



**Report for:**  
**ACTION**

**Item Number:**

<b>Contains Confidential or Exempt Information</b>	No
<b>Title</b>	Greener Ealing Business Plan 2024/25
<b>Responsible Officer(s)</b>	Nicky Fiedler and Earl McKenzie
<b>Author(s)</b>	Earl McKenzie (Assistant Director, Streets & Direct Services)
<b>Portfolio(s)</b>	Deputy Leader and Climate Action Councillor Deirdre Costigan
<b>For Consideration By</b>	Cabinet
<b>Date to be Considered</b>	6 March 2024
<b>Implementation Date if Not Called In</b>	18 March 2024
<b>Affected Wards</b>	All
<b>Keywords/Index</b>	Waste, refuse collection, recycling, street cleaning, grounds maintenance, parks and open spaces, burials, vehicles and contracts.

**Purpose of Report:**

To agree priorities and plans for the Council’s wholly owned environmental services provider, Greener Ealing Ltd, as part of our commitment to keep our streets and green spaces clean and ending the need to send any of our waste to landfill through increasing reuse and recycling. The report also reports on the successful transfer of the previously contracted out graffiti service to Greener Ealing and also lays out plans to take our parking services back into Council control as part of Greener Ealing so that we can better respond to resident priorities for safer, less congested streets.

**1. Recommendations**

**It is recommended that Cabinet:**

- 1.1 Agree the appended Greener Ealing Business Plan for 2024/25.
- 1.2 Note the related Council budget for the existing total Greener Ealing scheduled works contract sum of £23.930m for 2024/25 and £0.160m for new services.

## **2. Reason for Decision and Options Considered**

- 2.1 The attached Business Plan for 2024/25 supports the short to medium term Greener Ealing objectives agreed with the Council in line with performance requirements and affordability.
- 2.2 The significant investment by the Council and by Greener Ealing in people and infrastructure, has resulted in a dramatic improvement in performance across all key contract services in comparison to the previous contractor. This is demonstrated in the tables later in this report.
- 2.3 Greener Ealing was established following a detailed options appraisal which recommended the creation of a Local Authority Trading Company (LATCO) as the optimal value for money means of delivering the Council's environmental services. As stated in previous related reports to the Cabinet, Greener Ealing has been created with the necessary supporting infrastructure, legal and governance arrangements, together with a significant financial commitment from the Council (including an entirely new fleet of waste collection, street cleansing and grounds maintenance vehicles) to ensure that the business is positioned to fully deliver on the Council's objectives.
- 2.4 Greener Ealing has a public service ethos, and this is reflected in the nature of support given to its staff. All staff have benefited from an uplift in salary and are now paid at least the Real Living Wage. All staff have access to an improved pension scheme and a number of former Ealing employees have admitted body access to the Local Government Pension Scheme.
- 2.5 The use of temporary staff is commonplace across the sector; however, Greener Ealing has reduced the reliance on agency workers in line with the Council's good jobs objective, prioritising the provision of permanent local employment opportunities. Greener Ealing provides training and development opportunities for staff, identifying opportunities for advancement for front line staff to Drivers and beyond to Supervisory and Managerial levels and improve in areas where skills development has been neglected or left behind e.g. horticultural skills, vehicle fitters or HGV training – Greener Ealing will grow its own. Greener Ealing is also developing a new apprenticeship programme.
- 2.6 Greener Ealing and its senior management team is transparent and held accountable to the Council with performance measured against robust key performance indicators. These are governed by monthly Board meetings in addition to management meetings and fit for purpose contract monitoring arrangements.

## **3. Key Implications**

- 3.1 Greener Ealing is a Local Authority Trading Company (LATCO), incorporated 2 August 2019 following the approval of the full Business Case by the Cabinet in July 2018. It has approximately 350 employees, many of whom transferred from the previous service provider under TUPE.

