

ENVIRONMENT DIRECTORATE 2000-01 BUDGET STRATEGY REPORT

Report by: Director of Finance and Resources (ES)

Consulted – formally: EDFCS, and B.Sol

Authorised for submission by: Frank Quigg,
Director of Environmental Services

Contact for enquiries: Khurram Akbar Telephone 0171 926 2425

PURPOSE

To inform the Policy Committee about the 2000-2001 budget position for the Environment Directorate.

RECOMMENDATIONS

It is recommended that the Policy Committee approves the Environment Directorate's budget for 2000/01 as set out in Appendix A with the expected end of year outturn of £39.101million (including real growth of £900,000, on top of inflation).

FOR DECISION

1. **Context**

- 1.1 The Council's 2000/01 revenue estimates process requires that each Executive Director submits a report to Policy Committee, providing details of the key budget process considerations. This report outlines the main considerations for the Environment Directorate.

2 **Background**

- 2.1 A number of key strategic reports were considered by the previous Environment Committee, and these formed the underpinning for the current and ongoing reorganisation of the Environment Directorate. The reports were: "Achieving Best Value – Reorganisation Proposals" (16 December 1998); "Developing a Modernised Library Service" (16 December 1998); "Achieving Best Value – Financial Strategy" (24 March 1999).

The reports identified weaknesses which needed to be addressed:

- (i) Significant (long standing) budget problems in Area Focus;
- (ii) A lack of customer focus;
- (iii) Poor commissioning practice (with particularly weak contract management);
- (iv) A permanent sense of crisis caused by a lack of strategic planning;
- (v) Centralised decision making (causing confusion and creating accountability problems);

A number of organisational reforms were agreed to address these weaknesses, and these reforms are now being progressed (the process has been outlined in the Directorate's two quarterly reports presented to the Policy Committees last October and in January of this year).

2.2 **Environment Directorate Service Development 2000/01**

Service development initiatives for the new financial year are rooted in the agreed strategic reorganisation of the Directorate, and are aimed at progressing five operational objectives for the millennium year (presented in the Directorate's January 2000 quarterly report) and summarised as follows:

- (i) Getting the streets cleaner;
- (ii) Improving the street environment (roads, pavements, lighting etc);
- (iii) Making Lambeth greener;
- (iv) Modernising the Library Service;
- (v) Progressing the Town Centre Management initiative;

To underpin these objectives the Environment Directorate revenue estimates for 2000/01 have incorporated a real growth of £900,000 (on top of inflation), and this growth has been incorporated into the £39.1 million cash limit as shown in Appendix A.

3 **Budget overview (with reference to Appendix A)**

There are a number of complexities which need to be taken into account when considering the 2000/01 budget as shown in the Appendix.

The rest of this report explains:

- (i) The real growth areas;
- (ii) Other movements in the accounts which have occurred as a result of the Directorate's reorganisation process (the main impact being caused by the move into devolved Business Units);

4 **THE REAL GROWTH AREAS**

4.1 **StreetScene Business Unit (£400,000 growth)**

This Business Unit came into existence in July 1999 following the Area Focus review undertaken last year. It has the client and commissioning responsibility for major contracts covering street cleaning, refuse, abandoned vehicles, and on street parking enforcement. It also has the responsibility for managing the Pope's Road Car Park. In the 1999 Borough wide MORI survey all of these areas were highlighted as very important to large numbers of people.

£400,000 growth in the StreetScene Business Unit's budget will achieve the following:

- (i) A well publicised network of StreetScene Agents around the Borough (approximately one per ward) with each Agent being very visible in a smart uniform and easy to get in touch with by mobile phone or through....
- (ii) Lambeth Environment Direct (a state of the art Call Centre, which will be a seven day a week operation);
- (iii) On street technology such as hand held computers and digital cameras will be given to each StreetScene Agent to enable fast track action in relation to problems on the streets;
- (iv) All StreetScene contracts will be monitored in the evenings and at weekends, keeping the pressure on to drive up standards of service delivery;

- (v) Customer information will be provided in a way which will make it easier for residents know about StreetScene services, and how to easily get in touch if they have a problem;

These initiatives will enable the StreetScene Business Unit to tackle significant contract management weaknesses identified in the Area Focus review (in particular, customer access, contract monitoring, management information, and information technology problems).

