack of awareness amongst the general public regarding which CT services they can access.
- Reliance on volunteers, who may be only available or willing on an irregular basis, makes expansion of services difficult.
- CT often relies on volunteers' own vehicles (cars) or local minibuses. These may present access issues for some users, whereas public services vehicles are required to be accessible.
- Reluctance to provide scheduled (s22) services. s22 services are open to the public and attract Bus Service Operator Grants and the

reimbursement of concessionary fares by Scottish Govt. For CT to provide a viable and accessible transport network across Highland would require expansion of s22 routes. However s22 services are regulated by Traffic Commissioner and cannot be withdrawn without 6 weeks' notice. In effect this means that groups need to employ drivers (or have bank of reliable volunteers) and have access to replacement vehicles that meet the required specification to provide cover when the main vehicle is being serviced or breaks down/has an accident etc. This is beyond the resources and aspiration of most CT groups.

- Expanding organisations quickly require essential administration/ back-office posts making them vulnerable if funding reduces.
- Support for community transport at the cost of a local commercial operator may cause legal, procurement and political difficulties.

4.5 Transport Programme

The Transport Programme was established to procure school and public transport contracts across Highland for 2016-2021 and achieve £2.246m savings (agreed by Council in Dec 2014) from services costing £15.988m. The programme provided additional support for the Transport Coordination Unit from the Corporate Improvement Team.

In 2015 a pilot was completed in Sutherland which along with the renegotiation of selected high cost contracts, yielded £0.296m savings. In 2016, the remainder of the existing school and public transport contracts were put out to tender using the same methodology. The aggregate interim result is a considerable saving of £1.740m. Following the agreement of public bus transport services provision and savings at Community Services Committee on 7 December 2016, there remains a sizeable gap of £0.506m. As reported to the same Committee, a number of options will be explored to help reduce the savings gap, including:

- One-to-one meetings with key contractors to determine whether any changes to forthcoming arrangements could help to plug contract gaps or reduce pricing
- Increase fares to facilitate a reduction in contract costs
- Investigate delivery of transport services in-house
- Community transport participation
- Expansion of parental transport arrangements for home-to-school journeys.

Letting these contracts for another 5 years is required to achieve the savings set by Council in December 2014, and to ensure service continuity particularly for home-to-school transport (which is statutory). While this reduces flexibility for redesigning services or achieving additional savings, there is some flexibility with notice periods built into the contracts allowing the Council to cease or vary services if required. The Council has a responsibility to treat its contractors fairly. The Transport Coordination Unit plans to maintain open and continuing dialogue with operators to attempt to manage the costs of the contracts down where possible and review service requirements during the lifetime of the contract. Clearly there are risks associated with this approach:

- Reputational damage
- Operator refusal to renegotiate prices during the contract
- Linkages with other contracts (separate home-to-school and public transport contracts often use same vehicle and driver).

4.6 Value of Current Contracts and Grants

New Contracts 2016/17-2021	£m/year
School only	7.222
Mixed school/public contracts	4.771
Public only (non statutory)	1.005
Total contracts 2016/17-2021	12.998
Sutherland Pilot 2015-2021	
Sutherland school only & mixed school/public contracts	0.930
Sutherland public only (non statutory)	0.320
Total Sutherland	1.250
Total Contracts (to 2021)	14.248

Community Transport Grants (to 2019) (non statutory)	0.376
Total non statutory	1.701

Note 1: The £14.248m total is allocated to budgets as follows:

School transport	84%
Public transport	16%

4.7 Future Support for Public and Community Transport

This section focusses on the opportunities for redesign, although these opportunities are for the medium/long term, given that the majority of contracts have now been let. Options for the future might be best considered as a two stage process comprising a strategic decision whether the Council continues to support public and community transport followed by local decisions on how it should deliver these. Considering the 10 Redesign Options, there is no single option which meets the needs for all of Highland: each area and route has its own circumstances and opportunities which dictate the best option for that area or route.

The Redesign Board classified public and community transport as not statutory but desirable (high), so the Review Group has worked on the basis that some level of support will continue for public and community transport, while recognising that the level of support is largely a matter of affordability. The budget allocated to non statutory transport (public only routes and community transport) is £1.701m, although there is additional public transport budget which contributes to the cost of mixed public and school transport where the costs are shared with Care and Learning.

Withdrawal of support for public and community transport would have a significant impact on rural and remote communities and with the greatest impact on those who are “transport poor” whether for economic, health or other reasons. 85% of Citizens Panel agreed/strongly agreed that support for transport should focus on rural areas. Withdrawal of services would inevitably lead to additional costs to other public services, for example through missed

appointments, patients delaying accessing services then requiring more extensive (and expensive) interventions, as well as reducing access to employment and leisure opportunities and increasing social isolation with its own impacts and costs. Additionally, given the interdependencies, withdrawal of support for public services would be likely to have an impact on the cost of providing statutory home-to-school transport, reducing the level of any savings made.

In the absence of HC contracted services, the capacity (and willingness) of the community transport sector to provide a comprehensive transport network is likely to be limited in many areas and non-existent in others, and certainly would require continued Council support and resourcing. For these reasons community transport can only be regarded as one of several local options for transport provision.

4.8 Future Delivery of Public and Community Transport

Given that the current contracts for public and school transport run until 2021 and 3 year Community Transport Grants are in place (up to and including 2018/19) there is some time to develop a new approach.

The following outlines a nine point strategy for the next round of procurement of transport services which includes the following elements:

1. Consider transfer of budget and responsibility for Home to School transport from Care and Learning to Transport Coordination Unit (Community Services).
2. Explore the possibility of transferring the management and coordination of HC minibus fleet from establishments to central management.
3. Further analysis of the home-to-school network
4. Review standard contract terms and conditions
5. Phase contracts as opportunities become available
6. Develop strategic/policy criteria to prioritise which non-commercial routes continue to receive support
7. Develop range of options for local transport delivery
8. Continue to support community transport
9. Engage with communities to identify local priorities and develop service provision

The strategy is considered in greater detail in the following sections.

4.8.1 Consider transfer of budget and responsibility for Home to School transport from Care and Learning to Transport Coordination Unit (Community Services).

The procurement and operation of both education and public transport is already joined up. Benefits of transferring the budget include further incentives for joint school and public transport, and taking a more cost effective approach in remote areas (see below) to release more funding for

mixed or public transport. The risk is that if the statutory home-to-school provision overspends, that will be at the expense of the wider public and community transport, and this pressure will often be beyond the control of the Transport Coordination Unit.

There will need to be continued cooperation between Care and Learning and Transport Coordination Unit around issues such as transport policy e.g. when it is appropriate for young primary children to travel on a mostly secondary bus and supervision between transport arrival/ departure and start/ finish of school. Furthermore the roll-out of the 33 period week to the secondary sector will mean an early finish on Fridays and will present additional challenges. There is also a requirement to agree governance/reporting arrangements and the division of responsibilities between Care and Learning and Community Services. As with any partnership, it is stronger if roles and responsibilities are clear, so it is recommended that relevant Heads of Service meet with Transport Coordination Unit to draw up an agreement or Memo of Understanding to formalise responsibilities, governance and problem resolution arrangements.

4.8.2 Explore the possibility of transferring the management and coordination of HC minibus fleet from establishments to central management.

This approach does work elsewhere, for example Scottish Borders and East Lothian Councils, and would allow these assets to be used to support the community transport sector, support in-house transport provision, (including home-to-school, school trips and public transport), allow adaptation of vehicle specifications to meet requirements and ensure vehicle use is maximised. It would also formalise and standardise the arrangements for community use of minibuses. The proposal would free HTs from budgetary and management responsibility for school minibuses, thus contributing to the aims of Future Management of Schools programme, as well as providing ready access to those schools and establishments that do not have a dedicated vehicle.

However this proposal is not without challenge: to work effectively it will require a transfer of responsibility for and control of vehicles from management by individual establishments to central management. Some school minibuses have been bought entirely or partly through schools' own fundraising efforts, with parents giving up significant amounts of time and energy to fundraise. Whilst parents are happy to do this where there is a perceived benefit directly to the local school, they are unlikely to do so in future if they feel the benefit will accrue to the wider Council. Previous attempts to make school minibuses available for wider use have met with strong opposition from some Head Teachers who cite issues such as costs, the administrative burden of managing community bookings (keys, checking vehicles etc.); maintaining the vehicle in neat and well looked after condition; and the need for a vehicle that can be used at short notice. They also mention that school trips often require early departure and late return, reducing opportunities to use these vehicles for home-to-school transport. These are real concerns that require to be addressed.

In addition to transferring budgetary and management responsibility for vehicles, there will need to be consideration given to whether the vehicle should be based at existing establishments, and the support that the establishment would give to key holding, handover etc. or whether vehicles should be located at hubs throughout Highland (e.g. a fleet of minibuses used for home-to-school transport and school trips is currently based at Drummie). Evidence is important: analysis of logbooks and/or fitting trackers to vehicles would identify those vehicles and establishments where there is spare capacity. There also needs to be consideration of how vehicles would be centrally managed and what resource that would require as well as who has the final say on whether a vehicle is available for hire or not. It is absolutely essential that central management and booking systems are robust, quick, efficient, customer-focussed and accessible.

Central management should not be considered until these issues have been resolved and a functional booking system in place: an inefficient, slow, bureaucratic system run by overworked and defensive staff will be entirely counterproductive, undermine the benefits of central management and create a large management task to sort it all out. An interim step would be to retain school management of vehicles, guided by an agreed clear and consistently applied policy on community use and access to Council minibuses.

This is a major undertaking, likely to face opposition from some establishments managing their own minibuses, which will require cooperation from schools and Care and Learning management. Implementation will require a planned approach (Business Case), resources and open discussion and communication, culminating in a joint C&L/ Community Services report to Committee. Potential benefits of revising the Council's approach to the use and management of school minibuses could include broadening the support possible for the transport needs of communities and supporting other Highland Council transport needs.

4.8.3 Further analysis of the home-to-school network

This may deliver savings/ efficiencies that can free resources to support the public transport network. This includes considering the following alternatives for low usage routes:

- Parental contracts
- Shared parental contracts (i.e. group school runs, but these would require parental agreement and cooperation).
- Feeder routes to main routes
- Parental contract to main routes
- Single collection points within 2 and 3 mile limits (where road safety allows).

4.8.4 Review standard contract terms and conditions

This aims to reduce the cost of service provision including:

- Stop specifying maximum fares (current contracts do this) which reduces income from fares (and concessionary fare rebates), thus

requiring greater contribution from HC. The Citizens' Panel agreed 2:1 that they would be prepared to pay higher fares to prevent the withdrawal of a service, although the majority of respondents stated it did not affect them (National Entitlement Card holders (i.e. bus pass) or do not use buses).

- Introduce route development/challenge component and reduce level of Council support over length of contract, although only likely to be appropriate on a limited number of close-to-commercial routes.

4.8.5 Phase contracts as opportunities become available

- Early termination of contracts no longer required/affordable
- Extension of other contracts
- Area by area approach to early termination and/or extension of contracts.

This will lead to a more predictable and manageable workload compared to a retendering "big bang" every five years, but will create some duplication of tasks. It also creates an opportunity to examine the retendering process which currently falls mainly to the Principal Transport Officer. Spreading the workload, not only through time by phasing contracts, but also by involving more of the team (including area based staff) in the retendering process, will enable more consideration to be given to redesigning how transport is provided in each area and also broaden the expertise base within the team.

4.8.6 Develop strategic/policy criteria to prioritise which non-commercial routes continue to receive support

The following should be considered:

- Routes that feed into core commercial network
- Routes in Remote Rural Areas
- Absence of transport alternatives (e.g. train)
- Absence of alternative centres where services can be accessed
- Vulnerable areas (SIMD/SEP). NB most are urban areas /small towns where commercial routes operate
- Routes that link service/ employment centres
- Local community transport capacity.

4.8.7 Develop range of options for local transport delivery

The range of options will include (but not necessarily be limited to):

- Contracted services (school, mixed, public)
- Community transport
- In-house (direct provision or offering access to HC minibus fleet)*
- Community access to budgets e.g. participatory budgeting, challenge funding
- Cease service

* NB This will require a re-specification of some HC minibuses as they come up for replacement so they are compatible with s22 requirements, and is dependent on the management arrangements for the HC minibus fleet (see

4.8.2).

4.8.8 Continue to support community transport

- Continue agreed financial support to 2019
- Continue to provide expert advice, support and facilitation to the CT sector.
- Identify and focus on areas where new projects can be developed.

4.8.9 Engage with communities to identify local priorities and develop service provision

Local Community Partnerships should be a natural focus for this community engagement activity although there will also be a role for Local Transport Forums (where they exist) and other community engagement including through public workshops, Ward Forums etc.

Using the above strategic/policy criteria and local knowledge, Local Community Partnerships and communities could participate in the development of local services in a number of ways:

- Participation in Council-led engagement resulting in identification and prioritisation of routes and the selection of options for service delivery, using the approach adopted in Sutherland for the 2015 retendering.
- Participation in Local Community Partnerships. These are currently being established across Highland and transport is likely to be a recurring theme. With expert support/advice from the Transport Coordination Unit, Local Community Partnerships could facilitate communities to provide information, ideas, challenge and recommendations on public and community transport options. Each Partnership would decide its own method of community participation, be it representation at meetings, transport sub-groups or hosting transport themed events.
- Local Community Partnerships also offer a forum where contributions from other agencies, whose clients have transport needs (e.g. NHS Highland), can participate and collaborate over service delivery and/or contribute resources.
- An increased transport role for Area Committees, for example disaggregated budgets for local routes, enabling local decision making alongside, and in support of, local consultation.
- Participatory budgeting approach to prioritising services. Already tested in Highland, this approach would give communities the opportunity to prioritise how area transport budgets are used.
- Access to a challenge fund enabling communities to commission and manage their own transport networks built on community transport and/or commercial operators (but will require risk management).

The above list is not exhaustive, but it details interventions in which the Community plays an increasingly important role, from consultation to leading the commissioning of services. Consultation is already used by the Transport Coordination Unit, (as demonstrated by the approach issued in Sutherland)

whereas commissioning will take time to develop and may only apply in a few limited cases, but nonetheless is worth aspiring to.

4.8.10 Resources

Implementing the above strategy is going to place an additional workload on top of the current Transport Coordination Unit tasks of tendering, managing contracts and monitoring compliance of all school and public transport and supporting community transport, notwithstanding the additional work identifying opportunities to fill the current savings gap of £0.506m, which is a priority for 2017. While there is support from Corporate Improvement Team currently available through the Transport Programme, it will be necessary to ensure that the Transport Coordination Unit is at sufficient strength to implement the strategy. While the detail of what is required is for service management to analyse and justify, additional resources are likely to be required to ensure effective development of the service along the lines outlined above.

4.9 Meeting the Council's Affordability Challenge

4.9.1 Public and Community Transport

Public and community transport service levels are determined by available budget, with careful design and management of tenders aiming to yield maximum efficiency from that available budget. The process outlined above aims to improve that process through combining budgets, maximising use of Council assets and engaging communities to identify and prioritise which services are delivered, and how they are delivered. Given this, the budget can be reduced to yield savings, but a more efficient tendering process can only achieve so much, and service levels would suffer, for example withdrawal of evening and weekend services and/or withdrawal of low usage routes which would principally impact on the least wealthy/healthy in rural areas, reducing their ability to access local services.

4.9.2 Home-to-School Transport

This is a statutory function which has to be provided. Considerable savings have already been achieved through the Transport Programme, and although there may be opportunities for further savings through redesigning, on a route by route basis, how home-to-school transport is provided (e.g. more parental contracts, feeder routes etc.) quantifying savings would be difficult at this stage.

4.9.3 Other Transport Services Savings

Please note, following further analysis and discussion by the Review Group, the proposed savings against the below budget lines differ from those presented to the Redesign Board on 10 Jan 2017

The public transport budget also contains the following budgets:

Contracted Ferries (£0.2m)

Route	Current cost £m	Proposed cost £m	
Fort William – Camusnagaul	£0.070	£0.050	Retender due April 2018 – savings from increased fares & reduced winter service Competitively priced; 7 yr contract to 2022 Lifeline route
Nigg – Cromarty	£0.048	£0.048	
Mallaig – Inverie	£0.075	£0.075	
Total	£0.193	£0.168	£0.020m saving

- The Mallaig to Inverie ferry is a life-line route as it is the only access to Inverie (no road). The Council contract specifies maximum fares (£6 one way, £8 return) for local residents, but otherwise does not control fares (£10 each way for a foot passenger). While there may be an opportunity to review the fare structure, it is already relatively costly. Consideration should be given to exempting this service from savings to preserve affordable fares for residents.
- The Fort William to Camusnagaul route is part of the National Cycle Network Route 78. Cyclists are diverted from the busy and narrow A82 by crossing from Fort William to Camusnagaul, (costs £1.50 for adult and £1.50 for bike) cycling down the A861 then crossing back on the Corran Ferry (no charge for foot passengers or bicycles) to join a cycle path that runs south on the Nether Lochaber side. The passenger profile has a large peak in the summer suggesting a predominantly tourist based use. The contract is due to be retendered in April 2018. If the new contract is based on increased fares and a reduced winter timetable an estimated £0.020m can be saved on contract costs from 18/19.
- Nigg to Cromarty is a summer only service and is not a lifeline service, although it does save a long journey around the Cromarty Firth if travelling from Cromarty to Nigg. It also part of an optional diversion of National Cycle Route 1. The 7 year contract runs until 2022 and was priced very competitively at the last round. A break clause is built into the contract, but the operator has invested in a new vessel on the basis of the 7 year contract.

Concessionary Fares (£0.21m)

Concession	Current cost £m	Proposed cost £m	
Rail*	£0.125	£0.005	Retain blind concession
Ferries (NB all ferries inc. Calmac)	£0.075	£0.075	No bus alternative
Subsidised Taxis	£0.010	£0.010	No bus alternative
Total	£0.210	£0.090	£0.120m saving.

*NB this saving has already been put forward by the service for 17/18 savings

- National Entitlement Cards (i.e. bus passes) entitle holders to free travel on buses and are funded by the Scottish Government. In Highland this provision is extended to include ferries and subsidised taxis (contracted services) and half price travel on trains.

- In the case of trains there is often a bus alternative or passengers would be able to use the ScotRail funded Highland Rail Card which entitles half priced travel on the Inverness to Wick/Thurso, Inverness to Kyle, and Mallaig and Fort William to Oban and Glasgow lines, all for a cost of £9/year.
- For ferries, the Scottish Government does not fund concessionary fares for ferries as it does for buses. As there is no transport alternative the Council funds concessionary ferry travel for Highland residents on the basis that there is no bus on which to use the National Entitlement Card (bus pass). This applies to all ferries in Highland area including Calmac routes. This concession matches a similar provision in the SPT (Strathclyde Partnership for Transport) area which covers most of the rest of the Calmac network (i.e. the Clyde and Argyll and Bute). It is recommended this concession is retained due to the lack of alternative for passengers.
- Subsidised taxis (which the Council contracts for local transport provision where bus services are not viable) are not eligible for Scottish Government concessionary bus fares, so the Council covers these costs. As with ferries it is recommended to retain this concession as there is no bus alternative.

4.10 Conclusions

- Commercial operators are unable to provide a Highland-wide transport network
- School and public transport are interdependent, with school transport accounting for 84% of total budget
- Community transport services vary widely across Highland
- Community transport poses a number of challenges as a comprehensive replacement for contracted transport services. Development of the sector will require resources and expert advice and support.
- The Transport Programme has delivered extensive savings (£1.74m) and will seek to deliver the remainder to achieve target of £2.246m (14% of total)
- School and public transport contracts have recently been let for 5 years to 2021. While this was necessary to ensure service continuity, it creates an opportunity to develop the approach to network design and community and operator engagement for tendering in 2021.
- Transport is a vital service on which many people rely to reach employment, services and leisure activities
- There are savings that can be made from the contracted ferries and concessionary fares budgets, but lifeline services should be exempt and passengers without access to buses should receive equivalent concessions on ferries and subsidised taxis.

4.11 Recommendations

TS3.1 Council continues to provide financial support for contracted (non-

commercial) services and for community transport

In time for the next round of tenders (2021), develop and implement a strategy for school, public and community transport including:

- TS3.2 Transfer School Transport budget to Transport Coordination Unit including agreement between services of governance and responsibilities.
- TS3.3 Develop joint Care and Learning/ Community Services Business Case for Committee decision on the transfer of HC minibuses from managing establishment to central management
- TS3.4 Analyse and adapt home-to-school network
- TS3.5 Review contract terms and conditions
- TS3.6 Phase contracts
- TS3.7 Develop criteria for the prioritisation of non-commercial contracts
- TS3.8 Develop range of options available to deliver local transport services
- TS3.9 Continue to support and facilitate community transport
- TS3.10 Ensure community engagement in public transport network analysis, prioritisation of routes to support and selection of options for service provision.
- TS3.11 Review contracted ferries (excludes Corran Ferry) and concessionary fares to achieve savings.

5 Corran Ferry

5.1 Introduction

Corran Ferry is not a statutory service, and the Redesign Board did not classify it as essential or desirable. The Redesign Board queried why the Council, and not another provider, is running this service.

The Council has examined the Corran Ferry operation in some detail over the past two or three years including the following reports to Committee:

- Nov 2014 Community Services It. 9 "Corran Ferry"
- http://www.highland.gov.uk/download/meetings/id/66832/9_corran_ferry
- Feb 2015 Community Services It. 14 "Corran Ferry"
http://www.highland.gov.uk/download/meetings/id/67373/item_14_corran_ferry
- March 2015 Highland Council Notice of Amendment
http://www.highland.gov.uk/download/meetings/id/67674/item_6_notice_of_amendment_-_corran_ferry_additional_papers
- Feb 2016 Community Services It 11 "Corran Ferry"
http://www.highland.gov.uk/download/meetings/id/69677/item_11_corran_ferry

The main conclusions and ongoing actions arising from these reports are as follows:

- The Council should not transfer the service to Transport Scotland

- The Council should pursue a change of policy from Transport Scotland regarding RET, so that it is not applied uniformly on all routes
- Detailed financial forecasts for the next 5 years should be compiled
- The STAG appraisal for a fixed crossing should be completed
- A long-term view should be taken comparing the whole life cost of a fixed crossing with the capital and revenue costs of ferry operations
- Acknowledgement that capital charges for the cost of a replacement ferry have not been included “above the line” in the Capital Programme
- The option for smart ticketing needs to be further explored
- Fares should increase by 2% in 2016/17 to continue position of covering running costs, but otherwise there should be no changes to the fare structure
- The timetable should not be changed.

5.2 Background

The Corran Ferry provides a vehicle and passenger ferry at the Corran Narrows south of Fort William providing access to Ardgour, Morvern and Ardnamurchan (estimated population 1,750) and onwards to Mull via Kilchoan and Lochaline. It reduces the journey to Fort William by over 20 miles and reduces a southward journey on A82 by 40 miles, compared with the road route. The road route (A861) is single track and passes under a railway bridge with a height restriction of 3.6m (12'0”) before joining the A830 (Fort William to Mallaig).

The service currently operates two quarter loading vessels which are required for the slipway alignment and the strength of the tidal stream through Corran Narrows. The second vessel, MV Maid of Glencoul, provides emergency cover when the main vessel MV Corran is away for refit. Operating the more common Roll On Roll Off (RO-RO) ferries, used elsewhere in Scotland, would require realignment of the slipways – the cost of doing this is not known at this stage. The Council employs two full time crews operating on 5 days-on 5 days-off basis. Crew Members are qualified/experienced to complete different tasks to ensure time limits are not exceeded. There is little spare capacity to cover for leave, which has to be carefully scheduled, and for sickness cover.

The ferry service is the second busiest in Scotland. It brings considerable economic and social benefits to Morvern, Ardgour and Ardnamurchan, including to those who use the service as part of their work (40%) or for commuting (17%) (AECOM Survey 2014) and is an important service for a Remote Rural Area.

5.3 Costs and Income

Income and costs for the past three complete financial years are presented in the table below. In 2015/16 the operation made a surplus of £0.191m. However refit costs were significantly less than in previous years and fuel costs were lower reflecting a reduction of fuel prices, which are now rising again. Income has risen in the past year following fare increase of 2%. The

long term position, (reflecting Council stated policy) is that the income from fares should cover the ferry's running (i.e. revenue) costs, rather than generating a surplus. As the vessels get older, on-board systems and plant will become obsolete and maintenance and refit costs will rise.