- 3.2 The Business Plan (Appendix 1) sets out the commercial and operational approach to business, within the LATCO structure that has the opportunity to deliver 100% of the benefits to the Council on behalf of residents and local businesses.
- 3.3 Greener Ealing is responsible for the delivery of the services specified below:
- Waste & Recycling
  - Street Cleansing
  - Parks and Open Spaces
  - Graffiti Removal
  - Parking Enforcement Services (from April 2024)
- 3.4 The objective of Greener Ealing is to take ownership of relevant services with the aim of improving the quality of delivery. Within the current scope of services, Greener Ealing delivers investment in better waste collection infrastructure, safer and more efficient waste collection rounds, clean streets and green spaces at the same time as controlling costs and emissions to achieve improved operating efficiency and reduced environmental impact. These aims have been supported by provisions detailed in para 2.
- 3.5 Greener Ealing is a wholly owned subsidiary and partner of Ealing Council, in place to deliver services in line with Council policy and achieve best value and quality in relation to the portfolio of services specified by the Council and within the agreed budget. Any future Business Plan proposals for investment into Greener Ealing will be presented to the Board for validation to ensure they are robust and represent the best return to the public, with full justification for the allocation of funding agreed.
- 3.6 The establishment of a LATCO provides the opportunity for the Council to transfer business appropriate services to Greener Ealing where there is a value for money and operational business case. Since its establishment, Greener Ealing has demonstrated its ability to deliver value for money services, improve working practices and staff morale whilst significantly improving contract performance. In view of this, the Council has taken the decision to add Graffiti removal and Parking Enforcement services to the Greener Ealing portfolio. Graffiti removal services have been delivered by Greener Ealing since June 2023, with Parking Enforcement services to be added to the Greener Ealing portfolio from April 2024.

### **Contract Performance**

- 3.7 Since its creation in 2020, Greener Ealing has consistently delivered services to a significantly higher standard than the level delivered under previous contractual arrangements. Whilst there remains room for improvement, the tables below show the considerable improvement in performance across all services included in the Greener Ealing contract.

## Performance from 2019 to 2024

3.8 Table 1 looks at the Greener Ealing performance in key areas from 2019, under the previous contractor AMEY, to date. Across all services there has been significant improvement which has continued in to 2023/24, with a notable reduction in the number of customer complaints.

Table 1: Greener Ealing performance

KPI	Target	19/20 Amey	20/21 GEL	21/22 GEL	22/23 GEL	23/24 GEL
Missed Rectification %	100% within 24 Hours	73%	91%	100%	100%	100%
Right First Time %	-	99.84%	99.95%	99.96%	99.97%	99.96%
Assisted Missed Collections	Zero	30	9	10	9	10
Missed per 100k by Service						
<i>Refuse</i>	< 100	263	56	42	45	47
<i>Recycling</i>	< 100	284	57	35	40	35
<i>Food</i>	< 100	114	44	47	40	35
<i>Garden</i>	< 100	578	158	233	35	92
Bulky Waste Service	100%	94%	99%	92.00%	98.89%	98%
Number of Complaints	-	170	167	62	27	9
Flytips SLA	95%	96%	84%	95.00%	98.16%	92%
Combined Streets A & B Inspection %	85%	67%	81.10%	91.92%	94.79%	91.73%

## National Indicator 195

3.9 Table 2 shows the outturn of the NI195 inspections carried out through the year. This is the independent, externally assessed measurement of street environment conditions carried out over 3 inspections (tranches) across the year (lower is better). Greener Ealing has consistently met priority targets in relation to litter and detritus.

