

WLWA 2023-24 Business Plan

SUMMARY

This report provides an update on the strategic priorities that form the basis for the Authority's Business Plan for 2022/23. The key points are:

- The structural changes resulting from the Business Plan 2023-24 and the employee engagement and stakeholder surveys are almost complete. Recruitment and resourcing is challenging, there are four vacancies at the Managers level (more than half).
- The structure changes will increase resilience, capacity and capability in the future which is vital for this next period of multiple and complex legislative changes. The Environment Act 2021 regulations consultations results are now published by Defra. The Emissions Trading Scheme is still in consultation phase and will be the most significant financial challenge relating to waste for WLWA and therefore Boroughs in the near future. Further modelling is needed, projections at the moment indicate it could be as much as £3m per Borough per annum.
- Strategic priority 5 Organisational Excellence is embedded and progressing. It will provide a stable base for strategic priorities 1-4 which are delayed to varying extents and will be re-drafted for 2024-25.
- Investment in strategic priorities 1-4 has been delayed, Boroughs savings targets provided for 2022-23 have been met and WLWA driven savings have also been realised.

RECOMMENDATION(S)

The Authority is asked to:-

- 1) *Note the substantial financial risk posed by the emissions trading scheme.*
- 2) *Note the request for Borough savings targets to drive the priorities and Members are asked to encourage Borough Environment Directors and Finance Directors to help shape the 2024-25 programmes.*

1. Background

Since 2019, the Joint Municipal Waste Management Plan and consequently the West London Waste Authority business plan has focused on outcomes and joint working whilst we wait for clarity on environmental legislation and waste regulations.

2. Introduction

This report provides an update on the WLWA 2023-24 Business Plan and the strategic priorities agreed in the June meeting.

3. Feedback from the Employees engagement survey and stakeholder survey

WLWA received good feedback from the surveys and recognition of a high performing team but with indicators of overstretch and disengagement which resulted in intervention to prevent

slippage. Resourcing remains a concern, with four recruitments needed at the Managers level (more than half), three of which are vacant currently. The recommendations and actions are largely complete and shown in Appendix 1.

4. 2023-24 Business Plan update

It was reported to the June Authority that using five strategic priorities we will start to invest in and initiate the change of West London’s waste management model. It was reported to the September Authority that the structure of the organisation, accountability and responsibility for the delivery model of the strategic priorities was being reviewed. The objectives for Strategic Priority 5 were re-written, the senior leadership team has been restructured so that responsibility for people, systems and governance is reallocated and the control functions are shared. All SLT roles will be responsible individually for their own operations and collectively for the organisational support functions. This creates a more evenly balanced team and a strong succession or growth plan. The results of the action plan are in appendix 2. The strategic priorities are shown in appendix 3.

Strategic Priority 5 Organisational Excellence

The governance role has been vacant since Oct 23, two recruitment cycles were completed and in both cases the chosen candidate accepted the position but was unable to take up the post. Progress is being made in this area with available resources. The action plan and expected end of year outcome is shown below:

| STRATEGIC PRIORITY: | 2023/24 OBJECTIVE; | WHY?; | MEASURES; METRIC THAT DETERMINE OUR SUCCESS | RAG |
|--|---|---|---|----------|
| SP5; ORGANISATIONAL EXCELLENCE <i>Invest in, and improve, our people (1-3), systems (4-6) and governance (7-9) to drive greater outcomes.</i> ACCOUNTABLE: Emma RESPONSIBLE: Tom (People) Sapna (Systems) Peter (Governance) | By the end of 2023/24 we want to have, | This is of importance to WLWA because: | We will know we have achieved this, if by the end of 2023/24 we have, | |
| | 1. Established charters of behaviour within teams eg SLT, Managers Group, and the strategic priorities teams . | • Investment in our people, systems and governance underpins all of the other priorities | 1. Delivered charters with high levels of compliant behaviour. | G |
| | 2. Delivered a self-service HR system for Managers and employees. | • They support the building of the culture we want at the core of the organisation. | 2. Agreed updated HR policies and reported back through Lattice reporting and appraisals. | G |
| | 3. Increased the management skills of Managers and Leaders. | • They help us differentiate ourselves as an employer of choice. | 3. Reported employees annual feedback. | G |
| | 4. Created an IT strategy. | • Each element creates a stable base from which to deliver a great service to each other and our customers. | 4. Agreed the IT strategy at all levels inc Members. | G |
| | 5. Delivered a self-service data system for internal and external use | • Ultimately, they enable us to deliver on our strategy. | 5. Reported monthly on use of Power BI data use (individual, manager, team). | G |
| | 6. Increased the data decision making and data visualisation competencies of all employees. | | 6. Agreed a draft house style for data reporting and visualisation. | G |
| | 7. Established informal policies, processes and procedures of governance. | | 7. Reviewed the use of the Nine Habits of Trust, Five steps of Critical thinking, "I intend to", Coaching, Lean and Six Sigma, Data driven decision making and Insights. | A |
| | 8. Reviewed the formal governance rules, policies and procedures | | 8. Agreed a draft plan to update formal governance rules, policies and procedures. | A |
| 9. Increased the governance skills of Managers and Leaders. | | 9. Recorded agendas, minutes and decision making at SLT and Managers group. | A | |