	2013/14	2014/15	2015/16
Expenditure			
Employee Costs	675,217	658,120	686,884
Property Costs	27,231	26,037	26,780
Fuel Costs	188,534	169,843	119,230
Transport Costs	7,576	4,904	4,363
Insurance	64,614	48,576	60,361
Refit Costs	213,396	270,502	161,019
Engine Repairs & Maintenance	167,382	55,656	52,425
Other Costs	52,666	50,437	43,570
Total Expenditure	1,396,616	1,284,075	1,154,632
Income			
Ferry Dues	(1,141,596)	(1,260,048)	(1,312,793)
Other	(33,346)	(34,442)	(33,455)
Total Income	(1,174,942)	(1,294,490)	(1,346,248)
(Surplus)/Deficit	221,674	(10,415)	(191,616)

In terms of capital, the current Capital Programme includes £8m “below the line” allocated in 2022/23 for a replacement vessel. This reflects an indicative requirement rather than a firm commitment to necessary investment in the service.

5.4 Options for the Future of the Crossing at Corran Narrows

Notwithstanding the decisions made by the Council as outlined above (see Section 5.1), the Redesign Review Group considered the options for the future of Corran Ferry afresh.

The first consideration is to assess the options for crossing the Corran Narrows.

5.4.1 No Crossing

As stated above the crossing is of significant socio-economic importance to Ardgour, Morvern and Ardnamurchan, It reduces the journey distance of journeys to Fort William and by approx. 20 miles and by approximately 40 miles to journeys south on the A82. Furthermore it is the only access for HGVs to those communities and onward to Mull (without a diversion via Oban-Craignure ferry) due to the low bridge (3.6m 12'0”) on the road route (A861). The ferry route also forms part of National Cycle Route 78 which diverts cyclists from the A82 between Corran Ferry and Fort William where there is no cycle path. There is a strong case for the retention of the crossing in one form or another.

5.4.2 Fixed Crossing

HITRANS have included an option for a fixed crossing at Corran Narrows in

their proposed STAG for West Highland. This is a necessary first step to assess the viability and benefits of the project, and would offer a costed comparison with other options. A favourable STAG would be required if any funding was subsequently sought from Scottish Government. At present there are no indications of the outcome of this study however, given that a bridge or tunnel at Corran Narrows would be likely to cost several tens of millions of pounds, and given competing priorities (e.g. Strömeferry), a fixed crossing can only be regarded as an option in the long term, if at all.

5.4.3 Ferry

This is the only option for maintaining a crossing in the short and medium term. However there are different approaches that can be taken to providing the ferry crossing, outlined in the next section.

5.5 Options for the Ferry Service

5.5.1 Highland Council

Highland Council, as current operator, is in a position to continue and improve the service; however it currently runs the service on the basis of covering revenue costs only, which has limited available funds for continuing investment in improvements. The service now requires significant investment in the following areas:

Replacement Vessel

MV Maid of Glencoul (which was built in 1975) requires replacement as many of the on-board systems and plant are now obsolete, requiring the manufacture of spare parts no longer available off-the-shelf. MV Maid of Glencoul is the back-up vessel and would be replaced with another quarter loading vessel and the current main vessel, MV Corran, would become the back-up vessel. Previously, consideration was given to running one vessel only, and this included discussions with Calmac about them providing a vessel for emergency and refit cover as required. However, it emerged during trials that the Calmac RO-RO vessels were incompatible in the slipways at Corran Ferry at certain states of the tide, which could only be resolved by realigning the slipways (no costing for this work has been done, but the investment has been described as “significant”). If the slipways were realigned the current quarter loading vessels could no longer operate and would need to be replaced by a RO-RO vessel. Replacement with a RO-RO vessel would allow the sale/scrapping of both vessels yielding a reduction in running costs (although it would be necessary to pay for the refit cover) and potentially a capital receipt from the disposal of the two vessels.

The replacement of the MV Maid of Glencoul is the opportunity to convert the operation to RO-RO. The Capital Programme only contains a “below the line” provision of £8m for 2022/23, indicating that a replacement ferry is not an investment priority for the Council. The report to Community Services Committee in February 2015 estimated the cost of replacement to be £12m for a RO-RO vessel, based on recent Calmac acquisitions. A replacement for

a similar capacity vessel for the crossing at Strangford Lough cost approximately £6m (NB detailed spec. for full comparison was not available). It would also be worth investigating whether alternative financing options exist, including contract-hire arrangements.

Infrastructure Investment.

Work is required to the Ardgour slipway in the medium term, and the current MV Maid of Glencoul mooring would require upgrading if it was used to moor the larger MV Corran if it became the cover vessel. As stated above, "significant" investment would be required to realign the slipways to accommodate RO-RO vessels.

Equipment

There are various pieces of equipment which require to be upgraded, in particular the ticketing system, to enable a move to a smart ticketing systems and the replacement of the hand-held ticket machines.

Staffing

The majority of the staff are in their 50's and 60's which means that there needs to be investment in recruitment and training, for example apprentices, who can replace the older members of staff as they retire. The Council is vulnerable to the loss of skilled staff through sickness or moving to other employment, for example each shift has an engineer.

Management

The operation is currently supervised by two Foremen who report to the Roads Operations Manager – Lochaber, Nairn, Badenoch & Strathspey, who has a broad remit, and despite having an understanding of the ferry operation and requirements, only has limited marine-specific experience and knowledge, including the changing regulatory and training requirements – for example Marine and Coastguard Agency (MCA) is introducing a new set of qualifications and a requirement for the renewal of licences, previously held for life.

Potential Service Improvements and Changes

If the Council were to commit to the above investments there would be opportunities to alter the service to generate a sustainable surplus. Measures could include:

- Review of fare structure, in particular: the discount given for 30 ticket books; the fact that car and foot passengers and bicycles are not charged for; and differential charging for residents and visitors (only 15% of Citizen's Panel disagreed/strongly disagreed with this approach). One approach may be to base future fare structures on RET which is now established across the Calmac network and provides a useful benchmark for HC operations, while retaining a discount for residents who regularly use the service, such as season tickets or discounts for multiple trips through smart ticketing. NB previous attempts to change fare structure have faced strong community opposition.
- Reviewing the timetable including reducing the winter timetable,

reflecting lower demand.

5.5.2 Arm's Length External Organisation (ALEO)

Some consideration has been given to the possibility of setting up an ALEO to operate the ferry service. Operating an ALEO would provide a number of advantages including:

- Flexibility to vary fares and operations
- Freedom to operate more commercially than the Council (in the face of community opposition/scrutiny)
- Opportunity for community involvement (e.g. on the ALEO Board)
- Potential to attract private investment (e.g. investment in infrastructure)
- Transparent stand-alone operation that would be required to cover its costs.

However the service would still require the investment outlined above, much of which would in all likelihood have to come from the Council. Furthermore there would need to be investment in specialist management and back office support and systems and the transfer (TUPE) of existing staff to the ALEO. The relatively small scale of the operation may not justify the required investment in management, overheads and support costs.

This option would require further investigation, if the Council agrees this is an option worth pursuing.

5.5.3 Transfer to Another Operator

As outlined above, the service requires capital investment, however the ferry is not a statutory or core Council service so such investment may be difficult to justify in a competitive capital environment. Transferring to another operator would enable the Council to avoid the significant investment required (although there may be a need for some investment so that the operation is fit for transfer). It would also mean the Council would transfer the risk of running the operation to an organisation whose core business was operating ferries, bringing advantages including specialist engineering, safety and training which the Council is unable provide. Any transfer would involve the transfer of 18 (17.5FTE) Council staff, who would be protected by TUPE, and who may also benefit from opportunities for promotion, working other routes, specialist support during refit, and additional staff cover.

Transport Scotland

As reported to Community Services Committee on 5 Feb 2015, initial discussions were held with Transport Scotland regarding the transfer of the service as outlined in the Scottish Government Ferries Plan. These discussions identified matters to resolve or consider before the Scottish Government would make a decision about running the ferry themselves including the following:

- Understanding by the community of the impact of RET
- The need to justify the "lifeline" status of the Ardnamurchan peninsula
- Use of the standard Transport Scotland "Routes and Services

Methodology” to identify dependencies on the ferry and therefore the minimum service required

- A business case for operating the ferry that shows it covering its costs
- The transfer of all infrastructure to TS – for control of the assets required. It is possible that some investment in assets and infrastructure would be required to facilitate the transfer.

The continuing openness of Transport Scotland to consider a transfer was most recently confirmed in letter from the Transport Minister to Council Convener received January 2017. It is assumed that following the transfer, Transport Scotland would contract Calmac to operate the route as part of the Clyde and Hebrides contract.

As outlined in the same report, transfer to Transport Scotland would lead to the introduction of RET fares. While introduction of RET would reduce the cost of a single car crossing, the discounted fares would be likely to disappear and car and foot passenger would start to be charged. Overall, this was estimated in the report to yield an additional £224K in fare income, but was rejected as an option in the face of community opposition. However, there are instances where multi trip discounts and/or season tickets have been retained on short routes operated by Calmac following the introduction of RET, for example Largs/Cumbræ, Wemyss Bay/Rothesay, Colinton/ Rhubodach, and Oban/Carignure. Following this up is an outstanding action, and would address the main community objection to transferring the service to Transport Scotland.

Transfer to Another Commercial Operator

A further possibility would be to transfer the service to a private operator rather than Transport Scotland. There are various contractual/commercial arrangements that could apply such as selling the operation and assets to the highest bidder or agreeing a joint venture/ profit share arrangement, although it is unclear whether there are any operators who would be willing to enter into such an arrangement, particularly given the investment requirements; and the Council would come under community criticism it was seen to make profit from the service. Equally, any attempt by the Council to control fares or specify service levels would be likely to lead to a contracted service arrangement with the Council paying for the service to be delivered, similar to other contracted bus and ferry services. This option would require further investigation, if the Redesign Board felt that it was merited.

5.6 Meeting the Council’s Affordability Challenge

- There are no savings or income earning opportunities as the service aims to run at break-even (revenue only). This is stated policy agreed in response to community concerns.
- While there are no savings opportunities, there is significant capital investment required (including the impact on the revenue budget of servicing that capital requirement) if the Council retains the service, or establishes an ALEO to operate the service in its behalf. Transferring the service to another operator would avoid the need for most of that

capital investment – it is anticipated (subject to negotiation) that some capital may be required to ensure the service is fit for transfer.

5.7 Conclusion

- Corran Ferry presents no significant savings or income earning opportunities if it continues to be operated as at present
- The community has had a strong influence over the political decision making regarding fares, which has affected the ability for the Council to cover the costs of running the service, leading to a lack of investment
- Changing the fare structure (e.g. different fares for residents and visitors; charging for foot passengers) could raise additional income
- The service now requires significant investment (estimated up to £12m for a new vessel). Failure to invest will lead to increased maintenance costs, and eventually the vessels no longer being fit to operate (i.e. failing routine MCA inspections). Conversely the Council is likely to receive little financial return for that (scarce) capital investment given the current fare structure and community opposition.
- The Council has not prioritised capital investment in the operation and there is no provision in the Capital Programme for a replacement vessel
- A fixed crossing, whether bridge or tunnel, is only a possibility in the long term (if at all), and a crossing of some sort (i.e. ferry) needs to be maintained in the meantime.
- Transport Scotland remains willing to enter into discussions about assuming responsibility for the ferry.
- The service is currently operating at a surplus, but this is susceptible to increasing fuel and maintenance costs, so the window of opportunity to transfer to another operator may be limited.

5.8 Recommendations

TS4.1 Develop Business Case for future operation of Corran Ferry including the following options:

- HC continues to operate
- HC transfers service to an ALEO
- HC transfers service to another operator

TS4.2 The Council decides future operation of Corran Ferry based on Business Case

6 Implications

6.1 Resource Implications

The key resource implications are:

LTS/SQP

- No savings

Public and Community Transport

- Transport Programme has already achieved £1.74m of savings compared with the previous round of contracts, and now seeks to fill the outstanding savings gap of £0.506m in 2017.
- Further savings can be made by reducing the budget available for public transport once the current contracts expire in 2021 although some contracts could be terminated early if required. Similarly Community Transport grants have been agreed until 2019.
- Public and community transport are managed to maximise the use of resources, so any savings made will lead to service reductions, and these would need to be considered on a route-by-route basis, considering issues such as usage, transport alternatives, rurality, poverty and equalities impacts.
- Community transport is part of the solution to Highland transport needs, but coverage is not Highland wide and capacity is limited in many communities, meaning it is not a viable alternative in many cases.

Other Public Transport - Ferries and Concessionary Fares

Proposed savings are as follows:

	£m
Rail Concession Fares	£0.120
Ft William - Camusnagaul Ferry contract	£0.020
Total	£0.140

Please note these savings differ from those presented to the Redesign Board on 10 Jan 2017 following further analysis and discussion (see Section 4.9.3)

Corran Ferry

- There are opportunities to increase income if fare structure is changed and community opposition to fare increases could be managed by introducing different fares for residents and visitors
- The operation requires substantial capital investment (up to £12m for new vessel) plus investment to realign slipways and introduce smart ticketing.
- The saving available to the Council is to avoid most of this investment requirement by transferring the service to another operator (who may require some investment contribution from the Council).
- The service is currently operating at a slight surplus, but this is susceptible to increasing fuel and maintenance costs so the window of opportunity for transfer may be limited.
- Ferry Staff – should a transfer to another operator be agreed it will be necessary to transfer 18 (17.5FTE) Council staff who would be protected under TUPE regulations.
- The Transport Services Redesign Review Group staff side representative was fully engaged and briefed on the findings and recommendations of the Review at regular Review Group meetings. Unfortunately he was not available to attend the Corran Ferry crew meeting although the outcomes of that meeting were subsequently reported to the Review Group.

6.2 Legal

There are a number of detailed legal implications arising from the reports, however the main legal issues are:

- Contractual issues relating to early termination of transport contracts
- Legal and procurement issues regarding transfer of Corran Ferry to another operator (if implemented)
- Transfer of ferry staff to other operator (TUPE) if implemented

6.3 Equalities

Equalities screenings have been carried out for the following:

TS3.3 Develop joint Care and Learning/ Community Services Business Case for Committee decision on the transfer of HC minibuses from managing establishment to central management

TS3.4 Analyse and adapt home-to-school network

TS3.5 Review contract terms and conditions

TS3.8 Develop range of options available to deliver local transport services

TS3.10 Ensure community engagement in public transport network analysis, prioritisation of routes to support and selection of options for service provision.

TS3.11 Review contracted ferries (excludes Corran Ferry) and concessionary fares to achieve savings – Rail Concessions

TS3.11 Review contracted ferries (excludes Corran Ferry) and concessionary fares to achieve savings – Fort William-Camusnagaul Ferry

The major issues identified are:

- Potential impacts on disabled and elderly from withdrawn or reduced bus services.
- National Entitlement Card (bus pass) holders (elderly and disabled) are not affected by any fare rises as their fares are covered by Scottish Government concessionary fares scheme
- Increased community access to Council minibuses presents a potential positive impact if more services are provided, particularly in areas where transport services are light or non-existent. Access for disabled passengers will improve as vehicle specifications improve.

An Equalities Impact Assessment will require to be completed as part of the proposed Business Plan for Corran Ferry (see TS4.1)

6.4 Climate Change/Carbon Clever

There are no specific Climate Change or Carbon Clever implications arising from this report.

6.5 Risk

There are a number of detailed risks associated with the actions proposed in the report. However the main risks are as follows:

Home-to-school transport not provided

This statutory service must be provided. The risk is managed by prioritising provision of home-to-school transport. Withdrawing support from other public transport may have an unintended impact of forcing operators to withdraw from home-to-school contracts, so it is necessary to maintain open dialogue with contractors.

Reputational damage to the Council

This may arise from early termination of contracts. It is important that the Council treats its contractors fairly. The risk is managed by maintaining an open dialogue with contractors.

Outstanding budget gap of (£0.506m) not filled

This is a priority for the transport programme in 2017. Failure to fill the gap will lead to a budget pressure and/or need to reduce agreed services and grants.

Corran Ferry out of service

This risk will be caused by a delayed decision whether to invest or transfer the service to another operator. The risk is managed by timely decision making informed by Business Case.

6.6 Gaelic

There are no implications for Gaelic arising from the report.

6.7 Rural

Rural and poverty initial screenings impacts have been carried out for the following:

- TS3.3 Develop joint Care and Learning/ Community Services Business Case for Committee decision on the transfer of HC minibuses from managing establishment to central management customer friendly booking system
- TS3.4 Analyse and adapt home-to-school network
- TS3.5 Review contract terms and conditions
- TS3.8 Develop range of options available to deliver local transport services
- TS3.10 Ensure community engagement in public transport network analysis, prioritisation of routes to support and selection of options for service provision.
- TS3.11 Review contracted ferries (excludes Corran Ferry) and concessionary fares to achieve savings – Rail Concessions
- TS3.11 Review contracted ferries (excludes Corran Ferry) and concessionary fares to achieve savings – Fort William-Camusnagaul Ferry

The major issues identified are:

- The negative impact of increased fares and /or withdrawn services on households in rural areas and/or affected by poverty. This would particularly apply to households without access to a car, or where the only car is taken to work leaving parent/carer/partner at home without

transport.

- An impact assessment would be required on a route-by-route basis for any services withdrawn.
- Any change to home-to-school transport will be within policy and will ensure this statutory service continues to be provided. There may be a negative impact in some households, for example, reducing the number of pick-up points and requiring pupils to get to those pick-up points by their own means, where road safety allows.
- Increased community access to Council minibuses presents a potential positive impact if more services are provided, particularly in rural areas where transport services are light or non-existent.

Rural and Poverty Impact Assessments will require to be completed as part of the proposed Business Plan for Corran Ferry (see TS4.1)

7 Transport Services Recommendations

7.1 Recommendations that need further Review Team work

None

7.2 Recommendations that can be taken forward as an operational matter within the service

LTS/SQP

TS1 Council continues with the current arrangements, whereby the Local Transport Strategy is incorporated into the Local Development Plan process.

TS2 Council continues with the proposed SQP

Public and Community Transport

In time for the next round of tenders, develop and implement a strategy for School, public and community transport including:

TS3.4 Analyse and adapt home-to-school network

TS3.5 Review contract terms and conditions

TS3.6 Phase contracts

TS3.7 Develop criteria for the prioritisation of non-commercial contracts

TS3.8 Agree range of options available for local transport services

TS3.9 Continue to support and facilitate community transport

TS3.10 Ensure community engagement in public transport network analysis, prioritisation of routes to support and selection of option for service provision.

7.3 Recommendations that can be taken forward as an operational matter and the service needs support from others to do that

Public and Community Transport

With support from Care and Learning:

In time for the next round of tenders, develop and implement a strategy for School, public and community transport including:

- TS3.2 Transfer School Transport budget to Transport Coordination Unit including agreement between services of governance and responsibilities.
- TS3.3 Develop joint Care and Learning/ Community Services Business Case for Committee decision on the transfer of HC minibuses from managing establishment to central management

Corran Ferry

With support from outwith the service (secondment/ external consultancy):

- TS4.1 Develop Business Case for future operation of Corran Ferry including the following options:
- HC continues to operate
 - HC transfers service to an ALEO
 - HC transfers service to another operator

7.4 Recommendations that need Member consideration before any implementation

Public and Community Transport

- TS3.1 Council continues to provide financial support for contracted (non-commercial) services and for community transport
- TS3.11 Review Contracted Ferries and Concessionary fares to achieve savings

Corran Ferry

- TS4.2 The Council decides future operation of Corran Ferry based on Business Case (TS4.1)

Designation: Transport Services Redesign Review Group

Date: January 2017

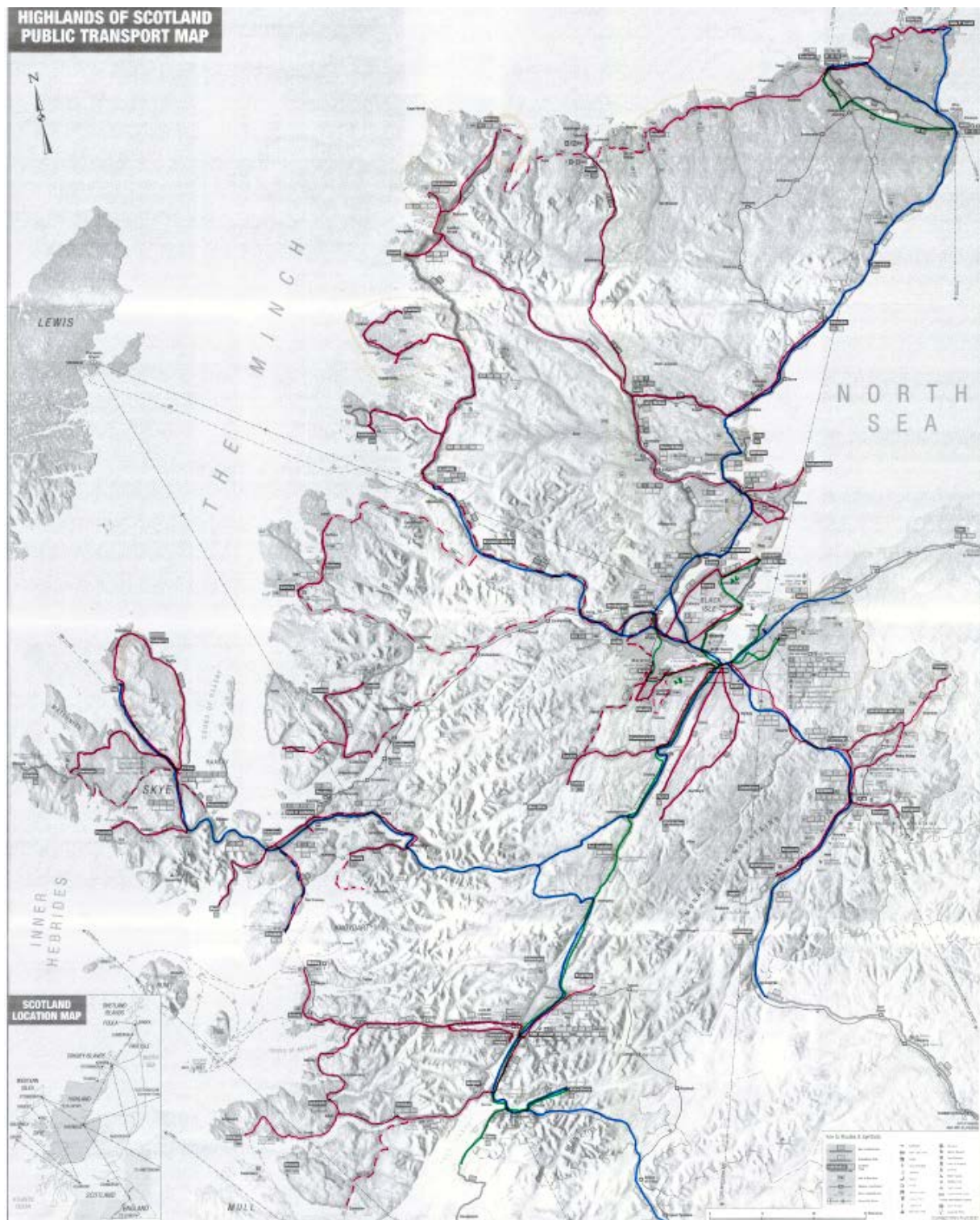
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 Staffside Representative: Charles Stephen (Unison)

Background Papers:

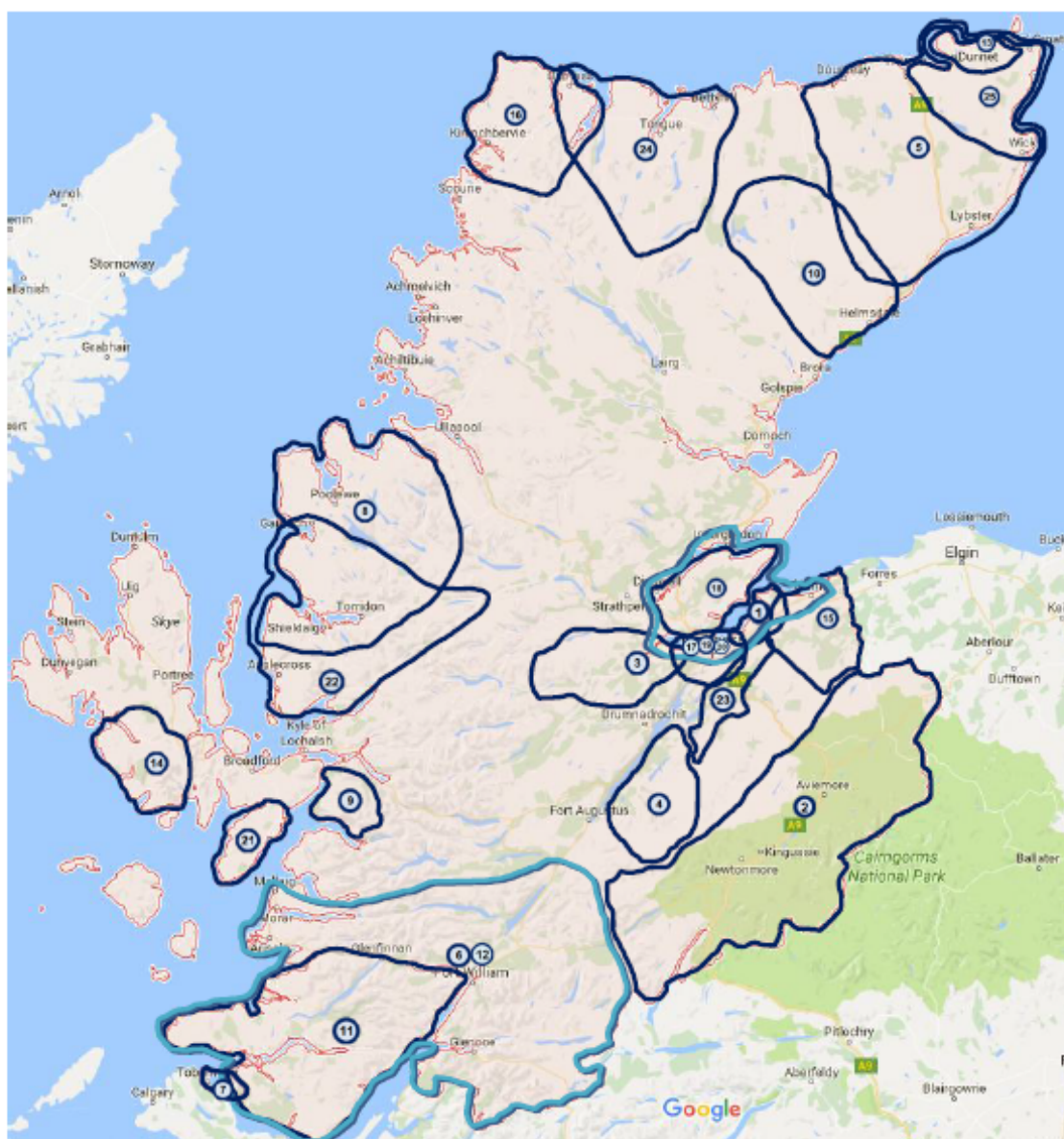
Appendix 1: Map of Highland Public Bus Routes



Key

- Blue Commercial routes
- Green Commercial routes with contract for part service (e.g. evenings/weekends)
- Red Services contracted by HC (i.e. non-commercial); dotted = limited service

Appendix 2: Map of Community Transport Projects 2016-19



Area-Defined Community Transport Groups (Recipients of Highland Council CT Grants, 2016-2019)

- | | |
|---|---|
| 1. Ardersier, Petty, Croy and Culloden Moor Transport Association | 18. Ross-Shire Voluntary Action (Black Isle Community Car Scheme) |
| 2. Badenoch & Strathspey Community Transport Company | 19. Shopmobility |
| 3. Beaulieu and District Care Project | 20. SHIMCA (Scottish Highlands & Islands and Moray Chinese Association) |
| 4. Boleskine Community Care | 21. Sleat Community Trust |
| 5. Caithness Voluntary Group | 22. South West Ross Community Car Scheme |
| 6. Care Lochaber | 23. SCATA (Strathnairn Community Access and Transport Association) |
| 7. Drimmin Sealink Ltd. | 24. Transport for Tongue |
| 8. Gairloch Community Car Scheme | 25. Wick & East Caithness Community Transport |
| 9. Glenelg & Arnisdale Bus Users Group | |
| 10. Helmsdale Community Transport | |
| 11. High Life Highland (Arainn Shuaineirt) | |
| 12. Lochaber Action on Disability | |
| 13. Mey Village Hall | |
| 14. Minginish Community Minibus | |
| 15. Nairn Community Transport | |
| 16. North West Community Bus Association | |
| 17. Partnerships for Wellbeing (IVTS) - from April 2017 | |

The Highland Council

REDESIGN BOARD WORKSHOP– 14 February 2017

Agenda Item	
Report No	

STREET LIGHTING REVIEW

Report by Head of Infrastructure

Summary

The report summarises the scope of the Street Lighting Review, the information gathered as part of the review process, provides information on the areas of consideration and lists the recommendations for consideration by the Redesign Board.

Following board consideration then a Street Lighting Policy shall be developed and presented to Community Services Committee.

1. Background

Street lighting was identified as an area requiring significant review for the council's redesign in phase 1 of the process, along with: Services for children and young people – looked after children and residential care; Adult social care; Waste services; Additional support for learning, specialist services and school transport additional needs; Transport services; Administration within schools.

The street lighting review leader is Colin Howell, team members are Mark McGinty and Angela Echavarren, board members are Cllr Reiss and Mick Haymer, staff side rep is Mick Haymer and the host head of service is Tracey Urry. Robin Pope and Carolyn Smith were also asked to join the review group.

- 1.1 An initial meeting was held with the review participants on the 21st of October 2016 where the scope of the street lighting review was discussed. It was agreed that the scope should cover all items in the street lighting budget which includes street lighting and the LED lantern replacement programme, illuminated signs and bollards, communications, CCTV and Christmas lights. The participants were tasked with meeting street lighting colleagues to understand work practices, areas of concern and areas where opportunities to increase income may exist. The host head of service ensured staff were briefed on the review ahead of these meetings. The review participants met again on the 9th of November and the 23rd of November to report back findings and highlight areas which required further investigations. Expert opinions were sought from THC Community Services Finance, Corporate Improvement Team, Commercial Manager, Energy and Sustainability, Planning and Building Standards, Corporate Governance, Climate Change Team, Corporate Audit

and Performance, Performance and Resources. Opinion was also sought from an independent lighting expert from Scottish Futures Trust (SFT) who is also the chair of the Society of Chief Officers of Transport in Scotland (SCOTS) lighting subgroup, who considered the work of the review group and commented on the emerging recommendations, he also ran various lighting scenarios through specialist software to provide typical energy savings.

- 1.2 A draft report was circulated to the review group and value champions on the 23rd December; this report was considered at the review group meeting on the 9th January 2017, prior to draft review by the Redesign Board on the 10th January where verbal feedback was provided.
- 1.3 Communications and CCTV were considered under the review and the preliminary findings identified issues but it was agreed that most opportunities lay in other areas which require to be concentrated on. These items were therefore not pursued further in the review but it is recommended that the Service carries out a review of these functions to establish efficiencies and also ensure income associated with communications is protected / increased.
- 1.4 It is of note that there is no statutory duty to provide lighting but it is for the Roads Authority to determine which areas 'ought' to be lit. The Highland Council currently has a draft Lighting Policy but this has never been ratified at Committee.

2. Areas of review

2.1 LED replacement lantern roll out

The Capital Programme for 15/16 to 24/25 includes £16M for LED lighting under the project name "Projects Funded from Project Savings (Self Financing) Lighting LED (Enhanced Bid)". This shows an allocation of £2M for each of the 5 years 2015/16 to 2019/20 and £6M for the year 2020/21.

This is in accord with Councils across the UK who are replacing traditional sodium lanterns with lower wattage LED lanterns to reduce carbon emissions and energy bills.

A review of the LED budget has been undertaken and it is considered to be sufficient to undertake all the works and recommendations contained in this report.

2.2 Part-night dimming/switch off

Energy saving trials were held in 2011 in various locations across Highland which involved part-night switch off (midnight to 6a.m.) every second column disconnected and part-night dimming (midnight to 6a.m.). Part-night switch off caused little concern in smaller villages but was unpopular in larger communities. Switching off every second lantern was dismissed following the trial due to concerns over road safety and non-compliance with standards. Part-night dimming caused very little concern with no apparent discernible

reduction in the level of service to communities.

2.3 **Unmetered energy billing**

The street lighting energy is an unmetered supply. A monthly return is sent to the energy supplier with an update of switching regimes and lantern types for each individual lantern in the street lighting database which runs to c60,000 lines of data. The switching regime reports on how long the lamp is switched on for i.e. dusk until dawn or dusk until midnight then 6a.m. until dawn. The lantern type and switchgear gives information on the wattage use. Various other charges are applied to the bill to cover network fees and the like. The Highland Council has two billing methods available, an annual average monthly bill or on half hourly usage which approximates to the consumption. The information submitted clearly needs to be correct and optimised to minimise cost.

2.4 **General energy efficiencies**

Energy prices are expected to rise in the next few years which could erode savings from the LED programme. The review looked at how energy was used in street lighting but also touched on other energy efficiency matters across THC services which arose from investigations.

- Investigations into how street lighting energy bills are established also resulted in information on how the metered supply used by large energy users such as THC are calculated. The actual cost of electricity supplied to the Council is made up of two discrete elements; the raw energy price, which is a national contract negotiated through Scotland Excel; and the “non-core”, or “pass-through” charges levied by the local Distribution Network Operator (DNO). The non-core costs are detailed by the supplier within our bills, on a site-by-site basis. Non-core charges currently account for about 55% of total electricity bills, but this figure is projected to rise to 70% of bills by 2018-19. This will place significant additional pressure on resources, unless the Council realises an associated reduction in consumption of these metered supplies. The two most important non-core charges are Transmission Network Use of Systems (**TNUoS**) and the Distribution Use of System (**DUoS**).

TNUoS charges are applied to usage over the year and are based on an assessment that is made in peak times from November to February each year. The charges (known as Triads) are determined on 3 half-hour measurements taken during the working week in winter at peak times. The Council generally receives notification of each Triad period 24 hours in advance. If the Council uses less energy during these Triad periods, it will pay a lower TNUoS charge.

DUoS charges are levied by SSE, and are made up of numerous elements including available capacity, standing charges and units consumed. During the working week, certain times of the day are considered peak times and are categorized as Red Band. Other times are categorised as Amber (day-time) and Green (night-time). Amber and Green bands are much cheaper than Red bands.

- Reducing energy consumption in THC buildings, car parks, depots and sports fields by reducing excessive lighting was considered. RPOs were surveyed as part of the review into street lighting, following concerns which were raised by street lighting colleagues and participants of the review. The RPOs were asked if lighting was left switched on, in and around the building when the building was not in use. There were 159 responses to the questionnaire, from the 350 asked for an opinion. 88% of the respondents were confident that internal lighting was not left on when the building was empty. 56% confirmed that those buildings which were floodlit, were lit when not in use. 65% of those with car park and footpaths lighting confirmed that lights were kept on even when the building was not in use.
- The Traffic Signs Regulations and General Directions 2016 has relaxed the requirement for many traffic signs to be illuminated at night. Unless specified otherwise, retroreflective signs are the default position.

2.5 **Staffing structure and savings post LED roll out**

LED lanterns not only use significantly less energy, they also have a very extended life and are thus anticipated to last a significant number of years prior to failure. Much of the maintenance work of street lighting is monitoring (scouting) and replacement of failed lanterns. The maintenance burden of scouting for faulty lanterns and lantern replacement should be greatly reduced following the roll out of the LED replacement programme.

2.6 **Developer Guidance**

The area street lighting engineers issue guidance to developers on the street lighting requirements for developments and issue a guidance document, The Specification for the Lighting of Roads in Housing and Developments. Developers must meet the required specifications if the infrastructure is to be adopted by The Highland Council. Currently developers install lighting and the subsequent energy consumption and maintenance falls to the council.

2.7 **Budget monitoring**

The year 2016/17 budget for Communications and Lighting shows a total revenue budget of £3.3M. Capital Programme of £500k for replacement columns and cabling each year from 15/16 to 24/25. Capital Programme of £16M for lighting LED with spend of £2M for each of the 5 years 2015/16 to 2019/20 and £6M for the year 2020/21.

Non staff time (labourers and electricians) is recorded against job codes and entered into the Integra system by Business Support. Staff time (area engineers and manager) do not do timesheets.

The finance system (Integra) does not allow the recording of plant usage/cost.

2.8 **Income generation**

During the review, suggestions on increasing revenue were identified and investigated. Areas considered included the design and installation fees charged to external developers; commuted sums from developers for energy

consumption and maintenance; extending the scope of work to include lighting maintenance on the trunk road network; extending the scope of work to include design, installation and maintenance of external lighting in Highland Council buildings/harbours.

2.9 **Christmas lights**

The review has highlighted inconsistencies in the approach taken in respect of Christmas lights – this is by dint of history, and inferred budget provision at previous reorganisations, it has become apparent that not all such costs are being recovered.

Common Good Funded Christmas Lights

Inverness City Centre Christmas Lights - £65K invoiced – note under recovery of actual costs c£10K in 15/16.

Strothers Lane -£2,500 invoiced

Christmas Extravaganza - £3,200 invoiced

Street Lighting Revenue Funded (Free) Christmas Lights- c£30k/yr

Landward Inverness (Beauly, Tomich, Cannich, Balnain, Drumnadrochit, Invermoriston, Fort Augustus, Gorthlick, Foyers, Dores, Tomatin, Ardersier, Croy and Balloch) – c£10K

Nairn (Aldearn and Cawdor) – c£7,500

Lochaber - c£9K

Portree – c£2,500

Christmas Lights Recharged

Smithton and Culloden - £600

Thurso - £3K

Ardgay - £150

Invergarry - £240

Inverlochy - £175

Inshes Park - £700

Woodside - £650

2.10 **Charity banners**

Lighting engineers are asked to install and remove charity banners in Inverness. The charity banners in Inverness cost c£2,500 in plant and labour costs last financial year for which there is no budget and is currently funded from the street lighting revenue budget.

2.11 **IT provision**

There has been a pilot trial of hand held computers for out of office data retrieval and uploading of lantern specifications. This is not currently available across all of the street lighting teams and work instructions tend to be paper based.

3. Recommendations

3.1 LED replacement lantern roll out

- Accelerate the LED replacement programme and associated capital budget spend to complete by the end of March 2019 is both considered challenging and achievable. Accelerating the programme will result in achieving savings sooner to the energy bill, as kilowatt hours are reduced by between 40% and 60% by changing from traditional sodium lanterns to low wattage LEDs. Once the roll out is complete, savings of £900k per year in energy costs and c£70k in carbon tax could be achieved although this is expected to decrease because of rising energy prices. Maximising internal delivery of LED lanterns both utilises available workforce and retains experienced staff, but augmenting these resources and concentrating on LED replacement will significantly improve both the delivery and reduce installation costs.
- Replacing illuminated (lit) signs and bollards with retroreflective signs in line with revised guidance should be included in the LED replacement programme.
- Lanterns on an unmetered supply within harbours should be included in the LED replacement programme.
- The workforce would need to be augmented to meet the new target for LED replacement if approved. The staffing budget is currently set at 28 manual workers and 8 staff (7 vacant posts). Because maintenance following LED replacement is less, staffing levels do not need to be maintained at the current level. Two of the vacancies need to be filled with either two permanent electricians or one electrician and one apprentice electrician. A Technical Assistant post needs to be created using a vacant electricians post and filled, to increase efficiency and to assist with data entry (key to achieving energy savings) thus freeing up staff time. Temporary, fixed term contracts, for the duration of the roll out are required for six labourers at HC4 and two electricians at HC5. The remaining vacant posts will disappear from the structure. The ideal make-up of a lantern replacement squad is one electrician, one labourer and one mobile elevated work platform vehicle. Additional plant/vehicles will be hired in to augment the internal fleet as required to optimise work progress.
- It is recognised that even with the temporarily augmented workforce and increased efficiencies, all LED lantern replacements will not be achieved by March 2019. Geographic areas are to be identified for replacement by external contractors through the EXCEL LED Replacement Manpower Framework Contract. Works to be led by THC Street Lighting engineers with technical support, contract preparation and administration by the Project Design Unit. As this contract has fixed replacement costs, this contract should be targeted at those areas which are most challenging to replace.

- Internal street lighting fleet maintenance should be prioritised to maintain productivity, as extended downtime is currently being experienced.

3.2 **Part-night dimming/switch off**

The citizen's panel were approached to establish the community's views on reducing street lighting and the acceptability of night time switch offs, there were 802 responses. There was overwhelming support - 76% who agreed that lighting should remain on all night for the following criteria:-

- ❖ Main traffic routes and road junctions;
- ❖ Locations with a significant road traffic night-time accident record;
- ❖ Areas with a significant record of night-time crime or anti-social behaviour;
- ❖ Lights outside sheltered housing and other residences accommodating vulnerable people;
- ❖ Areas with 24-hour operational emergency services including hospitals;
- ❖ Potential hazards on the highway such as traffic calming, speed humps and road crossings;
- ❖ Parts of town centres that have concentrated night-time activity or economy; and / or
- ❖ Areas covered by police or council CCTV operations.

It is of note also that when asked about what the impact of part night switch off would have on you/family only 13% identified it would cause some or significant difficulty, that impact rose to 26% when they considered the wider community.

When asked about a complete switch off of lighting in residential areas 37% disagreed with this, this figure increased to 42% when asked about no lighting in new residential developments. It is of note that respondents from rural locations were much more likely to agree to residential lighting switch off.

Respondents with a disability are much more concerned about light switch off and general concerns regarding the elderly, young and vulnerable groups were raised.

It is thus clear that part night switch off of non-essential lanterns will have its detractors but there is general public support for this. There is clearly more opposition to complete switch off.

It is thus recommended that part-night dimming or switch off in suitable areas across Highland using criteria to be agreed by Members through a revised Street Lighting Policy, should be considered. Part-night dimming would give a £50k per year typical energy saving on top of the LED saving and Part-night switch off would give a £100k per year typical saving.

Part night dimming maintains all lights on but at reduced levels for part of the night, but this reduced level is difficult to discern so there is little risk of complaint from the public, this is achieved by installing pre-programmed LED lanterns. Part night switch off from mid-night to 6a.m. requires incorporation of a time clock in the lighting control cabinet. Due to the lack of control from the cabinet, if any one light falls into the 'must remain lit' category, then the whole lighting loop would have to remain lit. Part night switch off may prove unpopular with the public. If part night switch off is rolled out it is costly to revert back to dimmable lanterns. Due to the costs of the installation, the lack of control, the limited savings and the potential complaints for part night switch off, it is recommended that part night dimming is adopted across the lighting network.

Whilst acknowledging that full switch off of lighting columns may prove unpopular, it is recognised that where public support exists then this could be accommodated, and would provide savings. It is of note however that columns and lanterns when not used, suffer from moisture damage and expensive repairs may be required to bring them back into use. It is recommended however that consultations with discrete communities should be undertaken to establish if there is an appetite to deliver savings and associated carbon reductions and dark skies. This consultation should include consideration of the potential impact of any full switch off on vulnerable groups within that community.

3.3 **Unmetered energy supply billing**

Energy savings are being pursued by using an independent company to manage half hourly and average annual tariff returns. By switching to annual tariff in the long winter nights, then half hourly tariff in the shorter summer nights, savings of typically £420k over the year could be achieved for the unmetered supply on the existing lighting stock. This is most likely to be a short term gain as energy companies may seek to close this loophole.

3.4 **Energy efficiencies**

- Support the Climate Team's plans to reduce **TNUoS** and **DUoS** charges by alerting staff prior to the period used to calculate winter peak time and ask them to minimise energy consumption during this peak demand period (generally 16:00hrs to 19:00hrs Monday to Friday). A 10% reduction in energy consumption in the monitored period could save in the region of £20k, whilst a 25% reduction would be in the region of £50k. Officers in the Council's Energy & Sustainability team are currently working on plans to ensure consumption is shifted to lower-cost bands.
- Empower RPOs to reduce energy consumption in THC buildings, car

parks, depots and sports fields by introducing a policy on reducing excessive lighting. Consideration should be given to installing flexible lighting systems such as person activated systems to the metered supply and carrying out an LED replacement programme across the estate.

- Street lighting engineers should challenge all requests for installation of further street lighting and be mindful of the future energy consumption and maintenance costs.

3.5 **Staffing structure and savings post LED roll out**

The proposed new Lighting & Communications Manager will have to decide the ratio of posts in the north and south areas but there will be 2 years of augmented resources during the period of LED replacement, to March 2019, before future staffing levels need to be determined. The staffing levels will be dependent on the maximisation of both internal and external revenue streams which should be pursued to maintain/maximise staffing levels to provide an efficient service and good geographic coverage.

SFT have advised that typical maintenance savings in Scotland of £15 per column per year for each LED replaced. It is recommended that following the LED roll out, potential revenue savings of around £600k can be achieved. This is based on the benchmark figure of £1.5M shown in the revenue budget pre LED roll out from 2015/16 for street lighting and traffic lights, signs and bollards maintenance budgets if all of the recommendations are adopted. It is however recognised that establishment of the appropriate savings figures for Highland will have to be accurately determined.

The £500k column and cabling capital budget should remain unaffected.

Scouting for faults is already reducing as the LED programme progresses and this should disappear completely once completed. Community Councils will be encouraged to report faults and street lighting engineers should work with Corporate Improvement to create a more streamlined public reporting system.

Structural testing of columns is required and should be undertaken to determine the column replacement schedule, this has currently been side-lined. Training and equipment should be considered such that such structural testing could be undertaken by in-house staff (rather than outsourcing which is how it has historically been undertaken) – the work being funded from the lighting capital programme for column and cabling replacement budget. This testing of the lighting infrastructure shall be used to establish an annual schedule of column and cabling replacement that should be delivered from the capital allocation.

3.6 **Developer Guidance**

The specification should be revisited by the engineers to ensure the minimum street lighting requirement is provided.

Consideration should be given to allow developers to determine if street

lighting is to be installed. If the developer selects to install lighting (as potential purchasers may prefer) then a commuted sum for future energy consumption and maintenance may be applied. Legislation in England specifically makes such provision for commuted sums, The Road Scotland Act is silent in this regard.

3.7 **Budget monitoring**

The finance system Integra does not allow for the monitoring and allocation of plant, this is inefficient as hours for plant have to be manually extracted from timesheets and calculated out, this may also lead to under recovery. This should be addressed by Finance. Budgets should be made available to the new Communications & Lighting Manager and the Area Engineers and should be monitored and reported monthly.

3.8 **Income generation**

- Design and installation fees for external developers – street lighting should be charging commercial rates for work done rather than currently charging at cost.
- Commuted sums from developers for future energy consumption and maintenance costs for new developments should be investigated and rolled out (as in England) if Scottish legislation is deemed permitting.
- Investigate the possibility of offering services such as standby and maintenance for the lighting on the trunk road network.
- Investigate the possibility of offering services to design, install and maintain external lighting for Highland Council premises.

3.9 **Christmas lights**

Where a budget exists for Christmas lights, work shall be done to the limit of that budget and no more. Time and materials should not be provided for Christmas lights unless there is a budget in place. Communities will be advised on best practice and Health & Safety issues in connection with installing Christmas lights. This does not prohibit street lighting operatives carrying out voluntary works for local communities. Electrical connections shall only be undertaken by street lighting electricians. It is inconsistent for some communities to receive 'free' Christmas lights when other communities are being charged. Clearly, Christmas lights are not a statutory duty and it is recommended that no street lighting revenue for Christmas lights should be used to fund this provision. To mitigate this change:-

- Communities should be encouraged to provide their own Christmas lights.
- Communities can commission the street lighting team to install Christmas lights as already provided to some communities.
- Guidance and acceptable method statements shall be provided to communities so that they can install their own Christmas lights (as

already happens in some areas), but not the electrical connection (fuse). Electrical connections shall only be undertaken by street lighting electricians and should be charged at £50 to cover both the connection and disconnection.