Table 2: NI 195 Comparison

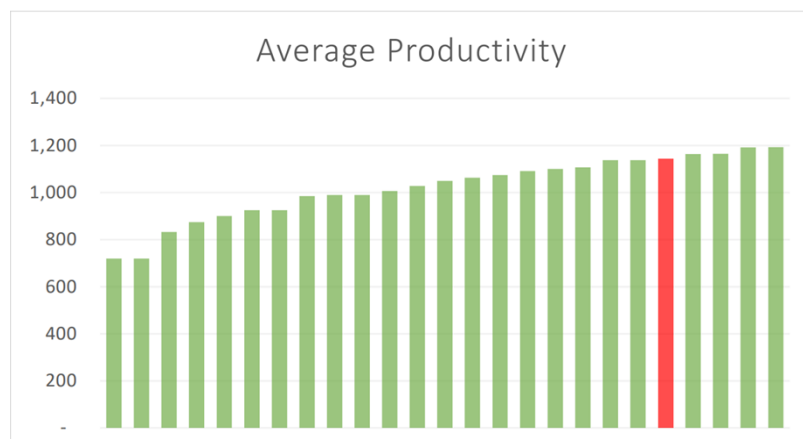
		NI195 Comparison			
		NI 195A	NI 195B	NI 195C	NI 195D
		LITTER	DETRITUS	GRAFFITI	FLYPOSTING
<b>Amey/ MPM</b>	<b>19/20</b>	7%	9%	4%	2%
<b>(Covid) GEL/ MPM</b>	<b>20/21</b>	4%	7%	7%	2%
<b>GEL/ MPM</b>	<b>21/22</b>	5%	5%	5%	2%
<b>GEL/ MPM</b>	<b>22/23</b>	5%	3%	6%	2%
	<b>TARGETS</b>	6%	8%	3%	2%

<b>GEL</b>	<b>23/24</b>	6%	4%	6%	2%
	<b>Targets</b>	6%	6%	8%	6%

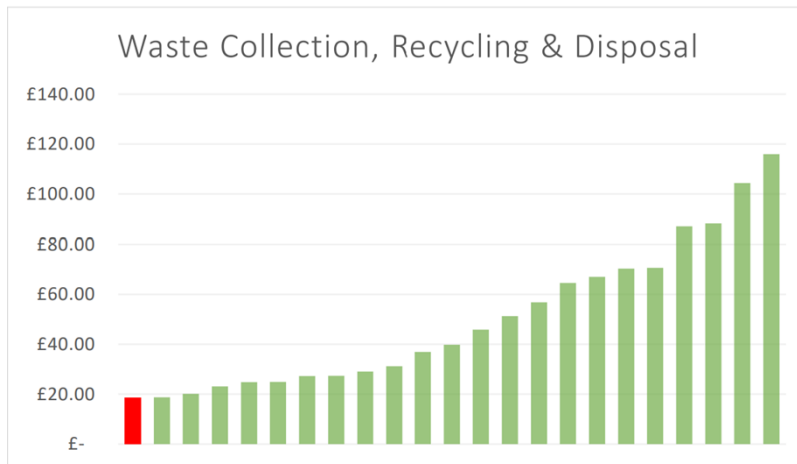
3.10 In addition to positive contract performance metrics, an independent value for money cost/productivity benchmarking exercise has been carried out. Tables 3,4,5 and 6 below, show that the Greener Ealing contract, highlighted red, compares extremely well with, and in many cases much better, than other London boroughs.

Table 3: Waste Collection (average collections productivity)



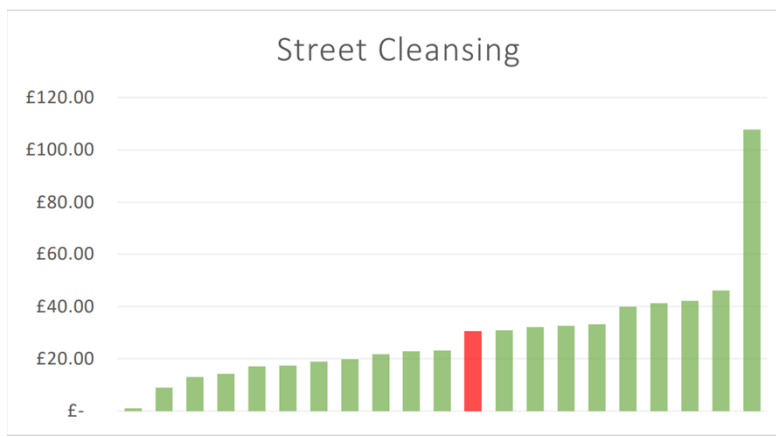
3.11 The Greener Ealing service is Authority 20 in the graph above. The graph indicates that Greener Ealing's performance compares favourably against the other service providers and is within the upper quartile of the 25 authorities included within the analysis.