Strategic Priorities 1 - 4

It was reported to the September meeting that strategic priorities 1-4 are being updated and refined by the accountable owners. This review indicated that few savings targets had been sent to WLWA in 2023. As a result every Borough was offered budget meetings in Q3 to discuss and agree savings targets for 2024-25 ahead of WLWA budgeting. It is expected that more meetings and / or savings targets can be identified during the Boroughs’ budget setting process.

The Borough savings targets create joint ownership and development of programmes that are funded by the priorities. The current status of targets setting / discussions is:

| | Savings made in 2023-24 | Savings targets 2024-25 | Discussions scheduled |
|--|--|--|---------------------------------------|
| SP1 Citizen Perception | Brent £152k materials collection service. | None received. | Hounslow 12 Jan. Ealing 29 Jan 24. |
| SP2 Reuse Social Value | WLWA £275k passed back to participating Boroughs. WLWA social value from reuse. | Ealing CE hub in Acton (social value) £100k Hounslow Space Way | Hounslow 12 Jan. Ealing 29 Jan 24. |
| SP3 Data Driven Efficiency | Brent £400k collections efficiencies | None received. | Ealing 29 Jan 24. |
| SP4 Increased access to excellent services | In-Borough food waste recycling savings realised through PaYT levy. | Final opportunity to spend food waste funding. Coffee pod trial Communal recycling | Ealing 29 Jan 24. |

The 2024-25 Business Plan will be provided to the March 2024 Authority meeting.

5. Financial Implications

There has been one new cost associated with the updates and changes since the September Finance report. Pension strain costs have been recognised now to avoid future pressure. The total expected cost additional to budget is:

- £2,500 spent on the Leaders and Managers two away days
- Diversity, equality and inclusion workshop - £TBC <£5,000
- People centric workshop with employees - £TBC < £5,000
- £37,000 redundancy costs including HR consultancy and support, the remainder was mitigated by salary savings.
- £136,000 pension strain costs.

Programmes have delayed spending, but have made budgeted savings within joint programmes and within WLWA control. This will continue to be reported by the Projects Director.

The cost risk of the emissions trading scheme will take effect from 2028 and is expected to be substantial risk. The working cost assumption for now is up to £3m per Borough per year. This assumption will continue to be reviewed as modelling work takes place and an industry consensus emerges.

6. Staffing Implications

The Authority is moving from a functional to a cross functional method of working to build capacity and capability. A further update

7. Risk Management

Additional focus is being given to recruitment and staff shortages as per risk item 3 in the risk register.

8. Legal Implications

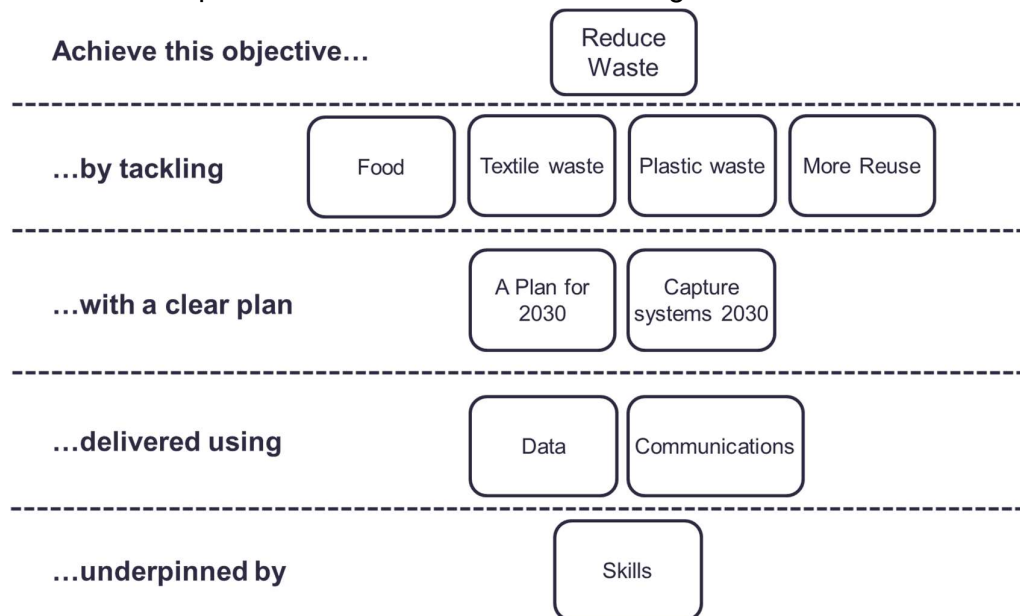
The Regulations to follow the Environment Act 2021 have not yet been published although the results of the consultations are now known. The updates to the Emissions Trading Scheme are due for further consultation. This creates uncertainty for an organisation such as WLWA which wants to support individual Boroughs as best it can but has no clarity of funding, legislative support or targets.