- Street lighting electricians may provide their services in their own time (as already happens in some areas) and it should be acceptable for such lighting staff to use lighting plant and equipment outwith the working day at no cost to the communities as long as insurances are not compromised.
- Christmas lighting equipment can be provided at cost to communities.

3.10 **Charity banners**

The recommendation is that street lighting revenue funding the installation of charity banners should cease and only undertaken where recovery can be achieved, for example invoicing or ward discretionary budget. It is also suggested that consideration be given to banner space rental income potential. THC already has a commercial contract for advertising banners on street lighting infrastructure and thought could be given to the commercial management team also administering banners.

3.11 **IT provision**

Hand held computers should be used by all work teams with appropriate training given at roll out.

4. **Value Champions**

Through the development of the review, aspects have been challenged and cognisance taken in the emerging recommendations. The draft report was circulated to the value champions and a detailed challenge from Derek Yule was received that was reviewed by the team. The questions and considered response is attached as Appendix 1 as the review team felt that the challenges were sound and the responses were informative to the issues.

5. **Implications**

5.1 **Resources**

Members of the review including the staff side representative met with Street Lighting staff to establish working practices and to listen to concerns and perceived opportunities. The host head of service ensured staff were briefed on the review ahead of these meetings.

Staffing

There will be two years of augmented resources required during the period of LED replacement, to March 2019. Currently, there are 7 vacancies in the structure and it is proposed that two of the vacancies need to be filled with either two permanent electricians or one electrician and one apprentice electrician, a Technical Assistant post should be created using one of the vacant electrician posts. Temporary, fixed term contracts, for the duration of

the roll out are required for six labourers at HC4 and two electricians at HC5. The remaining vacant posts will disappear from the structure.

There will be less maintenance required following LED replacement therefore staffing levels do not need to be maintained at the current level, hence the temporary posts above. However, during the two years when the LED roll out is taking place, there may be the opportunity to tap into new income streams such as carrying out duties on behalf of the trunk road authority or undertaking installations and maintenance of lighting around THC buildings and depots. Future staffing levels will need to be determined at the end of the two year period.

Savings

The LED replacement lantern roll out should achieve savings of £900k per year in energy costs and around £70k in carbon tax once it is completed, although this is expected to decrease because of rising energy prices. Completing the project by March 2019 rather than the current target of March 2021 will result in savings being realised sooner. Further savings can be made by including the replacement of illuminated traffic signs and bollards with retroreflective signs and the installation LED lanterns in the columns at THC harbours in the LED replacement lantern programme.

The pre LED roll out revenue budget for street lighting and traffic lights, signs and bollards maintenance budgets from 2015/16 was set at £1.5m, it is expected that if all of the recommendations from this report are adopted then savings of £600k can be made from this benchmark figure.

Part-night dimming of all street lighting would achieve a typical energy saving of £50k per year whilst part-night switch off would achieve a typical energy saving of £100k per year on top of the LED saving.

It is recognised that the savings figures included within this report, whilst based on best available information, has been established from limited data. There is a risk that the savings identified will vary from that stated when more detailed analysis and development of a lighting policy is progressed.

5.2 Equalities

An equalities screening has been undertaken which has highlighted there may be a negative impact on visually impaired and older people if Developer Guidance is changed to recommend minimum lighting standards for new developments and also if part-night dimming/part-night switch off is implemented. Any change to Developer Guidance should include a further impact assessment regarding the specific proposal. It is currently recommended that rather than part-night switch off, dimming is adopted instead which would maintain a level of lighting within communities and mitigate the potential impacts on elderly and disabled groups.

5.3 Rural

It is recommended that rural communities are given the opportunity of having existing street lighting removed completely. This may be of benefit to communities who wish to promote dark skies for tourism potential and for their own enjoyment. It should be noted however that prolonged trial periods for this may result in damage to the lanterns and cabling which would incur added expense if it was decided not to take up switch off permanently. There is the possibility that some people in the community may not be in favour and may feel disadvantage if switch off is implemented. Consultation would be undertaken with communities to determine interest in this and any consultation should include consideration of the potential impact of any full switch off on elderly and disabled groups within that community.

5.4 Poverty

No impacts identified

5.4 Legal

The legal implications associated with the potential commuted sums in respect of future developments needs to be considered prior to implementation of a revised developer guidance document.

Reductions in lighting levels may give rise to legal challenge – this can be protected against but having a Lighting Policy that is approved at committee and subsequently implemented. There is no statutory duty to provide lighting but it is for the Roads Authority to determine which areas 'ought' to be lit.

6. Summary of Recommendation, Necessary Approvals and Target Timescales

Operational matter for Service		Target Timescale
1	Permanent posts - fill two of the vacant electrician posts, appoint a Technical Assistant. Temporary posts - appoint 6 fixed term labourers at HC4 and 2 fixed term electricians at HC5 for the two years as part of the accelerated LED replacement project.	31/03/2017
2	Utilisation of the EXCEL LED Replacement - Manpower Framework Contract for to accelerate the LED replacement project.	Commenced - Contract preparation by PDU
3	Include replacing of illuminated signs and bollards with retroreflective signs in the LED replacement programme	Progressing
4	Include the unmetered supply lighting at THC harbours in the LED replacement programme	Immediate
5	Implement part night dimming of street lights across the lighting network and incorporate into the Street Lighting Policy.	Progressing
6	Implement the half hourly/average annual tariffs savings.	Implemented
7	Support the Climate Teams measures to reduce power usage during the power audit periods and peak times.	Implemented
8	Street lighting engineers to challenge requests for additional street lighting.	Immediate
9	Remove the requirement for scouting and encourage fault reporting from communities.	Shall be fully implemented on completion of LED Replacement Programme 31/03/2019
10	Training and equipment should be considered such that structural testing of lighting columns can be undertaken by in-house staff – the work being funded from the lighting capital programme for column and cabling replacement budget.	31/03/2018
11	An annual schedule of column and cabling replacement should be established to prioritise the capital allocation and	31/03/2018

	ensure delivery.	
12	Monthly budget monitoring and reporting to be undertaken	01/04/2017
13	Design and installation fees for external developers – street lighting should be charging commercial rates for work done rather than charging at cost.	01/04/2017
14	Investigate the possibility of offering services to design install and maintain external lighting in Highland Council premises.	08/2017
15	Investigate the possibility of offering services such as standby and maintenance for the lighting on the trunk road network	Progressing
Operational matter for Service which requires support		Target Timescale
16	Integra to be updated to allow plant costs recovery. Requires support from Finance.	08/2017
17	Hand held computers should be used by all work teams with appropriate training given at roll out. Requires support from ICT Business and Learning and Development.	08/2017
18	Empower and encourage RPOs to reduce energy consumption by switching off lights in and around buildings and car parks when not in use by introducing a policy on reducing excessive lighting. A comprehensive list of RPOs needs to be compiled and the Executive Leadership Team will be required to ensure cross service policy.	08/2017
22	*See item 22	See item 22
Member approval required		Target Timescale
19	Accelerate the LED replacement programme and associated capital budget spend to complete by the end of March 2019. Requires homologation in the Capital Programme, however Service is taking action to accelerate the LED Replacement programme in-house and by utilisation of Scotland Excel framework contract for LED Replacement Manpower.	To be completed by 31/03/2019
20	Identify and consult with communities to establish if there is an appetite to deliver savings and associated carbon reductions and dark skies by switching off lighting columns.	08/2017
21	Revise the specifications and guidance for developers for	31/03/2018

	street lighting. The final guidance document will be developed following a review of the full progress of these recommendations.	
22	Commuted sums for the maintenance of street lighting and for ongoing energy costs should be recovered from developers if legislation does not preclude. * Requires service support from Corporate Governance and Development & Infrastructure (Road Construction Consent) to allow the development of a policy for Member consideration.	12/2017
23	Funding of Christmas lights from the street lighting revenue budget should cease.	08/2017
24	Communities should be encouraged to provide their own Christmas lights.	08/2017
25	Communities can commission street lighting to install Christmas lights as provided to other communities if funding for this is provided.	08/2017
26	Guidance and acceptable method statements shall be provided to communities so that they can install their own Christmas lights but not carry out electrical connections.	08/2017
27	Electrical connections for Christmas lights shall only be undertaken by street lighting electricians and shall be charged at £50 to cover both the connection and disconnection.	08/2017
28	Street lighting electricians may provide their services in their own time for Christmas lights and it will be acceptable for such lighting staff to use lighting plant and equipment out with the working day at no cost to the communities as long as insurances are not compromised.	08/2017
29	Christmas lighting equipment can be provided at cost to communities.	08/2017
30	Street lighting revenue funding the installation of charity banners should cease.	08/2017
31	Following consideration of the above and ratification by the Redesign Board a new Street Lighting Policy should be established and presented for consideration at Community Services Committee.	08/2017

Designation: Head of Infrastructure

Date: 1 February 2017

Author: Colin Howell/Carolyn Smith

Background Papers:

- Capital Programme 2015/16 to 24/25 FINAL -
http://www.highland.gov.uk/download/downloads/id/5307/capital_programme_201516-202425.xlsx
- TEC SERVICES COMMITTEE 20 September 2012 -
<http://www.highland.gov.uk/download/meetings/id/23293/item5tec4712pdf>
- Electricity Charges Briefing Note_EB_KM_131216
- RPO questionnaire results
- APR Carbon Management Plan 2016 -
http://www.highland.gov.uk/download/meetings/id/71137/item_13i_climate_change_-_annual_progress_report_on_the_carbon_management_plan_201516
- Scottish Futures Trust Highland Council OBC 051216/191216

Appendix 1

Challenging Values – Director of Finance – Issues and response:-

1. Options for Service delivery. The Re-design Board established a list of potential options for service delivery. Has your group tested and explored this?
 - a. In-house service – more efficient – LEAN approach – this is the recommendation after review of the options
 - b. In-sourcing of contracted out services – structural testing of columns is outsourced – recommendation is to consider providing this in house – but structural test and associated equipment requires to be established and then considered if purchased/training of staff is viable/cost effective.
 - c. Shared Services – This is a recommendation of the report – there are opportunities both internal within THC and also external with other local authorities and Transport Scotland. If the recommendations are approved then there will be two years of LED roll out to fully investigate these opportunities that will then reflect on the staffing structure post LED roll out.
 - d. Out-sourced services – we have considered this both in the context of short term LED roll out – where we suggest a part internal part external solution to be best. There is a real risk of outsourcing the whole service – we clearly have the resource internally and the skills necessary – lighting staff are making every day risk based decisions on the existing infrastructure – externalising this would run the risk of lack of knowledge of the existing infrastructure/substantial exposure to escalating costs which could be ‘established’ based on inspection and testing – writing a specification would also be challenging such that these risks were not realised. Our remote and geographically challenging area also does not lend itself to delivery from a third party – we think the risk is high with outsourcing and that the better option is to make the internal delivery more efficient which can be done. The opinion of the review group was that internal delivery is preferred.
 - e. Services delivered in partnership/integrated services – again internal/other LA’s and Transport Scotland are on the agenda going forward.
 - f. Arm’s length External Operation – not really considered – the review group could see no conceivable benefits.
 - g. Community Run Services – not thought applicable due to specialist skills and risks.
 - h. Opportunities for new placed-based approaches with partners arising from the new local community partnerships - not thought applicable due to specialist skills and risks.
 - i. Stopping Services (with the framework from the Accounts Commission recommended for use alongside impact assessment – stopping of services is included in the report – as well as actions such as retroreflective signs to remove lighting costs both energy and revenue maintenance.
 - j. Commercial opportunities – included.

2. Capital Investment – you are proposing to accelerate. Can the report be expanded to quantify the potential annual investment? We would have to build in the additional borrowing costs associated with this to see whether it still produces a net saving. You should also add in the costs of the enhanced workforce, but possible redeployment opportunities?
 - a. The capital investment is already included in the capital plan – we have obtained analysis from Scottish Futures Trust (SFT) that the payback period using PWLB borrowing with an interest rate of 5% indicates a payback period of 7 to 9 years, this is based on reducing the energy costs and also the reduction in maintenance and revenue budget – logic then suggests that the sooner you can deliver these changes the better. Note the Department for Energy and Climate Change forecast that electricity prices are expected to double in the next 10 years – thus delaying LED replacement will have a significant impact on the opportunity of realising financial savings and offsetting these price rises.
 - b. There is the opportunity for redeployment into the temporary posts – they would have to be identified very early in the process as for this to work efficiently then we need to recruit to these temporary posts asap – to deliver the in-house element of LED replacement efficiently. It would be unfortunate if temporary posts remained unfilled and the efficiencies were lost – but an opportunity that needs to be considered. We have the internal staff, if augmented with temporary staff, to deliver the LED efficiently – but only if they can be given the resources and management to work efficiently. If this resource is used for 2 years for the LED replacement then the age profile of the ‘team’ is such that there is likely to be some natural reductions – this coupled with pursuing the opportunities mentioned in the report could offset any future staff reductions – but there are two years to accurately establish the need – but this should not impact on the potential revenue savings include in the report being realised.
3. Suggest a table in the report to bring all potential savings together. A number of recommendations have additional costs and savings so it would be good to see these all together to emphasise the benefits of your recommendations
 - a. The reality is that we have had challenging meetings to arrive at the £600K /yr revenue savings identified in 3.5 as we wanted to balance off suggested third party savings with local knowledge and expertise. This saving is based on advice from SFT for maintenance savings of £15 per annum for each LED replaced. Lighting and Head of Service feels that this figure is unsubstantiated and question the relevance of it in relation to the Highland area. With reductions in more efficient working, scouting/replacement of lit signs with retroreflective coupled with the potential increase in income, and Christmas lights (savings identified – CGF £10K plus Free Lights at £30K) £40K/yr –

Charity banners identified at £2,500/yr, this figure has been arrived at. We also identify the potential savings associated with night time dimming at c£50K

- b. The problems that we have with savings is that the majority of the savings accrue from energy savings but this will so quickly be eroded by energy price increases that if we included a saving today then it would be largely irrelevant by next year let alone future years.
 - c. The only additional costs are associated with the capital delivery of the LED programme – if in house augmentation was not provided then THC would be less efficient and thus additional works would be put through the Scotland Excel contract if acceleration was deemed the right thing to do.
 - d. Many of the recommendations I would suggest are just the efficient delivery of the programme and are included to give the Lighting team a clear steer on the delivery and also a mandate to make the necessary changes. These recommendations are given to show the level of consideration given to the issues.
4. Have you obtained any performance or benchmarking data? The starting point appears to be current budgets, but how does Highland's current performance compare with other councils? Have you sought any evidence from other councils to identify potential different ways of working?
- a. In terms of LED replacement on the most up to date data we have THC are 19/32 in respect of LED % replacement
 - b. All Councils in Britain have an LED replacement programme.
 - c. Highland council is one of 12 Scottish council's to have secured funding for full LED replacement.
 - d. We have also looked at part night dimming and part night switch off. Within Scotland we are not aware of any part night switch off policy with the possible exception of the Western Isles – but many are dimming – some local authorities in England do part night switch off – the one we were using as a comparator was North Yorkshire – they do part night switch off, have a similar number of columns and also a large geographic area. The suggestion is that local authorities who have gone for night time switch off have reverted to dimming following complaints – the report identifies the costs of reverting and the risks and does not recommend night time switch off – which was the groups initial thoughts.
 - e. We have run all our thoughts and findings through SFT (Lindsay Macgregor is also chair of SCOTS lighting sub group) to ensure that the findings and conclusions are rationally based and are not inconsistent with other Scottish LA's.
 - f. The Highland Council is so unlike other LA's so there is a danger in establishing budgets based on other LA's. We have indeed based the budgets

on THC budgets – but then have undertaken detailed analysis of the budgets to understand how the service is delivered and to try and optimise the service through efficiencies – this is largely to try and have the correct management structure and resources and then to use these resources efficiently. There is a significant aging infrastructure in lighting efficiently using the revenue spend will try and minimise the decline in the stock.

Agenda Item	
Report No	

STREET CLEANSING REVIEW

REPORT BY SENIOR WARD MANAGER - ROSS, SKYE AND LOCHABER

Summary

This report outlines the work carried out the Street Cleansing Review Team, sets out options for the future work of the Service and highlights the implications of the proposals.

1.0 BACKGROUND

1.1 The purpose of the review is to make recommendations for redesign of the Street Cleansing service that will:

- a) find savings and/or income that will help the Council meet its affordability challenge;
- b) be mindful of the principles of redesign; and
- c) appraise the ten options for service delivery

1.2 The primary activities of the service are as follows (**Appendix 1** sets out the full service summary)

- Manual litter collection
- Manual sweeping
- Removal of dog fouling
- Fly-tipping removal
- Dead animals
- Litter Bins
- Dog Bins
- Leaf collection
- Mechanical sweeping of footways
- Mechanical sweeping of roadways
- Road verge litter collection
- Chewing Gum removal
- Graffiti Removal

2.0 METHODOLOGY

2.1 The Review Team which considered the Street Cleansing function comprised:

- Dot Ferguson, Senior Ward Manager (Team Leader)
- Alan McKinnie, Operations Manager
- Stephen Carr, Principal Policy Officer
- Andy Summers, Head of Environmental and Amenity Services
- Paul MacPherson, GMB
- Cllr Alister MacKinnon, Redesign Board representative
- Cllr Alasdair Christie, Redesign Board representative

2.2 The Team has been supported with input from a number of other Community Services staff.

- 2.3** A number of processes have been used in order to assess available information and gather evidence and ideas from other authorities. A review of all the activities listed at paragraph 1.2 was undertaken with nothing being ruled out of scope. The following assessments have been carried out:
- a) review of statutory duty as set out in the Code of Practice on Litter and Refuse, section 89 of Environmental Protection Act 1990
 - b) review of how Highland performs when compared with other authorities
 - c) review of performance as considered by residents
 - d) review of out-turn costs for years 2013/14 – 2015/16
 - e) review of working practices – this involved discussions with management and workforce on both current delivery model and potential improvements
 - f) assessment of current fleet and investigations in to more efficient alternatives
 - g) assessment of good practice and innovation elsewhere
- 2.4** In addition, discussions were held with the workforce and questions asked of the Citizens' Panel (responses are at **Appendix 3**).

3.0 OBSERVATIONS ARISING FROM ASSESSMENT OF INFORMATION

- 3.1 a) review of statutory duty as set out in the Code of Practice on Litter and Refuse (COPLAR), section 89 of Environmental Protection Act 1990** – the Code of Practice sets out the bodies responsible for keeping their land clear of litter and refuse and requires them *“to make sure that public land and roads under their control are kept free from litter and refuse as far as is practicably possible and within reason.”* Compliance is measured in two ways a) cleanliness grades which set out how clean an area should be and b) cleanliness standards which indicate response times for cleaning up. The cleanliness grades (which are provided in photographic form) range from Grade A (no litter or refuse) through to Grade D (heavily littered with significant accumulations). Town centres and residential areas throughout Highland require to be maintained at Grade A (litter free). If these areas fall below Grade A the timescale within which the Duty Body should return these areas to a litter free state are defined in COPLAR. However, COPLAR is currently under review by Scottish Government and Local Authorities will be required to rezone all land which is to be kept litter free. There is little further information available at this time about the impacts of the review.

The Local Environmental Audit and Management System (LEAMS) has been adopted as the statutory performance indicator for cleanliness standards by Audit Scotland and as such must be used by all 32 Scottish local authorities to assess cleanliness standards. LEAMS is the recommended minimum level of cleanliness monitoring required to measure cleanliness levels and assess improvements over time, over a council-wide area. LEAMS requires Local Authorities to carry out two audits within their areas each financial year. Keep Scotland Beautiful carries out a third audit to provide independent validation.

The Code also sets out a range of enforcement actions which can be taken (see Section 5 below) - however, some are currently not in force.

- b) review of how Highland performs when compared with other authorities** – according to the Local Government Benchmarking Framework (LGBF), Highland Council performs well with regard to street cleaning when compared with other areas. In 2014/15 it was the fifth-best performing area in Scotland, scoring 98% compared to a Scottish average of 94%. Highland spends £11,283 per 1,000 people on street cleaning compared to the Scottish average of £15,816.

c) review of performance as considered by residents – the LGBF data indicates a 74% public satisfaction rate with street cleansing in Highland (which is also the average Scottish satisfaction rate).

A survey of the Highland Council's Citizen's Panel in 2016 indicated a net satisfaction rate of 35%, however this has decreased from 43% in 2015. Only 10% of respondents indicated that street cleaning was one of the top five most important services to them.

d) review of out-turn costs for years 2013/14 – 2015/16 – reviewing the out-turn figures identified a total budget of around £3.2 million (2013/14) reducing to £2.88 million (2015/16). Looking solely at the 2015/16 budget:

- staff costs equate to around £2million (69%);
- plant and vehicle costs £770,000 (27%)

The remaining 4% of costs relates to disposal of waste materials; purchase of materials, workshop consumables etc.

Percentage area spend is as follows:

Nairn	6.3%
Skye	6.3%
Badenoch and Strathspey	8%
Lochaber	9.4%
Caithness	12%
Ross and Cromarty	12.6%
Sutherland	15%
Inverness	30%

In considering the above in terms of increasing budget pressures and reducing costs, the only areas where meaningful savings can be realised are in more efficient working patterns / staff reductions and plant / vehicle costs. With regard to the former, this can most effectively be achieved by changes to terms and conditions.

1. Planned weekend overtime is currently around £135,000. By doing less, a saving of around £27,000 could be achieved. This would mean reducing the service in Inverness, Caithness and Lochaber and would have an impact on the standard of cleanliness. Due to the low number of overtime hours currently used in the other Highland areas, any further reduction would result in the withdrawal of weekend street-cleansing.
2. In addition, if contracted hours were reduced from 37 to 35 hours per week, this would result in an annual saving of around £97,000. However, this would be a change to terms and conditions and concerns have been raised that this would impact on lower-paid members of staff. *However consideration should be given to rolling this out across all HC staff.*
3. Job reductions save on average £27,750 per job (including oncosts) but will impact on standards of cleanliness and response times. Deletion of posts currently being held vacant is also considered preferable to making staff redundant.

e) review of working practices – this involved discussions with management and workforce on both current delivery model and potential improvements – discussions with the workforce have indicated that reworking routes could provide some minor improvements and small cost savings. More effective use of technology in identifying available manpower to remove fly-tipping would also help to remove any inefficiencies. Although village cleansing

service currently allows for 'tourist villages' there could potentially be further reductions made to services in off-season. Consideration should be given to utilising some of the time savings and redirecting this to increasing education / enforcement activities or for more income-generating opportunities. Village cleansing could be reduced significantly particularly in the winter months freeing up time for more education and/or enforcement work or for more income-generating activity.

- f) **assessment of current fleet and investigations into more efficient alternatives** – the street cleansing service uses the following vehicles:

Area	Large Sweeper	Medium Sweeper	Pedestrian Sweeper	Pick-up Vehicles/Vans
Caithness	1	0	0	0
Sutherland	1	0	1	1
R&C	1	0	1	6
Skye	1	0	0	3
Lochaber	1	1	0	1
Inverness	2	1	2	8
B&SN	2	0	0	1
Totals	9	2	4	20

There are 4 large sweepers due for replacement in 2017/18, three in 2018/19, and two in 2019/20. These vehicles are all owned by Highland Council, and although the purchase of new fleet vehicles is currently budgeted for in the capital programme the decision to renew equipment can be delayed if required. Renewing plant equipment may bring revenue savings in terms of more efficient vehicle specifications, and less maintenance required in the near future. Electric sweepers are available, and have been considered by other Councils a few years ago. These were found to have break even whole life costs so there were no overall savings. The electric vehicle market has moved rapidly over the last few years and electric sweepers which deliver savings may now be available. There would be risk associated with this due to the new technology. The Energy Savings Trust has been approached in terms of potential funding to help cover the upfront costs with a response pending.

Converting diesel vehicles to hybrids which use LPG fuel has also been investigated. This is not appropriate in these circumstances as the mileage travelled by the vehicles is not sufficient to achieve a good return on investment.

There may be shared procurement benefits with the new arrangements with Aberdeen City and Aberdeenshire Councils, this could include the procurement of plant equipment and fuel. The plant equipment is relatively specialist and expensive, and a collaborative bid may help to reduce costs.