Table 4: Waste/recycling and disposal (overall cost per head of population)



3.12 As can be seen, Ealing’s net cost per head of population for recycling/waste collection and disposal of £18.51, is the lowest of all London Boroughs included within the dataset.

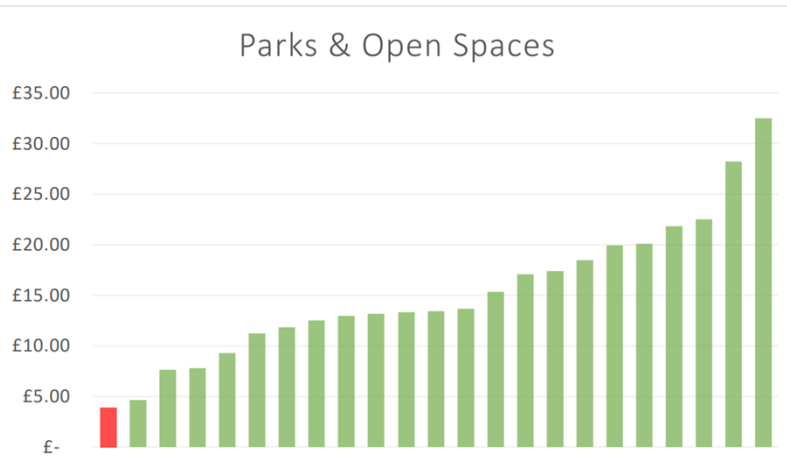
Table 5: Street cleansing (net cost per head of population)



3.13 Ealing’s net cost of street cleansing per head of population of £30.51, ranks 12th of the 21 London Boroughs included within the dataset. This figure includes client-side/other costs.

Note that the new intelligence-led approach agreed by the Council for 2024/25 will improve this ranking and move the Ealing indicator to the left in the chart above.

Table 6: Parks and open spaces (net cost per head of population)



3.14 Ealing’s net cost per head of population for parks and open spaces is £3.90, the lowest of the London Boroughs included within the dataset.

3.15 In addition to the positive cost, productivity and performance metrics above, it is important to note that Greener Ealing contract efficiencies have contributed £873k in savings to the Council since 2021, with no impact on service quality. A further £656k is expected in 2024/25, a total of £1.529m.

## Business Plan

- 3.16 Greener Ealing has been operating since 2020 and services are now fully bedded in. Legacy workforce issues have been resolved and there has been a successful change in culture. The services are now ultimately under the Council's control and there is transparency and a non-adversarial relationship that facilitates expeditious problem resolution, with confidence in service change and contract efficiency proposals based on sound knowledge of resource base. The attached Business Plan supports the short to medium term Greener Ealing objectives agreed with the Council, sets out the next steps for 2024/25 and provides an overview of the financial situation for the service. There have been notable achievements in 2023/24 that have supported business objectives.
- 3.17 Whilst there is room for improvement, overall contract performance has been very good and customer complaints have reduced significantly. There have been no major issues or concerns raised by the Council throughout 2023/24. This includes the seamless mobilisation of the Graffiti Removal contract.
- 3.18 In addition to contracts operation success, Greener Ealing has invested in the development of an apprenticeship scheme and strengthened relationships with the community and local schools, striving to deliver local employment and employment opportunities and to using local suppliers wherever possible.

### Notable activity in 2023/24

- Apprentices - Greener Ealing currently has 3 grounds maintenance apprentices and a young business apprentice, who completed the course and is now working as an HR trainee.
- Pathways – Greener Ealing has a young care leaver on a 6 month placement, through the Council's Pathways route. There is an opportunity of a job at the end of this.
- Spring Hallow school – Greener Ealing has built up a good relationship with Spring Hallow school (for young people with autism and associated learning difficulties) and for this year and last year, have taken in 2 students who worked with grounds maintenance teams. A number of Greener Ealing managers also support the school's mentorship days each year.
- Young offenders – In liaison with the youth justice team, Greener Ealing offered contracts within the streets and waste sections, to 3 young offenders.
- Green skills Bootcamp – the Council is currently running a programme which involves equipping young people with environmental skills, which is part classroom based and part work experience. Greener Ealing has agreed to offer placements on this with a guaranteed interview at the end.
- Schools – Greener Ealing has signed up to be mentors, through the Council's connexions colleagues.