4.1.1 **StreetScene Agents**

(a new initiative with its origins in a concept developed during the Area Focus review which included extensive research of best practice initiatives around other London Boroughs).

During the review evidence emerged that an appropriate spread of very visible monitoring agents (well trained, competent and motivated) will substantially increase contract management effectiveness - if the agents are given the powers to take fast contract management action on the street.

Such a scheme is now being developed in line with the findings, with the objective that Lambeth's StreetScene Agents (supported by a state of the art Call Centre called Environment Direct) provide fast track responses to a whole range of problems and issues as they occur on the street. Problems to be tackled will include: street lighting; fly tipping; trips and slips; abandoned vehicles; refuse build up; missed refuse collections; and a whole plethora of on street car parking enforcement contract management issues;

Each Agent will have an important role in the £10 cash back scheme being introduced during this millennium year on a pilot basis (the cash back scheme is scheduled to roll out throughout the Borough in the following year). As residents make cash back claims, they will be quickly verified by the Agents who will ensure appropriate action is taken.

The Agents will also be a major force underpinning the Town Centre Management initiative, addressing a major problem for the Town Centre Managers (namely, uncoordinated responses to day to day operational problems). The introduction of appropriate on street technology for the Agents will also increase the Directorate's capability to more effectively link into other Council initiatives such as the CCTV operational centre.

4.1.2 **Environment Direct (a state of the art call centre)**

All aspects of the Area Focus operations were subjected to a detailed analysis in the review. An important finding was that the vast majority of residents who contacted the Directorate's Area Focus offices concerning their service problems did so by telephone. They had chosen not to make a visit, preferring instead the easiest way to communicate their problem - by telephone (an obvious assumption, "the Council should deal with my problem quickly and effectively with the minimum amount of effort required on my part, they have made the mistake!").

The review concluded that a resident's original service delivery problem was often made worse by the different phone numbers and discrete phone answering operations offered by the Area Focus offices.

The discrete phone answering operations were found to be inconsistent, and for the most part ineffective, and this was caused by a number of contributing factors (no coherent standards; no target setting or measurement of progress; too little training and too few coordinated service development initiatives; management difficulties caused by the discrete and spread out nature of the operations).

The review concluded that the Council was achieving poor value for money because resources were being spread too thinly, and that the operations looked and felt old fashioned and unattractive because of this. Perhaps most seriously the operations were found to be too cumbersome and ineffective in terms of making the contract management interventions required to solve residents' problems.

A plan is now being progressed which closes the ineffective Area Focus office operations to establish a Call Centre to underpin a more pro active (StreetScene Agent) initiative.

Environment Directorate (a new state of the art Call Centre) will offer Lambeth's residents:

- (i) A single phone number and a single point of customer service;
- (ii) A seven day operation, with extended opening hours for cover when problems are occurring (the Seven till Seven for Seven service);
- (iii) A modern customer service point (streamlined and customer responsive in line with the best of contemporary best practice);
- (iv) Guaranteed access for residents (a named Council officer will help with their problems, and a logging/progress tracking process will improve accountability);
- (v) Guaranteed response times (the state of the art telephone technology will monitor Environment Direct performance, and results will be published);
- (vi) Guaranteed standards (the service will be offered by especially recruited and knowledgeable staff, trained in appropriate modern techniques);
- (vii) Problem solving, faster (providing a faster response capability and more accurate management information, allowing a sustained pressure to be applied to contractors in the pursuit of top quality services);

Environment Direct will be introduced in two phases:

Phase One will be the decanting from the Area Offices and the establishing of one telephone number, and a single operation in Brixton (completed in Spring 2000);

Phase Two will consist of the recruiting and training of staff, and the establishment of the fully fledged Call Centre operation to time with the StreetScene Autumn 2000 launch;

4.1.3 Information for residents

Last summer the Directorate commissioned a fundamental review of all aspects of its communications. One of the most important findings was that the lack of accurate, regular, and up to date information to residents represented a significant weakness.