Set against a reducing budget and future potential budget pressures such as increased cost of fuel, the best way to try to maintain the basic level of performance may be through the use of mechanical sweeping equipment, with a reduction in other services which are more labour intensive such as litter collection "by hand", cleaning chewing gum, graffiti etc.

- g) **assessment of good practice and innovation elsewhere** – in rural locations where service can be reduced, use of technology could help provide a more responsive and reactive service which need not be carried out by street cleaning squad, but by other HC staff in the area eg roads or grounds maintenance teams. Bin sensors can be installed which send a signal when they are reaching capacity.

The 'Love Clean Streets' app (supported by Keep Scotland Beautiful) and www.fixmystreet.com allows anyone to take a photo of litter, fly-tipping etc and submit it direct to the local authority. It is understood that such apps are currently not compatible with the HC CRM system and discussion also highlighted concerns around the effectiveness of the system with regard to street cleansing. This should be addressed as a matter of urgency. Greater promotion of the capability to report litter, fly-tipping etc via the Council's website should also be carried out.

Partnership working also offers potential for a more joined up approach. Ilfracombe Town Team has been developed with representatives of the community planning partners all being involved with the town centre environment. This includes all partners with a town presence (including police, fire, ambulance, harbour staff, volunteers and council) reporting or dealing with any issues noticed or reported to them by the public. Shared use of town centre facilities ensures more effective working and cost savings - eg the street sweeping vehicle is now garaged at the town centre fire station saving time and fuel in going to the depot for it.

Community activists can also have a strong role to play – Fort William Town Team is an energetic group of around 30-40 volunteers who clean, litter pick, paint, weed and plant throughout the Town Centre ensuring the town always looks well-cared for. This model (which arose from the Town Centre Charrette process) could be encouraged elsewhere.

Enfield Council has had a marked success by introducing Tidy Teams where squads of four men (instead of the usual one or two) have been able to 'deep clean' larger areas with complaints dropping by 77% during the pilot period. It has been based on the principle that people are less likely to litter a clean area and has freed up time to then provide a faster reactive service.

Southampton Council has also greatly decreased complaints by reducing service particularly to outlying areas (reduced to almost every two months in some places) but providing a much faster reaction time to complaints using mobile technology.

City of London has had success by introducing very targeted campaigns. Smoking litter was reduced by 46% with its 'no small problem' campaign and a 'vomit patrol' reduced anti-social behaviour residue by 39%.

4.0 EDUCATION

4.1 Increased education is strongly supported by Citizens' Panel respondents. There is a clear need to educate, prevent and instigate culture change to demonstrate that dropping litter is socially unacceptable. Delivery of an annual spring clean event combining community walkabouts (to include business sector) with community spring cleans to 'blitz' litter would help to highlight the extent of the problem. Such an event could be developed as a spend to save and could utilise events and waste officers. This should be a joint event with the Highland Business Improvement Districts (BIDs) to work with their membership.

4.2 More work with schools should be carried out to reinforce that it is unacceptable to drop litter. This could be included as part of the P7 – High School induction process with pupils (and parents?) being asked to sign a pledge not to drop litter. Novel ideas such as 'distance to next bin' posters can be used on the school lunch-time route and more use of teaching staff to occasionally 'monitor' children outwith school grounds would potentially help.

A theoretical participatory budgeting scenario could be used where children could see what else could be provided if the Council did not need to spend so much on picking up litter.

5.0 ENFORCEMENT

5.1 Increased enforcement is also strongly supported by both the Inverness BID and Citizens' Panel respondents. Unfortunately, the previous enforcement mechanisms of Litter Abatement Notices

and Street Litter Control Notices were repealed by UK Government and in error extended to Scotland. This only leaves:

- a) Fixed Penalty Notices – these can be issued by the Local Authority to individuals who have been seen dropping litter;
- b) Warnings to Young People – the Code allows for warning letters to be sent to the Parents or Guardians of young people under the age of 16 who have been seen dropping litter; and
- c) Waste Contracts – the Local Authority can inspect businesses to check that an appropriate waste contract is in place (this check can go back 2 years). If there is no contract in place (or if there is no proof of a contract) a penalty of £380 can be imposed. Greater enforcement would reduce the incidence of businesses using street litter bins to dispose of waste.

There is potential for community volunteers, members of businesses etc to be trained to help them identify any offence and to help them understand how hard it can be to actually witness an offence. They can help to become the “eyes and ears” of communities by reporting litter fouling, fly tipping etc saving staff time on responding to an issue which may not be an offence.

In addition, training could be carried out with street cleansing (and potentially other Council staff) to be ‘witnesses’ to littering, providing them with the confidence to ‘gently’ challenge the behaviour but without being able to issue FPN.

Also with appropriate staff training, costs could be saved by training the staff who recover fly-tipping to look for and preserve evidence, passing it to Enforcement on every occasion (rather than a separate trip for enforcement officers). This also helps to avoid incidences where fly-tipping is recovered before any investigation is possible. It would also help to log the location of every fly tipping found in order to develop strategies to stop further tipping in each area and the strategy can then be unique to areas or communities.

6.0 INCOME GENERATION

- 6.1** Some opportunities for income generation have been identified and more importantly some have the anticipated benefits of reducing litter. Income generated could be targeted towards provision of better education.

a) Sponsorship - Adopt a Highway - Adopt a Highway schemes have proved extremely successful in many US states. Under these schemes businesses, charities, community groups, or individuals/ families can adopt a stretch of road and pay for an enhanced cleaning service. Businesses are attracted to this scheme as it is a form of cheap advertising, and also shows corporate social responsibility in their local community. Some community groups adopt stretches of road and provide the service themselves (e.g. scouts conducting frequent litter picks).

Sponsorship could also be sought for new vehicles, and this could be tied in with a marketing campaign (e.g. Oldham Council asking for public suggestions on naming a new gritter).

b) Use of street waste bins as ‘hoardings’ – space on bins could be sold but would require planning consent and have to be professionally delivered to avoid any encouragement of fly-posting.

c) Provision of services to other land-owners (both public and private sector) – this could include clearance of fly-tipping and gum-removal.

7.0 WHAT SHOULD BE STOPPED – due to the statutory nature of the street cleansing function it is difficult to identify activities which can be completely stopped. However graffiti removal and leaf collection are not statutory activities (although leaf collection can run into a health and safety issue given that failure to remove leaves can create slippery pavements). Within its Business Plan, the Inverness BID identifies removal of graffiti as one of its functions (and the removal of fly-posting). However, in discussion it is apparent that this only relates to that which is easily removed.

While not taking up a significant amount of street-cleansing time, these activities could be carried out by others – in Lochaber a very successful model exists for the removal of graffiti by Criminal Justice and this could be replicated in the City and other areas of Highland.

Trunk roads – it appears to be no more than a throwback to previous management arrangements that sees local authorities being burdened with removal of litter from trunk roads. The Council should consider lobbying Transport Scotland to have this changed to preferably see litter removal being incorporated into the trunk road operating company contract or at the very least the local authority being paid for the service.

Bottle banks – closer supervision of the bottle bank companies who remove / replace the banks would reduce the amount of time spent by street cleansing in clearing up around them, freeing up time for other enforcement / commercial activity. However, there can be a significant amount of non-glass litter left at these sites eg bags and boxes which the bottle bank companies would not be responsible for.

8.0 IMPLICATIONS

8.1 Resources - the resource implications for each option are summarised at section 9 below and at Appendix 2. Implementation of some of the recommendations have the potential for cost-savings – staff reductions could save £27,750 per job and around £27,000 has been identified from overtime savings. Deletion of posts currently being held vacant is also considered preferable to making staff redundant. A change to Terms and Conditions reducing the working week by two hours could achieve a saving of £97,000. It should be noted that the GMB has been represented on the group and this proposal does cause concern in terms of impacts on lower paid staff. *However it should also be noted that if the working week of all HC staff was to be cut by two hours there would be a substantial saving to the Council's wage bill.* Other proposals such as utilisation of technology and awareness raising events would have a small revenue cost but these would constitute 'spend to save' activities. Potential income of around £15,000 pa has been identified. Overall there are no anticipated cost increases.

8.2 Legal – Street cleansing is a statutory function and therefore there is a legal requirement to maintain the service. The proposals contained within the report may result in a reduction in the standard of cleanliness but it is not proposed to reduce this to such an extent that the statutory liability is no longer being met. Any proposed change to terms and conditions will require to be properly consulted on with staff and trade unions.

8.3 Equalities – screening has identified that negative implications arise from some of these proposals. Disabled people report a higher level of dissatisfaction with street cleansing and this is likely to be exacerbated by any reduction in standards – this could be mitigated by community involvement in eg litterpicks and a reduction in littering. **Poverty** - reduction in job numbers / length of the working week will impact on household incomes and reduce opportunities for employment. In addition SIMD areas are more likely to experience high volumes of littering which is likely to reduce social, economic and environmental confidence.

8.4 Climate Change/ Carbon Clever – use of electric vehicles is being considered and would have a positive impact on the environment. However at time of writing this is to be further investigated.

- 8.5 Risk** – the major risk lies with the likely reduction in street cleanliness which could potentially have a negative impact on how communities and visitors feel about their environment. This can be mitigated to an extent by increased education and enforcement, reinforcing the message that dropping litter is socially and environmentally unacceptable
- 8.6 Gaelic** – there are no Gaelic implications from the proposals
- 8.7 Rural** – it is likely that with reducing resources the focus of street cleansing will be on the high-amenity areas including city / town centres and rural ‘tourist destinations’. Impact on other areas can be mitigated to an extent by increased education and enforcement, but also by working in partnership with communities to develop local solutions and through the use of technology.

9.0 SUMMARY AND RECOMMENDATIONS

- 9.1** The process undertaken by the Review Team has met the requirements of the Redesign Board, has been wide-ranging, has considered good practice and innovation and has considered the affordability challenges currently facing the Council.

Further it has considered these under the ten options for service delivery promoted by the Redesign Board – these are set out at **Appendix 2** alongside estimated cost savings and potential for income generation. Within the short timeframe of the review it has not been possible to look at new routes, removal of overtime, shift patterns etc which will reduce expenditure but this will be done as a matter of urgency.

- 9.2** Noting the wide range of activities set out at Appendix 2, the following recommendations are made:
- a) That Members consider the following actions prior to implementation:
 - i) Job reductions / removal of vacant posts – this would provide the quickest cost-savings but will be at the expense of dropping cleanliness grades and failing to meet cleanliness standards. Each job lost would ‘save’ £27,750 (including on-costs); Deletion of posts currently being held vacant is also considered preferable to making staff redundant.
 - ii) review of terms and conditions – by reducing the working week by two hours ie from a 37 to 35 hour working week would save £97,000 and have a less significant impact on cleanliness. However this proposal would need to be the subject of considerable consultation *and consideration should be given to rolling this out across all HC staff.*
 - iii) lobbying to remove the burden of litter-picking from trunk roads, transferring it to the trunk road operator. If successful this would have a positive impact on street cleansing, freeing up resources
 - b) that the following actions are taken forward as an operational matter within the service within the next financial year:
 - i) reduce overtime payments - would save £27,000 but would result in reduced service in Inverness, Lochaber and Caithness
 - ii) investigate improved use of mobile technology to allow better route management and a more efficient response to complaints of eg fly-tipping – *to liaise with waste management*

- iii) work with the Energy Savings Trust to develop a business case for electric fleet vehicles and to identify potential sources of funding.
 - iv) develop a draft Highland Litter Strategy (for approval by Committee) which will reflect national guidance but tailored to fit the unique geography of Highland. Such a plan would include: maps / zones, standards of cleanliness, complaints procedure, enforcement etc. It is expected that after approval of the Strategy, that the following activities will be taken forward: more education, including events highlighting the environmental and social impacts of dropping litter and the cost of its removal; more work with the business sector to encourage businesses to take responsibility for litter generated from their activity; more work with partners, communities and environmental groups to develop more local solutions; more short-term targeted campaigns eg anti-smoking litter etc; more enforcement, including training of additional Council officers to issue Fixed Penalty Notices and more stringent checking of waste contracts
- c) that the following actions are taken forward as an operational matter and with support from other Services:
- i) investigate the income-generating opportunities highlighted at paragraph 6.1;
 - ii) instigate a LEAN review of street cleansing;
 - iii) an urgent review of the current CRM system is required to see how it can be improved to deliver a more effective response to complaints etc and to ensure it is fit for purpose from the customers point of view.

APPENDIX 1

1.0	Legislative Responsibility
1.1	Code of practice on Litter and Refuse, section 89 of Environmental Protection Act 1990.
1.2	Duty - to keep land and highways clear of litter; the code of practice provides guidance on the discharge of the duties under section 89 by establishing reasonable and generally acceptable standards of cleanliness which a local authority (those under the duty) should be capable of meeting.
2.0	Overview

2.1	Waste Management took on responsibility for street cleaning operation in September 2012.
2.2	The service was transferred with a £350k reduction from the 2013/14 budget. This was achieved by the deletion of 14 FTE vacant posts.
2.3	<p>The operation of street cleansing extends to and includes:</p> <ul style="list-style-type: none"> • Manual litter collection • Manual sweeping • Removal of dog fouling • Fly-tipping removal • Dead animals • Litter Bins • Dog Bins • Leaf collection • Mechanical sweeping of footways • Mechanical sweeping of roadways • Road verge litter collection • Chewing Gum removal • Graffiti Removal
2.4	<p>Other Duties</p> <p>Street Cleansing staff provide cover for waste collection and recycling centre duties. In addition during the winter period street cleansing staff are utilised for footway gritting and snow clearance.</p> <p>Mechanical sweeping vehicles and street cleaning drivers are used to provide support to roads surface dressing program.</p>
3.0	Existing Staffing resource
3.1	<p>Caithness</p> <p>Wick - 4 x HC 2, 1 X HC4 Thurso – 2 x HC2, 1 X HC4 Total Posts - 8</p> <p>Staff also provide cover for waste collection operations</p>
3.2	<p>Sutherland</p> <p>Brora - 1 x HC2 Helmsdale – 1 HC2</p> <p>Total Posts 2</p>
3.3	<p>Ross and Cromarty</p> <p>Dingwall - 4 x HC3, 1 x HC6 (Foreman) Cromarty – 1 x HC3 Muir of Ord 1 x HC3 Fortrose – 1 x HC3</p> <p>Alness – 1 X HC4 1 x HC2, 1 X HC3 Tain - 1 x HC 2, 4 x HC3 Invergordon – 1 x HC3</p> <p>Total Posts 17 Staff also provide cover for waste collection operations</p>

3.4	Skye and Lochalsh Broadford – 1 x HC 4, 2 x HC3 Portree - 3 x HC3 Total Posts – 6					
3.5	Lochaber Fort William - 1 x HC 2, 3 x HC 3, 2 x HC4 Mallaig - 1 x HC3 Kinlochleven – 0.4 x HC2 Total Posts 7.4					
3.6	Inverness HC 2 x 10 HC 3 x 5 HC 4 x 12 HC 6 x 1 (Foreman) Total Posts 28					
3.7	B&SN Kingussie – 1 x HC3 Aviemore – 1 x HC3 Grantown – 1 x HC3 Nairn – 2 x HC 3, 1 x HC4 Total Posts 6					
4.0	Plant					
4.1	Area	Large Sweeper	Medium Sweeper	Pedestrian Sweeper	Pick-up Vehicles/Vans	
	Caithness	1	0	0	0	
	Sutherland	1	0	1	1	
	R&C	1	0	1	6	
	Skye	1	0	0	3	
	Lochaber	1	1	0	1	
	Inverness	2	1	2	8	
	B&SN	2	0	0	1	
	Totals	9	2	4	20	
5.0	Finance					
5.1	Area Budgets					
	Area	Budget				
	Caithness	314 (k)				
	Sutherland	301.9				
	R&C	532				
	Skye	176.5				
	Lochaber	276				
	Inverness	993.8				
	B&SN	419.8				
	HQ	15				
	Total	£3,029,000				

6.0	Additional Saving
6.1	In 2015/16, a saving of £66k was achieved by the removal of 2 mechanical sweeping vehicles from the Sutherland area.

OPTIONS AS SET OUT IN REVIEW PROCESS	ID	OPTIONS	COST SAVING / INCOME GENERATION
In-house Services			
Little room for savings based on current working model – need more detailed breakdown of labour headings	1	<ul style="list-style-type: none"> Investigate + cost new shift patterns which remove / reduce OT payments 	£27,000
	2	<ul style="list-style-type: none"> Change terms and conditions to reduce week from 37 to 35 hour week – <i>substantial savings would be made if a two-hour reduction was implemented for all HC staff</i> 	£97,000
	3	<ul style="list-style-type: none"> Job reductions – each job lost achieves an average saving of £27,750 (including on-costs) but impacts on cleanliness. Deletion of posts currently being held vacant is also considered preferable to making staff redundant. 	£27,750 per post
	4	<ul style="list-style-type: none"> Utilise technology to increase efficient of routes 	?
	5	<ul style="list-style-type: none"> vehicle innovation – requires to be a spend to save but possibly limited return. Energy Saving Trust have been approached about potential funding. 	?
Commercial opportunities to raise income	6	<ul style="list-style-type: none"> Use litter bins as opportunities for commercial adverts / sponsorship ? 50 bins x £100 pa (estimate – to be tested) Uniforms to be ‘sponsored’? – 20 st cl x £100 pa (estimate – to be tested) Sponsorship of streets - 4 x £500 (estimate – to be tested) – cost of enhanced cleaning would increase but paid for by sponsorship - therefore improvement would be in street cleanliness, not income generation. 	£5,000 ?
		<ul style="list-style-type: none"> Gum machine + operative could be hired out – identify likely rate – £250 per day x 25 Offer fly-tipping clean ups to private land-owners - £250 per clean-up x 15 	£2,000 ? nil (but improved environment) £6,250 ? £3,750 ?
Reduce need for service through enforcement	7	<ul style="list-style-type: none"> More rigorous enforcement through more use of Fixed Penalty Notices and greater scrutiny on businesses waste contracts (which directly impacts on street cleansing) - noting any income from fines should return to street cleansing. <i>Potential for a spend to save – increased enforcement could also be carried out by parking wardens and existing trained street cleansing team.</i> 	<i>To be considered as part of a Highland-wide litter strategy</i>
Reduce need for service through	8	<ul style="list-style-type: none"> Need to educate / prevent and instigate culture change. Dropping litter to become socially 	Either spend

education		unacceptable. Design annual spring clean event combining community walkabouts (to include business sector) with community spring cleans to 'blitz' litter and highlight extent of problem – develop event as a spend to save – could utilise events officer + waste officers.	to save or attract sponsorship - <i>To be considered as part of a Highland-wide litter strategy</i>
Services delivered in Partnership and integrated services	9	<ul style="list-style-type: none"> Investigate other models eg Ilfracombe Town Team – multi-agency / community response between all partners operating in Town Centre eg fire station used as base for street-sweeping 	<i>To be considered as part of a Highland-wide litter strategy</i>
Shared services	10	<ul style="list-style-type: none"> are there opportunities for better fuel pricing by joint procurement with Aberdeen / Aberdeenshire 	<i>tbc</i>
Community-run Services	11	<ul style="list-style-type: none"> Potential to ask communities to deliver service – we reduce service to a minimum standard Introduce spring / summer walkabout with community reps to identify problem areas Option of a cleaning operative leading a community blitz? Communities being asked to inspect /report when street cleansing required Community rep could be used to monitor when bins are full – if black bags are used community (or other HC staff) could empty and store locally eg CS compound 	<i>To be considered as part of a Highland-wide litter strategy</i>
Opportunities for place-based approaches with partners	12	Could we deliver for other public agencies – Forestry Commission, Scottish Canals – potential for income generation	To be investigated
Stopping services	13	<ul style="list-style-type: none"> Stop non-statutory elements –graffiti, fly-posting. Removal of leaves may continue to be required under H & S Lobby at national level for responsibility for trunk road litter to transfer to trunk road operating company 	

Citizens' Panel Survey 2016

Street Cleaning – Initial Feedback

Cleaning our streets

Which areas should we focus our resource on?

Table 1: based on 807 respondents

	1	2	3	4	5	6	Rating Average
Cleaning up in town and city centres after night time activity	24%	26%	20%	8%	8%	5%	2.73
Cleaning up around secondary schools after lunch times	5%	6%	11%	19%	26%	34%	4.58
Cleaning up in tourist areas	22%	36%	23%	9%	6%	3%	2.49
Cleaning up at the edges of roads	6%	16%	25%	27%	19%	7%	3.57
Removing chewing gum from streets	2%	6%	11%	18%	29%	34%	4.68
Enforcement activity, e.g. fines	47%	10%	12%	10%	8%	14%	2.62

Other suggestions include:

- Education – focus on education in schools and making schools responsible for their own area
- General education to the public
- Providing more bins
- Individuals on community service providing a service
- Some support for fines – for individuals, schools, supermarkets and take-aways

In our city and town centres to what extent do you agree that business in these areas should be asked to contribute more by:

Preventing littering

Table 2: based on 854 respondents

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
61%	32%	4%	2%	1%

Paying more for the service

Table 3: based on 853 respondents

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
41%	34%	16%	7%	2%

Cleaning up more around their premises

Table 4: based on 846 respondents

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
64%	30%	3%	1%	1%

Enforcement

To what extent would you support a greater focus on enforcement action?

Table 5: based on 853 respondents

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
70%	25%	4%	0.5%	0.5%

Community Role

Would you be willing to be involved with a community group to regularly keep your community clean?

Table 6: based on 846 respondents

Yes 33% No 36% Don't Know 31%

If you answered yes, what role or roles would you be interested in? Tick all that apply:

Table 7: based on 328 respondents

Volunteering to pick up litter	59%
Coordinating a local group to pick up litter	7%
Promoting responsible and clean behaviour	34%

And what support would be helpful from the Council?

Table 8: based on 392 respondents

Litter picking equipment	75%
Advice and training e.g. health and safety	43%
Staff support time	23%
Access to small grants to support litter picking	39%

(multiple responses so don't total to 100%)

If you answered no, please tell us your reasons.

Table 9: based on 402 respondents

Lack of time	37%	Family commitments	21%
No volunteering opportunities locally	6%	No volunteering opportunities that I'm interested in	5%
Work commitments	27%	Health reasons	41%
Do not want to	17%	Disclosure requirements	2%

(multiple responses so don't total to 100%)

Do you have any additional comments on how to prevent littering or to reduce the amount it costs to clean up litter in the Highlands?

295 comments were received in response to this question.

Key areas that were noted by respondents to prevent littering include:

- Education: A considerable number of respondents (46) highlighted that education was key to prevent littering. Respondents highlighted that schools should take a role in teaching children to take care of the area they live. One respondent noted that they were disappointed that the Highland Council countryside ranger team was under threat as they have a key role in teaching young people about the outside environment.
- Penalties/enforcement: A number of respondents commented that there should be a more proactive and strict penalties and enforcement policy. A number of respondents suggested that repeat offenders are publicised.
- Campaign/behaviour change
- More bins: Respondents highlighted that having bins at benches, laybys and bus stops would prevent people from littering.

Key areas that were highlighted to reduce the amount it costs to clean up litter in the Highlands include:

- School litter picks
- Support local community to be able to do it themselves
- Using workers who are subject to community pay back orders

Overview

The survey was distributed to 2,346 members of the Citizens' Panel. The panel were given two weeks to respond, with the deadline for responses the 23 December 2016. 877 responses were received – 380 electronically and 497 in paper – providing a response rate of 37%. This is lower than previous surveys, which normally receive a response rate of around

44% but is reflective of the time of year and the necessary, but short, timescale for response. A profile of respondents can be found below.

Gender

452 respondents were females (51%), 382 respondents were male (44%) and 43 respondents chose not to disclose their gender (5%).

Age

Table 1.1 based on 834 respondents

Response	Number	%
16-17	2	0.2
18-24	24	2.8
25-34	25	3
35-44	64	7.7
45-54	129	15.4
55-64	219	22.2
65-74	249	29.8
75 +	122	14.6

From the respondents who disclosed their age: 2 respondents were aged 16-17 , 24 respondents were aged 18 - 24, 25 respondents were aged 25 – 34, 64 respondents were aged 35 - 44 (7.7 %) 129 respondents were aged 45 - 54 , 219 respondents were aged 55 – 64 (22.2%), 249 respondents were aged 65 – 74, 122 respondents were over 75.

How long have you lived in The Highland Council area?