## Sustainability

- 3.19 As a responsible contractor, over the last 12 months Greener Ealing taken an active approach in tackling CO2. Utilising data from advanced vehicle monitoring technology, big strides have been made in educating and tackling unnecessary idling. Where operationally possible, Greener Ealing has explored opportunities to transition from Internal Combustion Engine vehicles over to Electric Vehicles, this included 2 additional EV Grounds vehicles in the summer, as well investment in electrification of other ancillary plant. This has resulted in 13 tonnes of CO2 saving.
- 3.20 Greener Ealing recognises the importance of tackling wastage within their own offices and have put in measures to eradicate single use plastics and bottles provided to all staff with direct water feeds installed.
- 3.21 Key Objectives for 2024/25:
- Successful mobilisation and delivery of the Parking Enforcement Contract with effect from 1 April 2024
  - Delivery of Council Savings for 2024/25
  - Potentially mobilise the Trade Waste Service with effect from 1 October 2024. This service is currently delivered in house, but delivery by the Council's wholly owned company could provide commercial flexibility to expand into new markets and opportunities to increase contributions in support of the Council's considerable financial challenges.

## **4. Financial impact on the Council budget**

### Scheduled work by Greener Ealing

- 4.1 The notes to Greener Ealing's business plan (in Appendix 1) state that the proposed contract for Scheduled Environmental Services works for 2024/5 is £23.930m. This excludes the contract for Graffiti removal, and other revenue for works outside the Environmental Services contract. The overall budgeted net position of Greener Ealing per their business plan is being considered by senior management.
- 4.2 Table 7 below shows the proposed scheduled works price for the Greener Ealing contract, and related Council budget, with comparatives. The table shows that the Council's 2024/25 budget in relation to Greener Ealing has been increased by £1.614m to fund the 2024/25 scheduled contract, which includes £1.290m contract inflation, £0.374m for 2.5% additional pay award that was not funded in 2023/24, £0.626m of growth, £0.836m of savings and £0.160m for additional services.

Table 7: Proposed scheduled works price

	£m		24/25 Growth / (Savings)
	23/24	24/25	
<b>SCHEDULED WORKS COST OF GEL CONTRACT</b>			
<b>Environmental Services existing Scheduled works cost of GEL Contract per GEL , including rent</b>	<b>23.102</b>	<b>23.930</b>	
2023/24 pressures, re above GEL cost as noted below not funded by 2023/4 council budget	(0.625)		
	22.477	23.930	
Rent payable to council	(1.137)	(1.137)	
Total Council Environmental Services Scheduled works cost budget, excluding rent	<b>21.340</b>	<b>22.793</b>	<b>1.453</b>
<b>2024/25 Scheduled works cost budget increases</b>			
2024/5 council budget growth, for 2023/24 Contract cost not funded in 2023/24			0.220
2024/25 council budget growth, for 2023/24 Contract cost not saved in 2023/24			0.153
2024/25 pressure from Commercial Waste saving, having been accelerated to 2023/24 from 2024/25			0.253
2024/25 increase in 2024/25 base budget, re 2023/24 2.5% Pay award above related budget			0.374
2024/25 Inflation on core contract			1.290
<b>2024/5 full year effect of 2023/24 savings</b>			
Street Cleansing (FE1-2327a input 2023)			(0.559)
Garden Waste (FE1-2327c input 2023), that has £0.102m savings budgeted for 2025/26			(0.097)
<b>2024/5 savings brought forward from 2025/26 (offsetting pressures in GEL not funded by council)</b>			
GEL HWRC (FE1-2327b input 2023) brought forward from £0.102m budgeted for 2025/26			(0.099)
Commercial Waste (FE1-2328b input 2023) brought forward from £0.291m for 2025/26			(0.081)
<b>Net increase in Core GEL Environmental Services contract before new services</b>			<b>1.454</b>
<b>2024/25 New Scheduled contract services to be provided by GEL for 2024/25</b>			<b>0.160</b>
<b>Total 2024/25 increase in Environmental Services Scheduled contract value</b>			<b>1.614</b>
<b>2024/25 Scheduled works Increase Funded by:</b>			
New contract funded by related base budget			0.160
Growth funded by general fund			0.887
Inflation funding			1.290
HRA funding of growth			0.113
Approved Savings			(0.836)
			<b>1.614</b>