As one of the five managerial priorities for the millenium year the Directorate is now progressing an action plan to begin the process of tackling this problem. In this context, the growth will enable the StreetScene Business Unit to produce more appropriate (and higher standard) information for residents. Plans are in place to ensure that Environment Direct and the StreetScene Agent initiative is appropriately promoted (with information leaflets, newsletters, and information campaigns, building on the success of the millenium holiday arrangements) The initiative will also make use of user

surveys, mystery shopping, and independent reality checks on a regular basis.

4.2 Environmental Management and Development (£200,000 growth for Grimebusters)

The Grimebusters' initiative has been one of the successes of the Council in recent years, responding to a series of environmental problems and issues on an informal and speedy basis (eg removal of fly posting and graffiti). However, the initiative now faces a number of important challenges in the immediate future. Because of the flexibility and informality of the initiative's response to requests for work, to date no formalised budget has existed (the initiative has been dependent on generating work on a project by project basis, primarily from the Chief Executive's office).

The Business Unit process being introduced throughout the Council presents a challenge to an initiative like Grimebusters because of the precarious and unplanned nature of its existence. If the initiative continues as it is, ie without a formal budget structure, there is a danger that this could ultimately lead to expenditure being committed without there being resources to cover it. A number of key personnel changes in the Council have also made the situation more precarious.

The net effect is that the Grimebusters' initiative now needs financial underpinning to ensure its long term development can be secured by taking a longer term, more strategic view.

As part of the Directorate's reorganisation a new Business Unit is being established from 1 April 2000 (the Environmental Management and Development Unit), and the Grimebusters' initiative will become part of a basket of services in that Business Unit.

The new Business Unit Manager has started the task of developing a sustainable environmental development role for Grimebusters. He has also begun the process of establishing more appropriate contractual arrangements. This will mean a different (and more appropriate) way of responding to work demands. For example, the Chief Executive's office has consistently commissioned work from Grimebusters, and this will not change. What will alter is the planning and formalising of arrangements.

The objective is that a phased, planned, coherent environmental improvement programme will be established in consultation with Town Centre Forums, linked to the strategic objectives of the Council. In this context, the growth for Grimebusters will be utilised as follows:

- £60,000 Environmental Programme Management (the appointment of two Environmental Programme officers to ensure community participation and to project manage the implementation of the environmental programmes);
- £100,000 Local Environmental Improvement Programme (the allocation of £20,000 per Town Centre to be developed in line with Town Centre Forums);
- £20,000 Customer Care and Promotional Initiatives;
- £20,000 Community Safety Initiatives;

This will enable the Grimebusters initiative to continue/develop:

- As a contributor to the regeneration of struggling areas, giving a message from the Council that it is standing up against anti social behaviour and is committed to improving the environment in the Borough;

- Fast track removal of racist and offensive graffiti;
- Graffiti removal in general (houses, school walls, communal areas and walkways on estates, shops in town centres, railway bridges, cemeteries, senior citizens homes, South Bank);
- Graffiti removal in parks and open spaces ie: signage; benches; toilets; walls; cafes; bandstands; meetings facilities;
- Community clean up initiatives in run down areas (eg the recent initiative in Agnes Riley Gardens);
- Removing fly posting in high profile areas such as town centres (empty shops, lamp columns, notice boards, post boxes, walls, under railway bridges, redesigning shop fronts);
- Redesigning out land blights caused by drug and alcoholic abusers (eg recent initiatives such as the stairwell in Acre Lane, the subway in Westminster Bridge, backstreets around International House, public toilets in Brixton);
- Fast track reaction to emergency situations (eg cleaning up after the Brixton bomb incident and the Pulross Road shooting incident);
- Cleaning up bird droppings around railway bridges;
- Undertaking certain types of special collections (eg cookers, furniture etc in special cases for senior citizens);
- Responding to specific Town Centre Forum demands/suggestions/plans;
- Continuing to create specific projects on partner basis with large shops on a 50/50 basis such as recent initiatives with Marks & Spencers, Barclays Bank, Superdrugs);
- Sustaining the current large partnerships (and developing more) ie: TCSU (Traffic Control for London System Unit); Cable & Wireless; British Telecom; Vauxhall Regeneration Group; Prison Service; Probation Service; English Heritage; Metropolitan Police; Railtrack; MI5;