Table 1.2 based on 828 respondents

Response	Number	%
Less than 3 years	7	0.9
3-5 years	19	2.2
5-10 years	64	8
Over 10 years	735	88.8

Which of these best applies to you?

Table 1.3 based on 839 respondents

Response	Number	%
Working for a single employer full-time	205	24.4
Working for a single employer part-time	83	9.9
Working for more than one employer	17	2
Self-employed	86	10.2
Unable to work - long-term sickness	11	1.3
Unemployed	7	0.8
Retired	376	44.8
Looking after the home or family	19	2.2
In full-time education	10	1.2
Unable to work - disability	14	1.7
Carer	11	1.3

Which of the following best describes your current housing situation?

Table 1.4 based on 833 respondents

Response	Number	%
Own home/ mortgage	715	85.8
Rent from a housing association	13	1.6

Rent from The Council	32	3.8
House comes with job	9	1.1
Private rented	34	4.1
Living with parents	30	3.6

Disability

114 of 822 respondents (13.9%) indicated that they have a disability (i.e. a physical or mental impairment that has a substantial and long-term adverse effect upon their ability to carry out normal day-to-day activities).

Families with children – Are there school age children in your household?

125 of the 800 respondents (15.6%) indicated that they have school age children in their household.

Ethnicity

Table 1.5 based on 830 respondents

Response	Number	%
White – Scottish	603	72.65
White – Other British	181	21.81
White – Irish	3	0.36
White – Polish	4	0.48
White – Other	26	3.13
Pakistani, Pakistani Scottish or Pakistani British	1	0.12
Indian, Indian Scottish or Indian British	4	0.48
Chinese, Chinese Scottish or Chinese British	3	0.36
African, African Scottish or African British	1	0.12
Caribbean, Caribbean Scottish or Caribbean British	1	0.12
Black, Black Scottish or Black British	2	0.24
Arab, Arab Scottish or Arab British	1	0.12

Location

Table 1.6 based on 750 respondents

Response	Number	%
North, West and Central Sutherland	22	2.9
Thurso	24	3.2
Wick	19	2.5
Landward Caithness	33	4.4
East Sutherland	25	3.3

Wester Ross, Strathpeffer and Lochalsh	45	6.0
Cromarty Firth	27	3.6
Tain and Easter Ross	30	4.0
Dingwall and Seaforth	38	5.1
Black Isle	47	6.3
Eilean a' Che	42	5.6
Caol and Mallaig	17	2.3
Aird and Loch Ness	41	5.5
Inverness West	34	4.5
Inverness Central	30	4.0
Inverness Ness-side	31	4.1
Inverness Millburn	36	4.8
Culloden and Ardersier	45	6.0
Nairn	45	6.0
Inverness South	49	6.5
Badenoch and Strathspey	36	4.8
Fort William and Ardnamurchan	34	4.5

Citizens' Panel Survey December 2016

Changing How We Provide Public Services

1. Background

- 1.1 The "Changing How We Provide Public Services" Survey was carried out in December 2016. The survey was distributed to 2,346 members of the Citizens' Panel. The panel were given two weeks to respond, with the deadline for responses the 23 December 2016. 877 responses were received – 380 electronically and 497 in paper – providing a response rate of 37%. This is lower than previous surveys, which normally receive a response rate of around 44% but is reflective of the time of year and the necessary, but short, timescale for response. A profile of respondents can be found at Appendix 1.
- 1.2 As in previous years, we calculate the level of accuracy for the consultation in terms of confidence intervals. The normal confidence level used for surveys is 95% which means that taking into account the sample size, there would be a 95% chance that if the whole population responded then the answer would lie within a particular range. This does depend upon the percentage of the sample giving a particular answer – for example, the higher the percentage of people responding e.g. 90% to a question, the lower the range of confidence interval. For this survey, the confidence levels are detailed below. This means that there is a 95% chance that the results will be within $\pm 3.3\%$ of the result should half of respondents give a particular answer to a question.

Sample Size	Percentage of the sample giving the particular answer		
	10%/90%	30%/70%	50%/50%
Budget Consultation for 2016/17: sample size = 877	± 1.98	± 3.0	± 3.3

- 1.3 The survey was designed to support the Council Re-design process and specific service areas under review. Not all service review areas were appropriate to consult the panel on but the public facing that were included: street lighting, street cleaning, waste services, public toilets and public transport.
- 1.4 A similar approach to the 2014 and 2015 budget consultation was adopted for framing questions. Generally the questions focused upon the impact or difference the proposal would have on the respondent and their family but some also asked respondents to consider what they think the impact may be upon the wider community. The results demonstrate that Panel members have clearly distinguished between these two.

2. STREET LIGHTING

- 2.1 The section on street lighting sought responses from the public across two areas: *Reducing Street Lighting* and *Keeping Lights Switched Off*.

2.2 *Reducing Street Lighting*

The survey asked respondents to indicate "To what extent should we use each of the

following criteria for keeping lights on between midnight and 6am” Table 1 shows that the majority of respondents strongly agree or agree that the below factors should all be criteria for keeping the lights on between midnight and 6am.

2.3 Table 1: based on 865 respondents

Response	Strongly agree	Agree	Neither agree/disagree	Disagree	Strongly disagree
Main traffic routes, main streets and road junctions;	46%	37%	9%	6%	2%
Locations with a significant road traffic night-time accident record;	55%	35%	6%	3%	1%
Areas with a significant record of night-time crime or anti-social behaviour;	62%	31%	4%	2%	1%
Lights outside sheltered housing and other residences accommodating vulnerable people;	48%	36%	10%	5%	1%
Areas with 24-hour operational emergency services including hospitals;	58%	35%	5%	2%	1%
Potential hazards on the highway such as traffic calming, speed humps and road crossings;	31%	41%	17%	9%	2%
Parts of town centres that have concentrated night-time activity or economy;	38%	44%	14%	3%	1%
Areas covered by police or council CCTV operations.	34%	41%	20%	5%	1%
Around piers and harbours	34%	40%	18%	6%	2%

2.4 The top three areas where respondents either disagreed or strongly disagreed with the criteria for keeping lights on between midnight and 6am were:

- Potential hazards on the highway such as traffic calming, speed humps and road crossings;(11%)
- Around piers and harbours (8%) &
- Main traffic routes, main streets and road junctions (8%)

2.5 Respondents who indicated that they had a disability were more likely to strongly agree or agree that lights should be kept on between midnight and 6am. There was no strong difference between respondents from different age groups or gender type.

2.6 176 respondents provided comments on the reasons why they disagree or strongly disagree. Key areas included:

Main traffic routes: vehicles have their own lighting therefore additional lighting is not needed.

Locations with accident record: the lack of street lighting does not cause accidents in other areas.

Anti-social behaviour: lighting an area could encourage anti-social behaviour.

Sheltered housing: housing has premises and lighting also residents were not typically out at night.

Emergency services: buildings have their own lighting.

Hazards: vehicles have their own lighting and hazards should be identified by signs.

CCTV: no longer required street lighting to record.

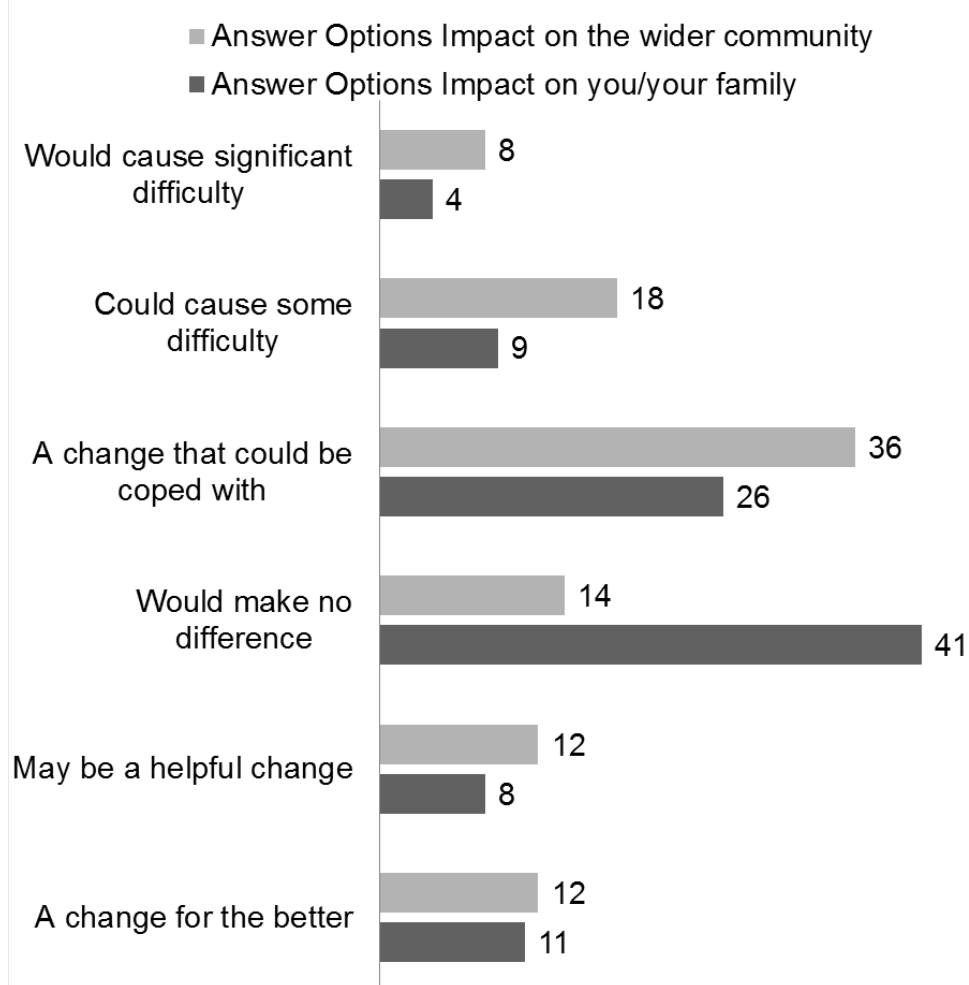
Piers and harbours: piers and harbours have their own lighting.

Other/General comments included:

- Safety concerns
- Preference to move to energy efficiency rather than switching off
- Preference to turn off every second rather than switching off completely

2.7 The survey asked what difference switching off lights in other areas between midnight and 6am would have on respondents and their families and also the wider community. Figure 1 outlines the potential impact any such change could have.

2.8 Figure 1: Based on 802 respondents (%)



2.9 Figure 1 shows that the majority of respondents think that the change could be coped with, would make no difference, may be a helpful change or a change for the better.

2.10 There is no notable difference between respondents from rural and urban areas. Respondents indicating that they have a disability were more likely to indicate that any changes would cause significant difficulty.

2.11 201 respondents provided comments when asked to explain why the change would cause some or significant difficulty. Key areas that respondents highlighted included:

For individuals

- General safety concerns about walking in the dark
- Concern about potential accidents and fear of crime
- Concern at walking home/to work in early hours e.g. Shift workers

For the community

- Concern for elderly, young people and vulnerable walking in the dark
- Concern for those on shift work/working late
- Concern about accidents and injuries
- Concern about the increase in crime

2.12 ***Keeping Lights Switched Off***

The survey asked respondents to think about where they live, and respond to what extent do they agree that street lighting in residential areas could be switched off. Table 2 shows that 45% of respondents indicated that they strongly agree or agree that they believe street lights could be switched off in residential areas.

2.13 Table 2: based on 856 respondents

Response	Number	%
Strongly agree	125	15
Agree	258	30
Neither agree nor disagree	154	18
Disagree	183	21
Strongly Disagree	136	16

2.14 Respondents from rural areas were more likely to strongly agree or agree that lights in residential areas should be switched off.

2.15 337 respondents chose to note comments when asked to describe why they disagree or strongly disagree with turning off lights in residential areas. Reasons why included:

- Need for safety and ensuring people feel safe
- Putting vulnerable people at risk – elderly, young people
- Concern at increase in crime

2.16 The survey asked “To what extent do you agree that in the future, the presumption should be no street lighting for new residential developments?” Table 3 shows that 34% of respondents strongly agree or agree that new developments should not have street lighting but 42% of respondents disagree or strongly disagree.

2.17 Table 3: based on 853 respondents

Response	Number	%
Strongly agree	85	10
Agree	206	24
Neither agree nor disagree	206	24
Disagree	229	27
Strongly Disagree	127	15

2.18 There is no notable difference between respondents from rural and urban areas.

2.19 349 respondents chose to note comments when asked to describe why they disagrees or strongly disagrees with not providing street lighting for new developments as standard. Reasons included:

- Safety reasons – concern increase in accidents
- Concern increase in crime
- Same level of service should be provided in all areas
- Suggestion to change minimum number

3. WASTE

3.1 Section 2 of the survey focused on questions around waste including garden waste, bulky uplifts and recycling.

3.2 **Garden Waste**

Question 3 asked if garden waste collection was available in respondents' areas. 54% (484 respondents) indicated that the service was available and 45% (366 respondents) indicated that the service was not available.

3.3 Where the garden waste was available, respondents were then asked whether they used the service. The majority, 90%, indicated that they did use the service with only 10% (48) of respondents indicating that they didn't.

3.4 Respondents were asked whether in the future, if they had a choice, would they pay an annual charge to use the service or dispose of their own garden waste in a local staffed recycling centre. Table 4 shows that the majority of respondents would rather pay an annual charge to use the service.

3.5 Table 4 - Charging: based on 404 respondents

Response	Number	%
Pay the annual charge	221	55
Dispose of your garden waste at your local staffed recycling centre	183	45

3.6 **Bulky Uplift**

Respondents were asked if they had used the bulky uplift service in the last 12 months. Table 5 shows that 89% of respondents had not used the service within the last 12 months. 2% of respondents had used the service more than once.

3.7 Table 5 – Using Bulky uplift service: based on 860 respondents

Response	Number	%
Never	763	89
Once	78	9
More than once	19	2

3.8 Respondents were given a number of options and asked to indicate which they thought was more favourable. Table 6 shows that respondents were divided between increasing the standard charge and ceasing the service altogether. More respondents favoured increasing the standard charge.

3.9 Table 6 – Charging options: based on 818 respondents

Response	Number	%
Increasing the standard charge	447	55
Cease the service altogether, but continue to allow householders to dispose of the items free of charge at local staffed recycling centres	371	45

3.10 **Recycling**

Respondents were asked "To what extent do you agree we should remove the bottle banks which are not well used, to make the service elsewhere more affordable?" Table 7 shows that most respondents (80%) agreed or strongly agreed that bottle banks which

are not well used should be removed.

3.11 Table 7 – bottle banks: based on 862 respondents

Response	Number	%
Strongly agree	374	32
Agree	412	48
Neither agree nor disagree	71	8
Disagree	68	8
Strongly disagree	37	4

3.12 The survey asked to what extent respondents agreed that the Council should experiment with less frequent recycling collections. Table 8 shows that 50% of respondents indicated that they disagree or strongly disagree with this proposal.

3.13 Table 8 – less frequent collections: based on 862 respondents

Response	Number	%
Strongly agree	77	9
Agree	242	28
Neither agree nor disagree	104	12
Disagree	244	28
Strongly disagree	190	22

3.14 The survey asked respondents how often they used their local recycling centre. Table 9 outlines that only 8% of respondents had never used the service and almost 30% use a local recycling centre at least once a month.

3.15 Table 9 – use of recycling centres: based on 862 respondents

Response	Number	%
Never	67	8
Once a year	190	22
Once every 3 months	365	42
At least monthly	240	28

3.16 Question 5 asked if respondents would be prepared to pay a small charge to cover costs, which would help keep recycling centres open at weekends. 34% of respondents indicated that they would be willing to pay a small charge. 66% of respondents responded saying that they would not be willing to pay a small charge.

3.17 Table 10 – charge for recycling centres: based on 856 respondents

Response	Number	%
Yes	288	34
No	568	66

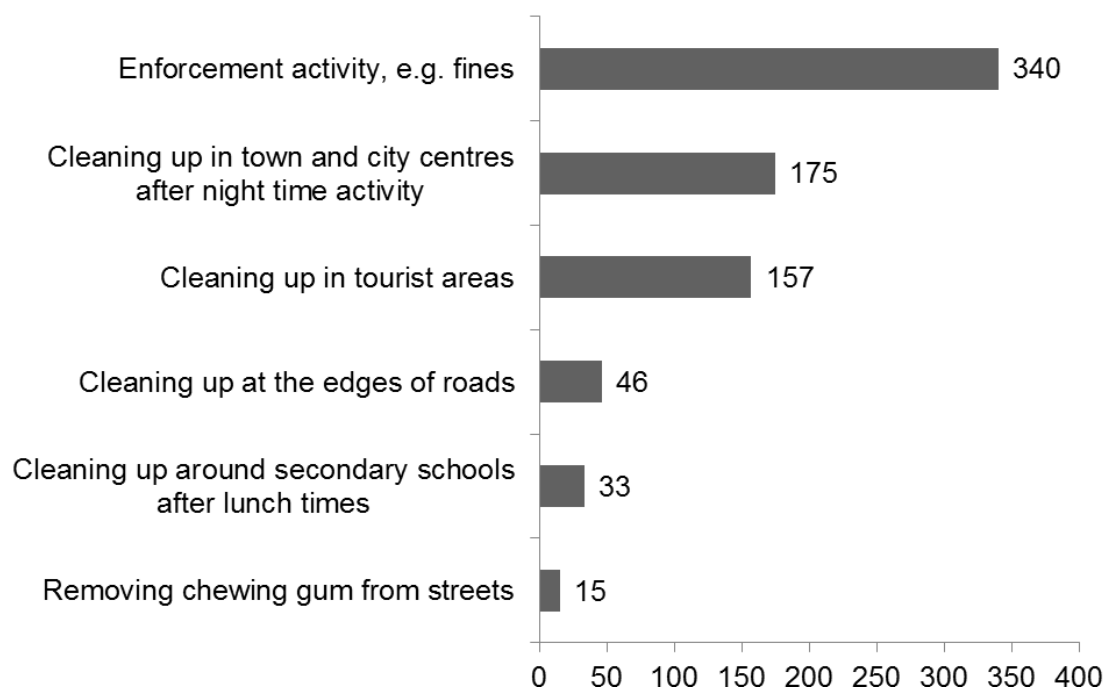
4. STREET CLEANING

4.1 Section 3 of the survey focused on questions related to street cleaning. These included questions on cleaning the streets, enforcement and the role of the community.

4.2 *Cleaning the Streets*

Respondents were asked to prioritise a series of activities in order of which areas the council should focus resources on. The areas with the lowest average rating are: “enforcement activity” (2.62).and “cleaning up in tourist areas” (2.73). Figure 2 shows the number of times each activity was ranked as the top priority. The areas, which were most commonly ranked most important, were “Enforcement activity” and “cleaning up in town and city centres after night time activity.”

4.3 Figure 2: based on 807 respondents



4.4 The survey then asked whether there were other areas respondents believed should be prioritised. 250 comments were received. Suggestions included:

- Education – focus on education in schools and making schools responsible for their own area
- Providing more bins
- Individuals on community service providing a service
- Fines for individuals, schools, supermarkets and fast food shops.

4.5 Respondents were asked the extent to which they agree that businesses should be asked to contribute more for preventing littering. Table 11 shows that 93% of respondents agree or strongly agree that businesses should be asked to contribute more to prevent littering.

4.6 Table 11 – preventing littering: based on 854 respondents

Response	Number	%
Strongly agree	518	61
Agree	270	32
Neither agree nor disagree	36	4
Disagree	20	2

Strongly disagree	10	1
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4.7 Respondents were also asked the extent to which they agree that businesses should be asked to contribute more by paying more for the service. Table 12 shows that 75% of respondents agree or strongly agree that businesses should be asked to contribute more money to support the service.

4.8 Table 12 – businesses paying more: based on 853 respondents

Response	Number	%
Strongly agree	353	41
Agree	291	34
Neither agree nor disagree	134	16
Disagree	60	7
Strongly disagree	15	2

4.9 A final question on business asked the extent to which respondents agreed that businesses should be asked to contribute more by cleaning up their premises. Table 13 shows that 94% of respondents agree or strongly agree that businesses should be asked to do this.

4.10 Table 13 – businesses clearing up: based on 846 respondents

Response	Number	%
Strongly agree	544	64
Agree	255	30
Neither agree nor disagree	28	3
Disagree	12	1.
Strongly disagree	7	1

4.11 **Enforcement**

Respondents were asked the extent to which they agree that there should be a greater focus on enforcement action. Table 14 shows that 95% of respondents agree or strongly agree there should be greater focus on enforcement action.

4.12 Table 14 – focusing on enforcement: based on 853 respondents

Response	Number	%
Strongly agree	594	70
Agree	211	25
Neither agree nor disagree	37	4
Disagree	5	1
Strongly disagree	6	1

4.13 **Community Role**

The survey then asked a series of questions about the role the community could play in keeping their community clean. Respondents were asked if they would be willing to be involved with a community group to regularly keep their community clean. Table 15 shows that one in three (33%) respondents would be willing to be involved with a community group who regularly clean up their local community.

4.14 Table 15 – community groups: based on 846 respondents

Response	Number	%
Yes	283	33
No	301	36
Don't know	262	31

4.15 Respondents were asked to select roles that they would be interested in taking part in. 59% of respondents indicated that they would be interested in volunteering to pick up litter, 34% indicated that they would be interested in promoting responsible and clean behaviour and 7% of respondents indicated that they would be interested to coordinate a local group to pick up litter.

4.16 Table 16 – volunteering roles: based on 328 respondents

Response	Number	%
Volunteering to pick up litter	192	59
Coordinating a local group to pick up litter	24	7
Promoting responsible and clean behaviour	112	34

4.17 The survey asked respondents to indicate what support would be helpful from the Council. 75% of respondents indicated: litter picking equipment, 43% of respondents indicated advice and training, 23% indicated staff support time and 39% indicated access to small grants to support litter picking.

4.18 Table 17 – support needed: based on 392 respondents

Response	Number	%
Litter picking equipment	295	75
Advice and training e.g. health and safety	169	43
Staff support time	91	23
Access to small grants to support litter picking	151	39

(multiple responses so total exceeds 100%)

4.19 Where respondents had answered no to being involved with a community group, individuals were asked to select the reason why. Table 18 shows that the main reasons were: health reasons (41%) lack of time (37%) and No volunteering opportunities locally (27%)

4.20 Table 18 – reasons for not participating: based on 402 respondents

Response	Number	%
Lack of time	148	37
No volunteering opportunities locally	25	6

Work commitments	108	27
Do not want to	67	17
Family commitments	84	21
No volunteering opportunities that I'm interested in	20	5
Health reasons	166	41
Disclosure requirements	7	2

(multiple responses so total exceeds 100%)

4.21 301 respondents provided comments when asked "Do you have any additional comments on how to prevent littering or to reduce the amount it costs to clean up litter?"

4.22 Key areas that were noted by respondents to prevent littering include:

Education: A considerable number of respondents (46) highlighted that education was key to prevent littering. Respondents highlighted that schools should take a role in teaching children to take care of the area they live. One respondent noted that they were disappointed that the Highland Council countryside ranger team was under threat as they have a key role in teaching young people about the outside environment.

Penalties/enforcement: A number of respondents commented that there should be a more proactive and strict penalties and enforcement policy. A number of respondents suggested that repeat offenders are publicised.

Campaigns/behaviour change

More bins: Respondents highlighted that having bins at benches, laybys and bus stops would prevent people from littering.

Key areas that were highlighted to reduce the amount it costs to clean up litter in the Highlands include:

- School litter picks
- Support local community to be able to do it themselves
- Using workers who are subject to community pay back orders

5. PUBLIC TOILETS

5.1 Section 4 of the report focused on the provision of public toilets. It asked about charging for use, the community role in maintaining toilets and about closing toilets.

5.2 Charging

Respondents were asked if they would be prepared to pay a minimum of 50p to keep some toilets open. Table 19 shows that the majority of respondents (72%) would be willing to pay a minimum of 0.50p.

5.3 Table 19 – paying for toilets: based on 843 respondents

Response	Number	%
Yes	608	72
No	188	22
Don't know	47	6

5.4 Respondents who indicated that they were willing to pay were asked to specify how much they would be willing to pay. 87% of the 607 respondents noted that they would pay 0.50p, 12% noted £1 and 1% More than £1.