### Greener Ealing charges not in the Scheduled costs relating to Environmental Services

4.3 The £0.504m balance of the £24.434m Greener Ealing 2024/25 income, that was not included within the £23.930m scheduled costs above regarding Environmental Services, has been examined, and budget holders within the Council have been notified of costs to ensure budgeted. The difference relates to Greener Ealing income from other external sources. Other charges not in the above include to the HRA, regarding specific waste collection arrangements at Copley Close.

## 5. Legal

5.1 The July 2020 Greener Ealing Service agreement with the Council provides for:

1. the Supervising Officer making clear by beginning October before the relevant next financial year the amount the Council wishes to pay for that year (Clause 11.1),

2. Greener Ealing providing the Council with its proposals for the provision of the Services by end October before the relevant next financial year (Clause 7.5)
- 5.2 The October 2019 Cabinet report, Appendix 3 noted the Shareholder Reserve Matters, including:

*‘Delegation to the shareholder representative (Director of Environment) to facilitate responsive and timely business operation (Shareholder representative may decide not to exercise their delegation and refer to Cabinet. This may occur where for example the change proposed is substantial)’*
- 5.3 The Council’s shareholder representative is the Strategic Director of Housing & Environment. The shareholder representative is responsible to exercise the Council’s responsibilities as sole shareholder of Greener Ealing.

These delegations included *‘agreeing or amending the Company’s periodic business plan’*.

Cabinet may decide to approve the Business Case itself, notwithstanding that it has delegated the power to do so to the Shareholder Representative.
- 5.4 In relation to the transfer of Graffiti removal and parking enforcement services to Greener Ealing, contracts can be awarded by the Council directly to a ‘controlled company’ without the need for a competitive tendering exercise by virtue of Regulation 12 of the Public Contract Regulations 2015. The characteristics of a controlled or “Teckal” company are that:
  - a. the Council exercises over the company a control which is similar to that which it exercises over its own departments (the “Control Test”);
  - b. more than 80% of the activities of the company are carried out for the Council (the “Function Test”); and
  - c. there is no direct private capital participation in the company.
- 5.5 The Council exercises control over the company similar to that which it exercises over its own departments where it exercises a decisive influence over both strategic objectives and significant decisions of the company.
- 5.6 Greener Ealing is 100% owned by Ealing Council, and this satisfies the Control Test.

## **6. Value For Money**

- 6.1 All procurement supporting the establishment of Greener Ealing has been via transparent competitive tender, ensuring best value and using established frameworks where appropriate. The establishment of Greener Ealing as a company wholly owned by the Council, has enabled transparent analysis of resource utilization and productivity delivered by the environmental services contract. This has resulted in ongoing efficiencies and optimization, ensuring

that services costs are controlled, providing a baseline to support the validated identification of scope for efficiencies and savings required by the Council.

## **7. Sustainability Impact Appraisal**

7.1 Greener Ealing is an essential partner in helping to deliver Ealing's sustainability aspirations. Through the delivery of the Council's frontline services in accordance with the service contract, the very latest thinking has been applied to environmental issues, incorporating the Council's waste reduction, transport, air quality and carbon reduction policies. In addition to this Greener Ealing has identified development of a Carbon Reduction plan as one of its Key Objectives. Greener Ealing is finalising the procurement of 10 electric services support vehicles and will work with the Council to increase this number, introduce the greenest fleet possible, improve recycling rates, and work with the community on behaviour change and awareness programmes.

## **8. Risk Management**

8.1 The Business Plan sets out the processes by which risk will be managed. This has been agreed by the Greener Ealing Board and the Board has agreed that this will be reported to every Board meeting. Greener Ealing's risks also form a part of the Housing & Environment risk register and will appear on the Corporate risk register should they meet the necessary criteria.