4.3 Parks, Cemeteries & Crematoria Business Unit (growth of £150,000)

This Business Unit came into existence on 1 July 1999 following the Area Focus review referred to earlier in the report. Primarily it is a client and commissioning unit, with the largest element of work concerning the contract management and monitoring of the Council's Grounds' Maintenance contract. In total this Unit is responsible for all 80 of the Borough's parks and open spaces, 32 public playgrounds, all street trees, allotments and verges, as well as the Borough's cemeteries (including the internationally famous West Norwood Cemetery) and crematoria.

The Area Focus review identified a number of crucial budget hotspot issues in this area. The majority of these have been addressed by relocating existing resources from elsewhere in the Directorate during this financial year (within overall existing resources). However, this budget rationalisation process has not properly been able to address the issue of under investment in the physical infrastructure of the parks. The capital bidding process for 2000/01 has allocated a total sum of £700,000 to continue the process started last year of addressing the under investment issue. The £150,000 revenue growth for 2000/01 is earmarked for Parks, enabling the Unit to crank up its rolling programme of maintenance to complement the capital development programme (the revenue growth will effectively double the maintenance fund). This will cover items of expenditure such as play equipment, railings, pathways, furniture, buildings etc.

4.4 Environment Directorate Core (growth of £150,000 for Town Centre Managers)

All the main operational functions of the Directorate have now been devolved to its Business Units, leaving behind a very small Directorate core in the headquarters.

Located in this Unit: the Environment Management Team; the secretariat/reception; the Directorate's financial management support and framework unit; and the Town Centre Managers.

4.4.1 The Town Centres' Initiative

In 1998 the progress of the town centre management initiative was stalled after a failed recruitment campaign had only led to one manager being appointed. A more coherent recruitment campaign led to a manager being installed in each town centre by the summer of 1999. Each has now begun the work in earnest of consolidating the concept of proper (strategic) town centre management.

The biggest challenge has been to try to undertake the groundwork necessary to establish Town Centre Forums, at the same time as positively managing unrealistic expectations raised by the town centre management initiative. This initiative had previously been embedded within the old Area Focus initiative. The Area Focus review found that insufficient resources had been set aside for all of the five town centre managers, and that no resources had been set aside for any revenue support. Following the review, the Directorate's budget reconfiguring in this financial year sorted this out, but still left virtually no operational support for the Managers as they enter the next crucial stage of establishing the town centre forums (a key part of the Council's strategy to increase democratic engagement with residents of the Borough).

The growth of £150,000 would enable each manager to purchase the support to organise the required public meetings (forums and partnership boards) in the most appropriate way. Consultation is underway with the Council's Democratic Services section concerning how best to do this. This will ensure that such public meetings are advertised, are well presented, and are as welcoming and well serviced as is appropriate considering the importance of the initiative.

The growth is also in anticipation of the forums wanting to suggest community development initiatives and projects. This will enable the Town Centre Managers to respond by commissioning work accordingly.

5 OTHER BUDGET CONSIDERATIONS

Earlier in the report there is reference to complexities which need to be noted when considering the 2000/01 budget as shown in Appendix A. This Section provides some detail concerning the Directorate's Business Units which have not yet been referred to, and explains (in summary form) some movements in the accounts which have occurred as a result of the Directorate's reorganisation process.

5.1 (ref 408) Leisure and Libraries Commissioning Unit (ref 409) Libraries Contractor Unit

These Business Units come into fully into existence on 1 April 2000. The Commissioning Unit has responsibility for the client and contract management of leisure centres (eg Brixton Rec), libraries, sports development, and arts development (including arts grants).