5.5 **Community Role**

The survey highlighted that a way for maintaining public toilets would be for community groups to take on the running of them. It asked respondents if they would be willing to be involved with a community group to maintain public toilets. Table 20 shows that the majority of respondents would not be willing to be involved.

5.6 Table 20 – community running toilets : based on 835 respondents

Response	Number	%
Yes	63	8%
No	435	52%
Don't know	90	11%
Not applicable - no public toilets locally	247	30%

5.7 The survey asked if respondents answered no, to select the reason why. Table 21 shows that the main reasons were: Health reasons (39%), Do not want to (36%) and Lack of time (32%).

5.8 Table 21: based on 467 respondents

Response	Response Count	%
Lack of time	150	32%
No volunteering opportunities locally	23	5%
Work commitments	94	20%
Do not want to	170	36%
Family commitments	76	16%
No volunteering opportunities that I'm interested in	17	4%
Health reasons	181	39%
Disclosure requirements	5	1.0%

5.9 **Closing Toilets**

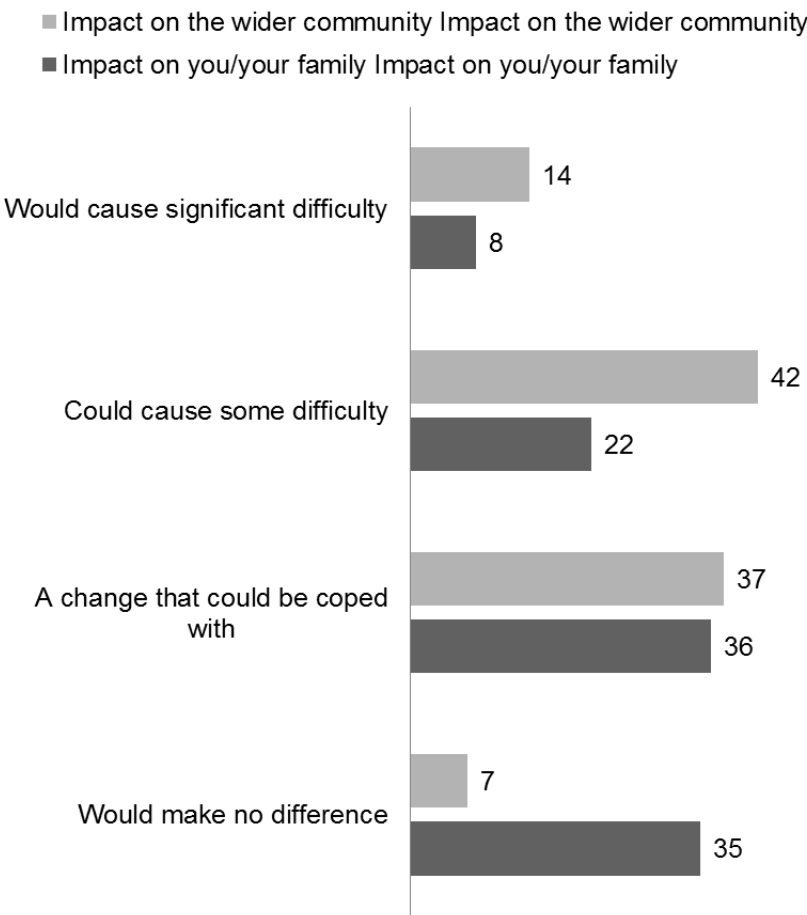
Respondents were asked if some public toilets had to close where the council should focus its resources. Respondents were asked to rank in order of priority the most important to the least important. The lowest average rating is "Tourist Destinations". Figure 3 shows the number of times each area was ranked as the top priority The area that was ranked most important the most number of times was "Tourist destinations".

5.10 Figure 3: Based on 780 respondents



5.11 The survey asked what impact closing some public toilets would have on respondents and the wider community. Figure 4 shows respondents answers highlighting what difference the change would have on the respondent’s family and the wider community in percent. Figure 4 shows that 35% of respondents thought it would make no difference to “you/your family” but 42% thought it could cause some difficulty to the wider community.

5.12 Figure 4: Based on 793 respondents



6. PUBLIC TRANSPORT

6.1 Section 5 of the survey sought responses on public transport. This included views on general transport, community transport and ferries.

6.2 *General Transport*

Respondents were asked about the extent to which they agree that the Highland Council should focus support for public transport in rural areas. Table 22 shows that 83% of respondents either strongly agree or agree that the focus should be on rural areas.

6.3 Table 22 – focus on support: Based on 837 respondents

Response	Number	%
Strongly agree	329	39%
Agree	372	44%
Neither agree nor disagree	113	14%
Disagree	15	2%
Strongly disagree	8	1.0%

6.4 Respondents from rural areas were more likely to strongly agree or agree that the Council should focus support on rural communities. Respondents who indicated that they had a disability were more likely to strongly agree that the focus should be to support rural communities.

6.5 The survey asked respondents "As a passenger, would you be prepared to pay a higher fare to protect services? If you have a bus pass this would not affect you." Table 23 shows that 67% of respondents who this question was applicable agreed they would be prepared to pay a higher fare to protect services.

6.6 Table 23 – paying higher fares: Based on 823 respondents

Response	Number	%
Yes	232	28%
No	111	14.0%
Not applicable	480	58%

6.7 There is no notable difference between respondents from rural and urban areas. Respondents who indicated that they have a disability were less likely to agree that they were prepared to pay a higher fare to protect services.

6.8 *Community Transport*

Question 13 asked about community transport. Respondents were asked how communities could provide local transport. Table 24 shows that only 8% of respondents thought there was no role for the community in providing community transport services.

6.9 Table 24 – community role in transport services: Based on 807 respondents

Response	Number	%
Community car scheme (i.e. booking lifts in	440	55%

volunteer's cars)		
Minibus available to hire for clubs and outings	433	54%
Scheduled bus/minibus services	484	60%
No role for the community	64	8%
<i>(multiple responses so will not total 100%)</i>		

- 6.10 The survey asked respondents to indicate if they thought the Council should focus future resources on supporting community transport schemes instead of subsidising commercial routes. Table 25 shows that the majority of respondents agreed. It is also important to note that one third of respondents answered "don't know".

- 6.11 Table 25 – focusing on community transport: Based on 829 respondents

Response	Number	%
Yes	478	58%
No	70	8%
Don't know	281	34%

- 6.12 The survey asked if respondents would be willing to be involved with a community group that offered community transport services. Table 26 shows that 16% of respondents would be interested in being involved but the majority 84% either did not or did not know.

- 6.13 Table 26 – participating in community transport: Based on 825 respondents

Response	Number	%
Yes	131	16%
No	501	61%
Don't know	193	23%

- 6.14 Of the residents who answered yes, respondents were asked to highlight what roles they would be interested in. Table 27 shows that the most popular responses were: Volunteering as a car scheme driver, Committee member and Volunteer mini bus driver for social and occasional events.

- 6.15 Table 27 – volunteering roles: 146 respondents

Response	Number	%
Being employed to provide a scheduled service with an appropriate licence	14	10%
Volunteering as a car scheme driver	75	51%
Volunteer mini bus driver for social and occasional events	42	29%
Volunteer for taking bookings and other administration	37	25%
Financial management	13	9%
Committee member	47	32%
Fund raising	29	20%

6.16 The survey asked if respondents answered no, to select the reason why. Table 28 shows the respondents' answers. The most popular response was: Lack of time, Work commitments and Health reasons.

6.17 Table 28 – reasons for not participating: 550 respondents

Response	Number	%
Lack of time	202	37%
No volunteering opportunities locally	31	6%
Work commitments	152	28%
Do not want to	97	18%
Not qualified to drive	52	20%
Family commitments	117	21%
No volunteering opportunities that I'm interested in	28	5%
Health reasons	145	26%
Disclosure requirements	11	2%
Not qualified to drive mini-buses	178	32%

6.18 **Ferries**

The survey asked respondents the extent to which they agree that the council should vary the changes for ferries so that increases only applies to tourists. Table 29 shows that the majority of respondents agree or strongly agree that any increases should be applied principally to tourists.

6.19 Table 29 – varying ferry charges: based on 840 respondents

Response	Number	%
Strongly agree	177	21%
Agree	387	46%
Neither agree nor disagree	146	17%
Disagree	95	11%
Strongly disagree	35	4.0%

7. Next Steps

These findings will be used by the Redesign review teams when drawing up their proposals and recommendations.

Survey Respondent Overview

Gender

452 respondents were females (51%), 382 respondents were male (44%) and 43 respondents chose not to disclose their gender (5%).

Age

Table 1.1 based on 834 respondents

Response	Number	%
16-17	2	0.2
18-24	24	2.8
25-34	25	3
35-44	64	7.7
45-54	129	15.4
55-64	219	22.2
65-74	249	29.8
75 +	122	14.6

How long have you lived in The Highland Council area?

Table 1.2 based on 828 respondents

Response	Number	%
Less than 3 years	7	0.9
3-5 years	19	2.2
5-10 years	64	8
Over 10 years	735	88.8

Employment

Table 1.3 based on 839 respondents

Response	Number	%
Working for a single employer full-time	205	24.4
Working for a single employer part-time	83	9.9
Working for more than one employer	17	2
Self-employed	86	10.2
Unable to work - long-term sickness	11	1.3
Unemployed	7	0.8
Retired	376	44.8
Looking after the home or family	19	2.2
In full-time education	10	1.2
Unable to work - disability	14	1.7
Carer	11	1.3

Housing situation

Table 1.4 based on 833 respondents

Response	Number	%
Own home/ mortgage	715	85.8
Rent from a housing association	13	1.6
Rent from The Council	32	3.8
House comes with job	9	1.1
Private rented	34	4.1
Living with parents	30	3.6

Disability

114 of 822 respondents (13.9%) indicated that they have a disability (i.e. a physical or mental impairment that has a substantial and long-term adverse effect upon their ability to carry out normal day-to-day activities).

Families with children

125 of the 800 respondents (15.6%) indicated that they have school age children in their household.

Ethnicity

Table 1.5 based on 830 respondents

Response	Number	%
White – Scottish	603	72.65
White – Other British	181	21.81
White – Irish	3	0.36
White – Polish	4	0.48
White – Other	26	3.13
Pakistani, Pakistani Scottish or Pakistani British	1	0.12
Indian, Indian Scottish or Indian British	4	0.48
Chinese, Chinese Scottish or Chinese British	3	0.36
African, African Scottish or African British	1	0.12
Caribbean, Caribbean Scottish or Caribbean British	1	0.12
Black, Black Scottish or Black British	2	0.24
Arab, Arab Scottish or Arab British	1	0.12

Location

Table 1.6 based on 750 respondents

Response	Number	%
North, West and Central		
Sutherland	22	2.9
Thurso	24	3.2
Wick	19	2.5
Landward Caithness	33	4.4
East Sutherland	25	3.3
Wester Ross, Strathpeffer and		
Lochalsh	45	6.0
Cromarty Firth	27	3.6
Tain and Easter Ross	30	4.0
Dingwall and Seaforth	38	5.1
Black Isle	47	6.3
Eilean a' Che	42	5.6
Caol and Mallaig	17	2.3
Aird and Loch Ness	41	5.5
Inverness West	34	4.5
Inverness Central	30	4.0
Inverness Ness-side	31	4.1
Inverness Millburn	36	4.8
Culloden and Ardersier	45	6.0
Nairn	45	6.0
Inverness South	49	6.5
Badenoch and Strathspey	36	4.8
Fort William and Ardnamurchan	34	4.5

THE HIGHLAND COUNCIL
REDESIGN BOARD – 14 FEBRUARY 2017
ADMINISTRATION IN SCHOOLS

Agenda Item	
Report No	

Summary

This report outlines the work carried out by the Administration in Schools (AiS) Review Team. It highlights a range of opportunities for process and productivity improvement, aligned with the existing Schools Management Review Programme, and makes recommendations for immediate action and for future work.

1.0 BACKGROUND

1.1 The purpose of the review was to make recommendations for the redesign of the administrative function in Highland Schools which would:

- a) find savings and/or income that will help the Council meet its affordability challenge;
- b) be mindful of the principles of redesign; and
- c) appraise the ten options for service delivery

The Project Scope and Objectives are detailed in full at Appendix 1.

2.0 METHODOLOGY

2.1 The Review Team which considered the Administration in Schools function comprised:

- Kate Lackie, Business Manager, the Chief Executive's Office (Team Leader)
- Caroline Urquhart, Business Management Analyst, Finance Service (Review Team)
- Noel McLaughlin, Service Improvement Manager, Community Services (Review Team)
- Brian Porter, Head of Resources, Care and Learning Service
- Margo Ramsay, GMB
- Cllr Isobel McCallum, Convener and Redesign Board representative
- Cllr Drew Millar, Chair of ECAS and Redesign Board representative

2.2 The Team has been supported with input from the Management in Schools Business Support Working Group and a range of other teams in the Care and Learning Service, Finance Service and Corporate Development Service.

2.3 A number of approaches have been taken to gather evidence for use in the Review:

- a) A review of previous schools administration improvement projects
- b) Engagement with the Management in Schools Programme, primarily but not exclusively the Business Support work stream and working group
- c) Engagement with relevant CIT Improvement projects

- d) Review of relevant regulations and guidelines
- e) Improvement Service initiatives and initiatives from other local authorities.
- f) Review of working practices, tasks and process mapping
- g) Engagement with key support functions for the Education Service
- h) Assessment of current ICT/systems performance and capability
- i) Staffing budgets
- j) Engagement with a range of teaching and non-teaching staff at primary and secondary level
- k) Engagement with teaching and non-teaching union representatives

There is a lack of service-wide performance data which meant it was not possible to compare Highland schools against one another in terms of their administrative activities or to make direct comparisons with other local authorities. This has been highlighted as an area for further work in the recommendations section later in this report.

3. OBSERVATIONS ARISING FROM ASSESSMENT OF INFORMATION

a) Review of previous schools administration improvement activity

There have been a number of reviews of the administrative function within schools in recent years. The most recent was the Support to Schools project established as part of the Future Management of Schools Programme which concluded in August 2016. A review of the school office function introduced a team leader model for one rural ASG and one urban ASG on a trial basis in 2014/2015. There were a number of earlier pieces of work that also fed into these later projects.

The most recent Support to Schools project, under the umbrella of the Management in Schools programme, concluded that an enhanced role within the school office to provide additional support to head teachers and the school management team was needed to ensure head teachers had sufficient support in place to be able to focus on the management of learning and teaching. In addition, school office staff who participated in the pilots benefited from the team leader role giving them better support and developing enhanced relationships across the school group. It recommended further work was required to define this role to take into account the other elements of the Management in Schools Programme and developments, like the expansion of early years and wrap around care.

A significant amount of engagement has taken place previously with head teachers, their management teams and schools office staff across Highland and all of this review activity has provided a large amount information about school office tasks and processes; staffing models; ICT systems; finance, purchasing and payments; catering and FM; and information management. All of this has been very relevant and helpful in informing the work of the Administration in Schools Redesign Project and points to there being scope for real improvement and efficiency. However, it should be noted that the number of previous

consultation exercises, combined with a lack of implementation, has led to a degree of review fatigue amongst teaching and non-teaching staff and some cynicism about the outcome of any further review of the administrative function.

An area that the Redesign Team was not able to verify was the assertion that all head teachers require an enhanced administrative officer role to provide them with the support they require to focus on learning and teaching. Whilst this may well be the case in some circumstances – for example in some of the large secondary schools – this was not borne out in the smaller, more rural ASGs. It is certainly the case that the school office function needs to be designed so that it supports the new management structures. However, in some of these cases it may be that additional fte is required, rather than an increase in grade, whilst in other circumstances there may be spare capacity which needs to be utilised.

If improvements are made to key processes and systems in schools, it is likely that even more spare capacity will be created. Consequently, further work is required to understand what is required on an ASG by ASG basis, because it is clear that one administrative support structure will not be appropriate to all settings.

b) Engagement with the Management in Schools Programme

The October 2015 the Council's Education Children and Adult Services Committee considered proposals to enhance support for Head Teachers and to sustain management in schools across the authority. This accords with the 'Highland First' commitment to 'work collaboratively with head teachers to provide them with the best opportunity to maintain standards, reduce unnecessary bureaucracy and to drive further improvement.'

The Care and Learning Service established the management in Schools Programme to take this work forward, with six inter-related workstreams:

1. Curriculum Development;
2. Management Structures and School Groupings;
3. Support to Schools;
4. Early Learning and Childcare;
5. Workforce Planning and Recruitment; and
6. Workforce Planning and Staff Development.

Regular reports have been taken to ECAS committee and series of briefing and seminars for members and head teachers have taken place.

Changes to management structures and school arrangements have been scoped over a three year period. The most recent report went to ECAS committee on 26 January 2017 set out new approaches and management structures in eight Associated Schools Groups to be developed and taken forward for August 2017, largely selected on the basis that they have significant difficulties recruiting head teachers or there are low or declining school rolls.

Member approval was given to proceed with six of these: Millburn; Lochaber; Kilchuimen; Kinlochbervie; Dornoch and Plockton. Proposals for the Farr and Mallaig ASGs will be coming back to Committee in March 2017 and the remaining ASGs will be brought forward for approval for rolling out in two more phases, in August 2018 and August 2019.

The first phase will be delivered within existing budgets and the predicted saving once all arrangements are in place across Highland is £750,000.

For the purposes of this report, the most significant issue around the new management arrangements in schools is that a team approach needs to be designed for the schools office function to ensure cluster head teachers and principal teachers in primary schools are properly supported in carrying out their new roles across the whole ASG. This is a departure from current arrangements where staff only provide support to the school in which they are located.

In order to design sustainable and effective proposals for the administrative support arrangements, it is essential that form follows function. Consequently, the AiS Redesign team has been working with the Schools Support Working Group, Chaired by the Head of Resources, Care and Learning, to ensure that proposals dovetail with the wider work being developed across all 6 work streams in the Management in Schools Programme.

The phasing of the Management in Schools Programme is helpful, because the first 6 ASGs to move across to the new arrangements should not require major changes to the administrative function in order to accommodate the new arrangements. There are a number of actions that can be taken to assist the transition to the new arrangements in relation to supporting technical and systems infrastructure, and these are highlighted in detail in the recommendations below.

The phasing means that there is time available to undertake a detailed assessment of need on and ASG by ASG basis to get as much process improvement in place by August 2017 have the most appropriate structures in place in time for Phase 2 of the roll out in 2017/18. This date should be considered a deadline rather than a target: requisite adjustments should be implemented when ready to do so and not wait until August 2018.

c) Engagement with Digital First/CIT Improvement Projects

Prior to the commencement of the Redesign Project, three projects had already commenced under the Digital First Programme looking at moving certain schools activities from largely manual processes onto digital platforms. Each project has a savings target identified. These are:

1. School Enrolment and Family Data Review. Target £90,000
2. School Payments. Target £330,000 over 2 years
3. School Lets. Target £35,000

The first project has been implemented for the 2017/18 school enrolment process. Initial feedback is that on-line enrolment has been largely successful, with some scope for improvement in terms of the back office handling of data.

The School Payments Project has the potential to make real efficiency improvements in the way schools office staff process payments for a range of activities, including school lunches, school trips, fundraising and school uniform purchase by enabling payments to be made on-line. This will significantly reduce the amount of cash handling being undertaken by office staff and teachers, freeing up support capacity, reducing or removing the involvement of teachers in cash handling altogether and providing an improved service for parents/carers and pupils. This proposal has the support of the unions because of staff vulnerability associated with holding cash in the office and carrying cash to the bank. It will also satisfy a number of audit requirements.

The combined savings target of £455,000 is significant and represents over 10% of the overall schools office staff costs. It should also be noted that these initiatives come on the back of existing transformational savings focused on schools admin which have also removed budget from schools. This is discussed in more detail in the financial section 3h) below.

d) Review of relevant regulations and guidelines

There is relatively little in the way of regulations or even guidelines for the provision of schools office support and this explains the wide variations in practice across Scottish authorities. The 2011 MaCrone report made some recommendations about the type and level of support that should be provided and this is the approach largely followed in Highland, where admin and clerical hours per school are calculated by a formula based on the size of the school roll. However, because so many schools in Highland have a low roll – over 60% have under 100 pupils – MaCrone is used as a guide only and many schools in have a far higher pupil/support staff ratio. This is explored in further detail below.

e) Improvement Service Initiatives and initiatives from other local authorities.

The Redesign Project Team contacted the Improvement Service and a number of Scottish local authorities to find out whether there were any initiatives underway that could have useful application in Highland and a range of approaches have been reviewed as a consequence. Useful projects are underway in East Renfrewshire, Glasgow and Perth and Kinross and other authorities, such as South Lanarkshire, have already reviewed their schools office function and have established a new schools support service. These initiatives have helped to inform a number of the AiS Review recommendations in Section 5.

f) Review of working practices, task and process mapping

Building upon much of the work that has already been done in previous schools office projects and the Management in Schools Programme, the Redesign AiS project has looked at the mapping of current processes required within schools and who does them in order to

identify opportunities to reduce bureaucracy, improve processes, increase productivity and reduce costs:

- Reducing Bureaucracy: Reducing teachers' bureaucratic burden is one of the key objectives of the Management in Schools Programme and a priority for the Scottish Government. Areas that have been identified by head teachers include HR systems and processes, such as Talent Link/Change Forms; RPO responsibilities; budget delegations; SQA administration and supply teacher sourcing.
- Improving processes/increase productivity: Processes that are currently overly labour intensive or involve double handling include attendance/class register, maintaining supply teacher records and financial transactions. There are variations across schools in the way common tasks are undertaken and improved consistency would also deliver benefits. Enhanced systems support could help to improve records management; interruption management and the availability of performance information.
- Reducing Cost: In addition to c£3.9m budget for schools-based office staff, assistance is also provided to schools from the Workforce Planning Team, Shared Business Support HR Hub, Shared Business Support Small Schools Unit, and the Service Information and Support Unit. Savings could be made by requiring fewer staff to undertake core activities by streamlining and digitising manual processes to be more efficient (see 1&2, above); equipping schools to undertake activities currently undertaken by SBS and releasing SBS spare capacity or vice versa; equipping schools to undertake activities from other parts of the Council so they become community hubs; removing duplication of tasks between schools, Workforce Planning Unit and HR Hub.

g) Engagement with key HQ support functions for the Education Service

The Redesign team has considered the activities undertaken by the Service Information and Support Team in the Care and Learning Service and the HR Hub, the Small Schools Business Support Unit and the Shared Business Support function provided by the Finance Service, all of which provide a variety of centralised support functions to schools on top of the resource that is provided by the schools office staff.

There is some evidence of duplication, multiple hand offs and manual data entry, all of which present opportunities for improvement in processes, systems and structures, whilst the skills present in the Service Information and Support Team offer opportunities to improve the operation of SEEMiS and provide wider systems and information management support to head teachers. More detailed investigation is required to fully understand how to best to capitalise on these opportunities.

h) Resources – Staffing and budgets and opportunities for savings

In Highland there are 29 secondary schools and 174 primary schools with total school rolls of 13609 and 17309 respectively. Administrative support in the school setting is largely

provided by a mix of Admin and Clerical Assistants in secondary schools and Clerical Assistants in primary schools. The allocation is derived from a calculation based upon school roll with a minimum of 16 hours clerical time per week for primary schools and minimum of 0.65 clerical and 1 admin for secondary schools. The number of hours increases with the size of the school roll.

Current FTE is 179 Clerical Assistants; 33.3 Administrative Assistants; and 2 Team Leaders. The majority of clerical assistant posts are part time. The current cost of staffing the schools office function is £3.975m.

The average amount of clerical time that is currently provided per pupil across the entire schools estate is 9 minutes per week. If this allocation was applied rigidly to every school, as happens in some local authorities, it would result in a total reduction of 46.7fte and a cost saving of £708,251. However, this ignores the reality that in order to deliver this, small schools would lose clerical support almost altogether and this is not sustainable either for the schools or for the rural communities in which they are situated. However, these figures do tell us that small schools currently have an over provision of clerical hours compared to their larger counterparts and this suggests there is spare capacity. This is explored further in Section 5.