## **9. Community Safety**

9.1 None.

## **10. Links to the 3 Key Priorities for the Borough**

10.1 Greener Ealing's payment of more than the Real Living Wage to all staff, reduction in the use of agency workers and focus on the creation of permanent jobs, is in line with the Council's priority to provide opportunities and a living income. The delivery of important frontline environmental services supported by low emissions fleet and plant, contributes to the Council's climate action objectives and priority to make Ealing a great place to live.

## **11. Equalities, Human Rights and Community Cohesion**

11.1 The Council is required to comply with the Public Sector Equality Duty which is set out in S.149 Equality Act 2010 (the Act) when making decisions regarding the future delivery of public services. S.149 requires the Council to have "due regard" to:

- the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010 (section 149(1)(a)).

- the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it (section 149(1)(b)). This involves having due regard to the needs to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it (section 149(4)); and
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

11.2 Schedule 19 of the Act provides a list of public authorities that must comply with the Public Sector Equality Duty. Local authority controlled companies such as Greener Ealing are not contained within that list. However, the general equality duty also applies to other organisations that exercise public functions in their own right or on behalf of the Council. The Act defines a public function as a function of a public nature for the purposes of the Human Rights Act 1998.

11.3 In line with the Council's equalities objectives and having completed workforce and operations analysis over the first 9 months of the contract, the Greener Ealing Board has finalised its equalities objectives. Included in objectives, is the aim to address the underrepresentation of women in the workforce and of BAME employees in supervisory and management positions.

## **12. Staffing/Workforce and Accommodation implications:**

12.1 There are no business plan implications for staff.

## **13. Property and Assets**

13.1 Greener Ealing operates out of two depot sites at Greenford and Acton, occupying space previously used by AMEY. This includes office accommodation, fleet parking, vehicle washdown facilities and other areas required to support the delivery of services to the Council. A licence has been required to accommodate the vehicle maintenance service provider.

## **14. Any other implications**

14.1 None.

## **15. Consultation**

15.1 None other than with staff where relevant.

## **16. Timetable for Implementation**

16.1 The Business Plan sets out strategic objectives to be delivered from April 2024 to March 2025.

## 17. Appendices

Appendix 1 – Greener Ealing Business Plan 2024/25.

## 18. Background Information

Report to Cabinet 20<sup>th</sup> March 2018  
 Report to Cabinet 10<sup>th</sup> July 2018  
 Report to Cabinet 23<sup>rd</sup> April 2019  
 Report to Cabinet 15<sup>th</sup> October 2019  
 Report to Cabinet 17<sup>th</sup> March 2020  
 Report to Cabinet 16<sup>th</sup> June 2020  
 Report to Cabinet 9<sup>th</sup> February 2021  
[Report to Cabinet 9<sup>th</sup> February 2022](#)  
[Report to Cabinet 29<sup>th</sup> March 2023](#)

### Consultation

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
<b>Internal</b>				
Nicky Fiedler	Strategic Director Housing & Environment Director of Place	21/02/2024	22/02/2024	
Cllr Deirdre Costigan	Deputy Leader and Climate Action			
Emily Hill	Strategic Director, Resources	7/2/2024	22/02/2024	
Helen Harris	Director of Legal and Democratic Services			
Russell Dyer	Assistant Director Accountancy, Finance	7/2/2024		
Yalini Gunarajah	Finance Manager, Place	5/2/2024	7/2/2024	
Chris Neale	Principal Accountant, Place	5/2/2024	6/2/2024	1, 4
Catherina Pack	Head of Street Care and Waste Management, Waste and Street Services	5/2/2024	21/2/2024	
John Arnold	Contracts & Performance Manager, Streets and Direct Services	5/2/2024	22/2/2024	

## **Report History**

<b>Decision type:</b>	<b>Urgency item?</b>
Key decision	No
Report no.:	Earl Mckenzie, Assistant Director (Street Services) author and contact for queries: 0208 825 5194