The contractor unit has responsibility for delivering the front line services in libraries and in the archive.

Members will note some budget movements from 1999/2000 to 2000/01 for both units. These occur primarily for two reasons:

- (i) As a result of untangling financial arrangements, and devolving functions so that the Business Units can be established;
- (ii) As a result of putting into action Environment Committee decisions made at the 16 December 1999 meeting;

**5.2 (ref 411) Old Area Focus
StreetScene Business Unit**

Members will note substantial budget movement from Area Focus (which ceased on 30 June 1999). Resources from this old Unit have been redistributed across a number of the new Business Units in the Directorate. The main body of the resources from Area Focus have been relocated into the StreetScene Business Unit, and is reflected in the budget provision for 2000/01 as indicated (the £16.99 million figure shown includes the real growth referred to earlier in the report).

The StreetScene figure also includes the budget provision for the new Environmental Management and Development Business Unit which had not been disaggregated at the time of preparing the estimates (a process still to be completed).

5.3 (ref 424) Building Control Business Unit

This Unit provides a building control service for residents of the Borough under the statutory framework, processing building control applications and enforcing the Building Regulations under the London Buildings Act (1939). The Unit also deals with enforcing the rectification of dangerous structures within the borough. Because the Unit is self-financing it has not been subject to any budget movements as a result of the reorganisation (devolution) process.

**5.4 (ref 425) Transport Strategy Unit
(ref 426) Infrastructure Business Unit**

The Transport Unit has been responsible for ensuring a strategic approach to transport issues is taken by the Council (in particular, relating to movement of people and vehicles in and out of the borough). The Unit has the brief to help develop sustainable transport systems that will support a strong local economy.

The Infrastructure Unit is responsible for the overall commissioning and management of the planned and reactive maintenance programmes for the Borough's highways and its street lighting.

The budget movements reflect the reconfiguring of the Directorate's budgets during the current financial year, and the capitalisation of some expenditure. Following a review of the impact of having two units covering this area, the Directorate has decided to merge the two Units in order to eradicate duplications, and to streamline decision making (particularly in terms of work programme management). This process will be completed in the new financial year.

5.5 Directorate Core

The budget now reflects the fact that costs of the Town Centre Management initiative have been included in the Unit (as indicated).

5.6 Parks, Cemeteries, and Crematoria Business Unit

The 2000/01 budget reflects the result of the reconfiguring of the Directorate’s budget in the light of the Area Focus review (see earlier section).

5.7 On Street Parking Enforcement Contract

There is no reference to On Street Parking enforcement in Appendix A. This is because this is accounted for elsewhere in the Council’s accounts. However, members will recall that the Council is in the middle of a tendering process concerning the contract. At this stage of the tendering process it is not possible to report its financial impact. This will be reported to members when the process has been completed.

6 Financial Implications

6.1 All of this report revolves around financial considerations. As the Directorate’s reconstruction process has progressed, so the necessary budget reconstruction process has been undertaken (to date, within the overall existing cash limits). As new Business Units have been established care has been taken to use zero based budgeting principles where possible. The Directorate’s Core Finance Unit and DFCS have had to work in very close liaison to manage what has been a complex process.

7 Legal Powers and Advice

- 7.1 The Council has a duty to prepare a balanced budget for the year.
- 7.2 In considering whether to adopt the recommendations of this report, members are exercising their discretion and should therefore have in mind the following principles of administration law:
 - (a) A decision must be within the Council’s powers;
 - (b) All relevant information and considerations, including the Council’s Fiduciary duty to the Council Tax Payer must be taken into account;
 - (c) All relevant considerations, including unauthorised purposes must be ignored.

Committee Deadline:					
Author: K.Akbar					
Date First Drafted 31 Jan00					
CONSULTATION WITH OTHER DIRECTORATES					
Date	Name	Directorate	Date Received	Date Cleared	Date Returned
	Peter Davis	EDFCS			

	Mike Dickens	B.Sols			
Date Sent to Committee Secretariat: 3/02/00					
Date received by Committee Secretariat:3/02/00					
Date sent to Councillors: 3/02/00					