There are a number of historic savings targets that are sitting against the Schools Office budgets as pressures, in addition to the £455,000 identified in the CIT savings proposals mentioned in section 3c) above. Taken together, they come to a third of the current total schools administration budget and represent a significant delivery challenge. It is consequently the conclusion of the Redesign Team that the redesign of the schools support function is both possible and necessary to support the Management in schools project and identify opportunities to make these savings through genuine efficiencies rather than cuts. It is not possible, certainly at this stage, to identify where financial savings can be made over and above those.

i) Engagement with a range of teaching and administrative staff at primary and secondary level

In the course of the review the team has visited and met with Head Teachers and school office staff at Charleston Academy, Kichuimen Academy, Inshes Primary, Kinlochbervie Academy and Millburn Academy. The visits have been very helpful in informing the conclusions in this report and, even looking at a relatively small number of schools, it is clear that the office support required varies widely from one to another and the changes introduced by the Management in Schools Programme will also impact differently. It is likely that this variety will be replicated across all 29 ASGs and so any changes to schools

support will need to be mindful of, and responsive to this and only following direct engagement with teaching and non-teaching staff in each ASG.

In addition to the observations already described, the following points have also been noted: head teachers are heavily reliant on their administrative assistants and there needs to be succession planning to ensure resilience when these key staff move on; head teachers would welcome being provided with a dashboard of performance measures so they can assess their school's performance over time and against other schools in Highland and across Scotland; office staff would benefit from more pro-active support from the centre and also greater networking opportunities with their counterparts in other schools to share good practice and provide mutual support; there are a variety of approaches to home/school communication and schools need support to move this onto digital platforms wherever practical; the implementation of significant initiatives – chrome books/ict transition/curriculum and SQA developments – carry an administrative overhead that is currently shouldered by head teachers but could/should reasonably be delegated if there was sufficient admin resource at the right level, to do so.

j) ICT/systems performance, capability and technical challenges

The single issue around which all teachers and office staff agree there needs to be improvement is in the operation of SEEMiS. SEEMiS is an Educational Management Information System (MIS) provider. It is the standard MIS within Scottish Education and all local student data is processed and managed by SEEMiS software which interfaces with external agencies like ScotXEd and SQA. School Office Staff and teachers carry out 15 distinct tasks on SEEMiS and a detailed assessment of these is contained in Appendix 2. Schools would be keen to have more involvement in driving system developments and improvement on both a local and national level.

Other technical challenges include poor connectivity in rural areas which impacts on how school staff interact/update IT systems such as SEEMiS and Integra in real time. There is an opportunity to address this with the roll out of the SWAN network upgrade. In addition, only 40% of teachers have laptops which means the other 60% are unable to work from their own PC. Teachers also do not have access to the Highland Council's internal SharePoint processes/forms or to My View, restricting their access core corporate processes and data and placing a greater burden on the office staff to collate information manually.

There is a mix of technical capabilities within schools. It will be important for office staff and head teachers to be offered assistance when moving to the new cluster arrangements from August 2017 to ensure they are able to capitalise on shared document systems, have access to management information relating to budgets, facilities and the staffing establishment across the ASG and ensure their telephony arrangements are fit for purpose.

k) Engagement with teaching and non-teaching union representatives

Unions have been represented on the Business Support Working Group and the team leader has also had a number of one to one meetings with the union rep for the Review, Margo Ramsay and EIS rep, Alistair Bell. The following issues were identified as a concern: cash handling; reducing bureaucracy; lone working (points of presence). The first two issues have been addressed earlier in the report. The issue around lone working and points of presence is a critical and requires further explanation.

As already outlined, office staff hours are allocated on the basis of the size of the school roll. However, because of the number of very small schools in Highland, a large number have a far higher allocation than the equation might otherwise warrant, and this is to provide a point of presence in schools where there is only one teacher. Even so, for over half of Highland primary schools, this still only provides between 16-19 clerical hours per week, leaving significant numbers of hours when there is no adult present in the school except for the teacher. Expanding clerical hours in the small schools is problematic however, not only because there is insufficient budget to do so, but also because there is currently insufficient work to warrant it and in an organisation with a reducing workforce and staffing budgets, it is not sustainable to create posts that don't have enough to do. Nevertheless, the benefits of having a point of presence throughout the week for health and safety reasons and because of the positive rural impact, means that consideration should be given to pushing work to the quieter schools offices. This could come from other, busier schools, or from other parts of the organisation such as the small schools business support unit, or the implementation of a centralised telephony service for school registration. In the medium to long term this could even include moving Service Points/registration into schools in rural areas and using them like community hubs.

4.0 INCOME GENERATION

- 4.1** Some opportunities for income generation have been identified in the delivery of early years and in wrap around care. This a workstream that is already being taken forward by the Management in Schools Programme and so has not been pursued by the Redesign project. However, it must be recognised that there will be an administrative overhead involved in the delivery of these functions and so any income calculations should be net of this cost.
- 4.2** Another option for income generation could arise in the event that the SG's Education Governance Review proposes the transfer of schools and nurseries to a regional body. In this instance, the Council could potentially 'sell' the schools admin function to the regional body for use in schools in Highland. In order to be in a competitive proposition, it will be important to evidence that Council can provide an efficient, productive and measurable service and this means progress would need to be made on the areas identified for improvement. Responsibility for the delivery of an outsourced service to a 3rd party education provider would sit well with the Council's Shared Business Support Service.

5.0 SUMMARY AND RECOMMENDATIONS

- 5.1 Schools office staff are conscientious and hard working. They are highly valued by head teachers and play a key part in school life. This will become even more important as the new schools management structures are rolled out and so this is a critical time to consider their role and the systems and processes they need to support what they do.
- 5.2 A day in the life of a school office varies enormously between primary and secondary schools, large and small schools, and urban and rural schools. This variety will be replicated in the roll out of the new ASG arrangements and presents clear challenges when considering how the administrative function should be resourced. It is evident that a one size fits all approach will not work.
- 5.3 There is a need to review the way in which the administrative function is structured as a result of the new ASG arrangements but it is not possible within the timescales of the Redesign Review to determine precisely what these should be across Highland. Reducing teachers' bureaucratic burden is a government and council priority and in some cases this may require additional resource at existing grades, in others, more senior administrative support at a higher grade whilst in others, the existing resource may be sufficient. It is clear that form will need to follow function and so structures should not be drawn up in advance of a detailed assessment of the needs of each ASG. Any new or changed posts would need to be job evaluated. Additional costs could be funded through savings made in the new management structures if they are as a consequence of administrative staff taking on enhanced responsibilities.
- 5.4 The Redesign Team has found there are issues that have been raised in successive reviews and in many cases these relate to the systems and processes that are common across all ASGs – as detailed in sections 3f) and 3g) above. Tackling these will result in improved efficiency and productivity, provide access to better performance data and improved job satisfaction. These do not need to be timed with the phases of the schools management structures but should be implemented as soon as possible. They will be central to freeing up spare capacity to absorb some of the additional workload arising from changes in the schools management so that any additional or enhanced admin resource, if this is considered necessary, can be targeted to where it will genuinely add value.
- 5.6 Identifying opportunities for financial savings is not straightforward. As explained in Section 3 h) above a simple rigid formula based allocation will not work in the Highland context. However, any capacity should be utilised as efficiently as possible within these confines. One way in which more sustainable savings could be made is to push tasks to the outlying offices from larger schools, from centralised support teams, or other parts of the Council altogether, and take savings from the capacity that this releases. In this way, and in the longer term, it may even be possible to increase the clerical presence in small schools as their workload increases. Activities that could be considered include call handling (entering

absence/attendance data onto SEEMis for larger schools); end to end financial transactions (currently undertaken by the small schools business support unit); data inputting and cleansing (currently undertaken by the Workforce Planning Unit); service point functions (closing existing service points and moving into schools front offices); other Shared Business Support transactional activities.

6.0 Recommendations

- 6.1 In order to maintain momentum and ensure progress is made on delivering efficiencies and an enhanced administrative function for schools, the Schools Office workstream needs to be properly resourced. Improvements in the school administrative function have suffered in the past from a series of projects which have come to a halt before full implementation has been possible and the same risk presents itself now.
- 6.2 Consequently, it is recommended that the project continues with a dedicated project manager put in place for a minimum 6 month period. The current schools support working group would provide the basis for an effective project team as it includes the right mix of officers to provide both senior users and senior suppliers. A representative from ICT Services would provide a useful additional senior supplier role. It is recommended that the project sponsor position is undertaken by senior manager outwith the Care and Learning Service to provide the linkages and influence needed to corporate systems and processes. The project manager and project team need to have a detailed grasp of school requirements. The Project Leader for the AiS Redesign Project would also provide support for as long as required.
- 6.3 A full project plan and progress report should come forward for the August Redesign Review date.

7. IMPLICATIONS

- 7.1 Resources – a Project Manager for 6 months will cost approximately £25,000 falling primarily in the next financial year. This could be funded by earmarking the sum from underspends in the schools administrative and clerical pay budgets arising from vacancies in the current year – subject to approval from the Director of Finance – or from savings made from the Management in Schools project.
- 7.2 Legal - there are no legal implications for The Highland Council from the conclusions in this report.
- 7.3 Equalities – the majority of administrative and clerical employees in Highland schools are women and so any change to working hours, grades or terms and conditions would need to receive equalities screening.

- 7.4 Rural – A significant number of school clerical and administrative posts are in rural areas, some are in particularly remote and fragile communities. There are potentially significant positive and negative rural implications, depending on the outcome of this piece of work.
- 7.5 Risk – there is a risk that the Management in Schools Programme could fail to achieve its objectives if the supporting arrangements are not appropriate to the new teaching structures. There is also a reputational risk to the Council if this happens.
- 7.6 Climate Change Gaelic - there are no negative climate change or Gaelic implications arising from this report.

8.0 RECOMMENDATIONS

The Redesign Board is asked to agree that:

- A dedicated project manager is appointed for a minimum 6 month period to take forward the project;
- The project team is established along the lines set out in paragraph 6.2
- The project provides an action plan for addressing the systems and process issues outlined in section 3f) and 3g) with a view to implementing improvements at the earliest opportunity;
- The project presents costed proposals for the support staffing arrangements required to underpin the Management in Schools Programme on and ASG by ASG basis;
- The project considers what processes can be pushed to the smaller schools to enhance the role and release capacity/efficiency savings elsewhere;
- The project establishes the management information required by head teachers and senior managers within the Education Service, and how this to be gathered and disseminated;
- A full project plan and progress report is provided for the Redesign Review in August.
- Assistance is provided to all schools in cluster arrangements to ensure they are able to capitalise on shared document systems, have access to management information relating to budgets, facilities and the staffing establishment across the ASG and ensure their telephony arrangements are fit for purpose

Signed: Kate Lackie, Business Manager

Date: 10 February 2017

Author: Kate Lackie, AiS Redesign Project Leader

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Appendices:

Appendix A: Project Scope and Objectives

Appendix B: ICT/systems performance, capability and technical challenges

Appendix 1

ADMINISTRATION IN SCHOOLS

PROJECT SCOPE

The administrative/clerical/business support functions provided for schools in Highland.

OBJECTIVES

To consider how to deliver the most efficient and flexible school office staffing model that meets the learning, teaching and assessment requirements in all Highland schools, delivered at same/less cost and with opportunities for further cost reductions identified for future work.

Must

- scope the extent and cost of clerical and administrative tasks undertaken in schools and elsewhere, to support learning, teaching and assessment in schools and establish the tasks and accountabilities that should be carried out by education support staff in the future.
- identify existing spare capacity and create new additional capacity by delivering efficiencies through process redesign, elimination of duplication, elimination of unnecessary tasks and processes, standardisation of good practice through increased consistency and collaboration and realisation of the benefits of improved ICT and management of information.
- Ensure new structures support the management in schools project proposals to deliver £750k savings and identify if/where cashable savings can be achieved over and above this.
- Present initial recommendations to the Redesign Board on 10 January 2016.

Should

- Link with other CIP Projects to realise cashable savings and process improvements.
- Identify ICT systems used within education and the wider council that currently support or could support service delivery.
- Define performance management standards for the future delivery of school office support in order to ensure continuous improvement and cost reduction.
- Understand what is required of the school office function in order to optimise support for learning, teaching and assessment, and reduce the burden of bureaucracy, taking account of sectorial and geographic factors.
- Learn from best practice elsewhere.
- Present options for work to continue post January 2017.

Could

- Further professionalise and consider the creation of career opportunities for School Office staff by re-defining resource allocation, structure, roles and job descriptions.
- Identify opportunities for income generation;

Would

- consider the transfer of activities from the wider council in order to boost the point of presence in small rural schools
- consider shared service with other authorities and organisations

Appendix 2

Technical issues capabilities and weaknesses

SEEMiS is an Educational Management Information System (MIS) provider. This is the standard MIS within Scottish Education and all local student data is processed and managed by SEEMiS software which interfaces with external agencies like ScotXEd and SQA.

SEEMiS is composed on different modules to support Pupil and Staff record management. The Highland Council implemented SEEMiS in 2015.

The school office staff are the main user of SEEMiS maintaining records of pupils and teachers. Individual schools offices maintain their staff access to SEEMiS and set up individual registration periods and each school can only see their own records. The Service has carried out significant assessments of office tasks from previous work outlined in the 'Outcomes and Achievements of the School Support Project'. This identified office tasks into 4 main areas:

- Information Management
- Purchasing & Financial
- Payroll & Personnel
- SQA

15 tasks that school office staff carry out in SEEMiS (see Table 1.)

1. Class registration - recording on SEEMiS
2. Class registration - Contacting Parent/Guardian
3. Systems administration
4. Young Scot cards
5. Staff Sickness recording & reporting to payroll
6. Reports & Returns
7. Maintaining staff records
8. Pupil enrolments - entering in SEEMiS
9. EMA Payments administration
10. Maintaining pupil records
11. Assisting with Timetabling & Curriculum
12. Violent Incident Reporting
13. Flexible Early Learning and Childcare –Planning
14. Supply Staff Administration
15. SQA Administration

Statutory Requirements:

Pupil Registration: Am & PM daily

Pupil Education Record – also known as PPR: a manual paper file that follows the pupil throughout Primary and Secondary schools and is retained for 5 Years after the pupil leaves secondary education.

Statutory requirements for pupil registration is once in the morning and once in the afternoon. Some secondary schools have implemented pupil registration for each period.

Technical challenges:

Connectivity in rural areas has impacted on how school staff interact/update IT systems in real time.

Only 40% of teachers have laptops whilst every class has a computer; this is used to drive the SMART boards accessed by pupils and teachers.

Teachers do not have access to the Highland Council's internal SharePoint processes/forms.

Teachers have two email accounts, the Highland Council email account and the GLOW accounts.

Teachers have always taken work home but since Direct Access they have not been able to work from own PC and have few laptops (40%)

The reporting tool used for interrogating SEEMiS (Business Objects) licences run out in April 2017. SEEMiS intend to replace Business Objects with individual SSRS reports. Not having the ability to create/manage our own reports in Highland will impact on our ability deliver good performance reporting.

Table 1. SEEMiS tasks for school office staff

	Office tasks carried out in schools	Current IT systems that support the process	Guidance docs in place	Issues/problems			Potential solutions
1	Class registration - recording on SEEMiS	SEEMiS	YES	<p>Not all Teachers have a laptop.</p> <p>Digital connectivity in some areas has proved maintaining instant SEEMiS updates unrealistic</p> <p>Duplication of effort through a manual registration creates further pressure on office staff.</p> <p>Latency of updates will have an impact on the accuracy of follow up actions by office and support staff.</p> <p>Capture pupil absence directly into SEEMiS</p>	Y	Y	<p>Single point of contact within either ASG or virtual for all Schools!</p> <p>Improve on our duty of care to individual students.</p> <p>Instant updates and visibility to teachers on student absences. Ability to run reports on frequency of absence by school and reason for absence.</p> <p>Benchmark data and create healthy competition.</p> <p>Consistency in recording absence data will aid the production of KPI's and PI's.</p> <p>Parents/Guardians receive communications in a structured/consistent format.</p>
2	Class registration - Contacting	SEEMiS/Office 2010	YES	All Schools use SMS within SEEMiS and some secondary schools using Groupcall SMS (at lower costs)	Y	Y	Develop a consistent model for parent communications regarding absence. This will help build in business

	Parent						<p>resilience and lower costs by having all schools move to GroupCall SMS.</p> <p>Create timely updates for parents/guardians to deliver a consistent service</p>
3	Systems administration	SEEMiS/Glow/Wordpress		<p>SEEMiS System Access arrangements will need to be reviewed in light of the ASG model.</p> <p>Formulise Roles & Responsibilities of users access within SEEMiS to ensure that staff are equipped and trained and to support them in their role.</p> <p>Establish clear User management principles for systems access.</p> <p>Use Corporate datasets to cleanse employee's access e.g. Joiners. Movers, leavers reports</p>	Y	Y	<p>User security matched against job roles helps the Service understand roles and responsibilities to support our staff in delivering an effective service.</p> <p>Establish good User Management principles by formulise the process.</p> <p>Link Users access to the new/temp staff employee process.</p> <p>Reduce repetitive tasks carried out by school office staff.</p>
4	Young Scot cards	SEEMiS					
5	Staff Sickness recording & reporting to payroll	SEEMiS	YES	<p>Understand the roles of all stakeholders in the process.</p> <p>C&L School staff do not use MyView</p> <p>There is a significant amount of effort currently assigned to this task. This includes various staff members, School clerical staff, Shared Business Support and the</p>		Y	<p>There is a significant opportunity to improve the speed and quality of delivering this process.</p> <p>Re-map the process according to task and use all available tools to ensure the process can be managed from start to end.</p> <p>Provide Head Teachers with timely, accurate reporting on staff absence etc.</p>

				<p>Information and Support Team.</p> <p>Unable to manage the process as it's too fragmented in terms of who's responsible for which part of the process. Therefore management information is difficult to achieve.</p>			
6	Reports & Returns	SEEMiS/Office 2010	YES	<p>The information and Support team provide a valuable service in delivering the statutory Performance indicators.</p> <p>Often non-compliance or data latency results in a back-log at key times in the year when submissions are due.</p>			To deliver robust trustworthy business intelligence to Head Teachers
7	Maintaining staff records	SEEMiS	YES				
8	Pupil enrolments - entering in SEEMiS	SEEMiS	YES	<p>New enrolment FIRMSTEP form live for customers to apply.</p> <p>Separate process for customers to apply for transport?</p>			<p>Data captured at first point of contact with customer is then used to update SEEMiS.</p> <p>Potential to spread the workflow from this task to any school office?</p>
9	EMA Payments administration	SEEMiS	YES	Currently scanned by Civica team for payment	Y	Y	
10	Maintaining pupil records	SEEMiS	YES	Understand which data needs to be held on SEEMiS for good case management and Gov reporting and which data needs to be held against, Child Support Plan, additional support needs, Individual	Y	?	Investigate/utilise current HC investment in scanning technology (CIVICA) to create an electronic version of the Pupil Education Record. Save staff time, printing and postage when students move schools. EMA Payments

				<p>Educational Plan (which needs to be shared with Parents/Guardians)</p> <p>SEEMiS does not have an advanced document management facility therefore the Pupil Education Record (PPR) schools maintain manual versions.</p> <p>Ensure we have a consistent Child Support Plan – created by a lead professional]</p>			<p>are scanned by CIVICA (Mark Blair's team) could this be extended to PPR's?</p> <p>Define how best to hold data on additional support needs as this is currently not done in SEEMiS</p>
11	Assisting with Timetabling & Curriculum	SEEMiS	YES	Although there are no periods in Primary, the am and pm sessions are timetabled.			
12	Violent Incident Reporting	SEEMiS/CRM	YES				
13	Flexible Early Learning and Childcare - Planning	SEEMiS/SharePoint//Office 2010	YES	<p>Offering customers a flexible easy to use booking system that links to expenditure.</p> <p>Review cash collection and billing to be as efficient as possible.</p>			Include requirements for paying nursery places through the new Online payments system
14	Supply Staff Administration	SharePoint/SEEMiS/Office 2010	YES	<p>How Teachers access the Supply Teacher list is under review. The current lists exists in different formats and in different electronic locations. Both Angela Campbell and Laura Husher are facilitating Service Improvement here.</p> <p>The issue is to review the processes end to end. One of the challenges</p>	Y	Y	<p>Single point of contact within either ASG or virtual for all Schools!</p> <p>Assess other Highland Council IT investments as to suitability for booking out teacher's time.</p> <p>Ensure office staff are aware of the process end to end and apply LEAN</p>

				<p>here is that Teacher & Supply Teachers absence's must be recorded into SEEMiS.</p> <p>Double handling data: Details on hours worked is processed in schools, informing payroll is carried out by SBS and the commitment from the Information & Support Team.</p> <p>C&L no access to MyView</p> <p>Workforce Planning carry out the capacity management role and advertising for posts. They have 10 teachers (on demand).</p> <p>To keep one supply teacher list up to date in accordance</p>			<p>techniques to reduce waste.</p> <p>Establish clear KPI's for staff involved in process to inform management decision making.</p> <p>Fully understand the roles of all staff involved in process:</p> <p>School office staff, HR Hubs in Dingwall, shared business support, workforce planning and staffing team (WPST) and the information and Support Team at HQ.</p>
15	SQA Administration	SEEMiS	YES				

Reporting:

It is without doubt one of the most important factors in redesign is that we must establish good quality management information. From a quality assurance perspective it's essential to have timely changes to staff and pupil records in a timely manner. There has been an improvement in the quality of the information recorded by schools:

- The change to SEEMIS has greatly improved the recording of exclusions.
- The ASN team's increased use of data from SEEMIS has also improved recording in relation to pupil additional support needs. This is also an area that ScotXed (Scottish Government Education Statistics Dept) focuses on, in relation to the pupil census.
- The creation of a GLOW site that stores guidance documents relating to use of SEEMIS and data standards, that schools have access to.

- Termly reporting to Quality Improvement Team highlighting issues.

Table 2. Submissions from the Information and Support Team (Catering and Cleaning/Estates/Social Work submit separate reporting).

Month	Name Return	Mechanism of Submission	Submission to	Team
Jan	Winter Leavers	extract from SEEMIS	ScotXed	Info and Support
May	School Hostels - GAE data collection	completion of spreadsheet	Scottish Govt	Info and Support
June	Rate Review	completion of spreadsheet	CIPFA	Info and Support
July	Establishments Survey	upload of dataset via ProcXed	ScotXed	Info and Support
July	Early Years Pre Survey	upload of dataset via ProcXed	ScotXed	Info and Support
August	CfE Level -Teacher Judgement Survey	upload of dataset via ProcXed	ScotXed	Info and Support
Sept	Pupil Census	extract from SEEMIS	ScotXed	Info and Support
Sept	Early Years Survey	upload of dataset via ProcXed	ScotXed	Info and Support
Sept	Staff Census	extract from SEEMIS	ScotXed	Info and Support
Sept	Bi-annual Attendance, Absence and Exclusions	extract from SEEMIS	ScotXed	Info and Support
Sept	Summer Leavers	extract from SEEMIS	ScotXed	Info and Support
Oct	Teacher Pay Scale Return	upload of dataset via ProcXed	ScotXed	Info and Support

Risks, The reporting tool used for interrogating SEEMiS (Business Objects) licences run out in April 2017. SEEMiS intend to replace Business Objects with individual SSRS reports. Not having the ability to create/manage our own reports in Highland will impact on our ability deliver good performance reporting.

The reports that are produced throughout the year and made available to Senior Management Team and Quality Improvement Team:

Termly – Exclusions, Attendance (detailing high levels of absence), Equalities and Bullying, Incidents of Anti-Social Behaviour and Violence Towards Staff

Head of Service and Workforce Planning

Monthly – Teacher report (similar to the teacher element of the Staff census)

Principal Service Information Officer

Termly – TBCs (to be confirmed attendance) on SEEMIS

There are many reports that are run annually and on an ad hoc basis throughout the year as and when required.

Recommendations:

ID No1. There can be a duplication of the task No1. Class registration, some offices have in place a manual pupil absence recording sheet. This increases the workload on the school office staff and creates a delay in the process of updating SEEMiS.

This can be achieved by either the main ASG school taking all the calls from parents/guardians or like Glasgow realise further efficiencies in having a virtual office - phone line.

Glasgow: The pupil absence service is provided by a dedicated team of experienced Education support staff. The information you provide to the team is updated in the school's system when you call, so the school is immediately aware of all absence information.