9. Impact upon the Environment Directors priorities

The strategic priorities in the business plan deliver on the Environment Directors priorities agreed in September 2022.

10. Impact on Joint Municipal Waste Management Strategy

The business plan will deliver on the framework agreed in March 2022.



11. Impact upon Carbon reduction

The JMWMS framework agreed in March 2022 uses a waste reduction / circular economy / decarbonisation approach to mitigate the risk of overspending. This has the co-benefit of promoting carbon reduction measured as the carbon embedded in waste.

| | |
|-------------------|---|
| Background Papers | |
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Appendix 1 Recommendations following employee engagement survey action plan

| Recommendation | Action | Date | RAG |
|--|---|--|-----|
| CULTURE | | | |
| Put specific emphasis on changing the climate by tackling resource issues and creating something for people to enjoy | Consider resources during Budget setting for 2024-25 | Complete but half of manager posts are vacant. | A |
| | Half day sports day event. | Complete 5 July 2023 | G |
| | Inclusive Team Meeting with Abbey Road Ops. | Complete 19 Sept 2023 | G |
| Reset what the culture needs to be and bake it into systems and processes that mean people are held accountable. | Include governance in Strategic priority 5. | Complete 5 Sept 2023 | G |
| | Review / implement formal and informal governance improvements. | Post remains vacant. Target 31 Mar 2024 | A |
| Address the rise in control and its opposing nature to the company values. | SLT charter and commitment to Managers to set clear objectives and measures and stick to them. | Complete 5 Sept 2023 | G |
| LEADERSHIP | | | |
| Complete a comprehensive 360 on all leaders and managers where honest and candid feedback is provided about each other and over whether people are behaving in accordance with the company values. | Two away days for Managers and Leaders resetting what the culture needs to be. | Complete 4-5 Sept 2023 | G |
| | Review Leadership and Management structure | By end Dec 2023 | G |
| | Comprehensive 360 | By 31 March 2024 | G |
| CLARITY | | | |
| Run a workshop with middle managers to understand where confusion lies and to identify where greater clarity is needed. | Two away days Strategic priorities reviewed Clear accountability and responsibility for delivery of the strategic priorities. | Complete 4-5 Sept 2023 | G |
| Run a workshop with employees to understand how the organisation can become more 'people centric' again. | Plan using lessons learned from the Leaders and Managers away days and the DEI training initiative. | TBC By 31 March 2024 | G |
| DIVERSITY | | | |
| Run a DEI training initiative and discover more about the incidents that led to people feeling like they have been on the receiving end of discriminatory behaviour | Suitable training organisation identified | Complete | G |
| | Planning call diarised | DATE | G |
| | Training initiative and feedback | DATE TBC | G |

Appendix 2 Lessons learned action plan

| Need identified | Progress | RAG |
|---|--|-----|
| Single point accountability for strategic priorities. | Complete 5 Sept 2023 | G |
| Business planning to inform budget planning 2024-25. | Complete and reviewed. | G |
| Improve Strategic Priority 5 Organisational Excellence. | Complete 5 Sept 2023 | G |
| Restructure senior leadership team. | Interim arrangements in place. Training and development analysis complete JDs updated, evaluations in progress. | A |
| Review Management structure. | Complete on paper 3 unfilled posts slowing progress | A |
| Offer budget savings meetings to all Boroughs | Meetings offered to all and held with Brent, Harrow and Hillingdon before end of Dec 2023. Ealing and Hounslow scheduled for early Jan 2024. | G |

Appendix 3 Strategic Priorities

THE STRATEGIC PYRAMID

COMPANY
PURPOSE

COMPANY
VISION/MISSION

COMPANY GOAL

COMPANY
STRATEGIC
PRIORITIES

THEMATIC GOAL

We exist to be **leaders in 'treating waste as a valuable resource'**

We believe in **a carbon neutral West London** and our mission - in pursuit of that vision - is to **create the new accepted model for how waste and resources are managed; we are going to redefine how people perceive and understand waste.**

Long-term (5-10 years): **A carbon neutral West London**

Medium-term (3-5 years): **Deliver and prove a repeatable model that changes people's understanding of waste, increases access to waste management services, and improves the perceived value of waste amongst citizens.**

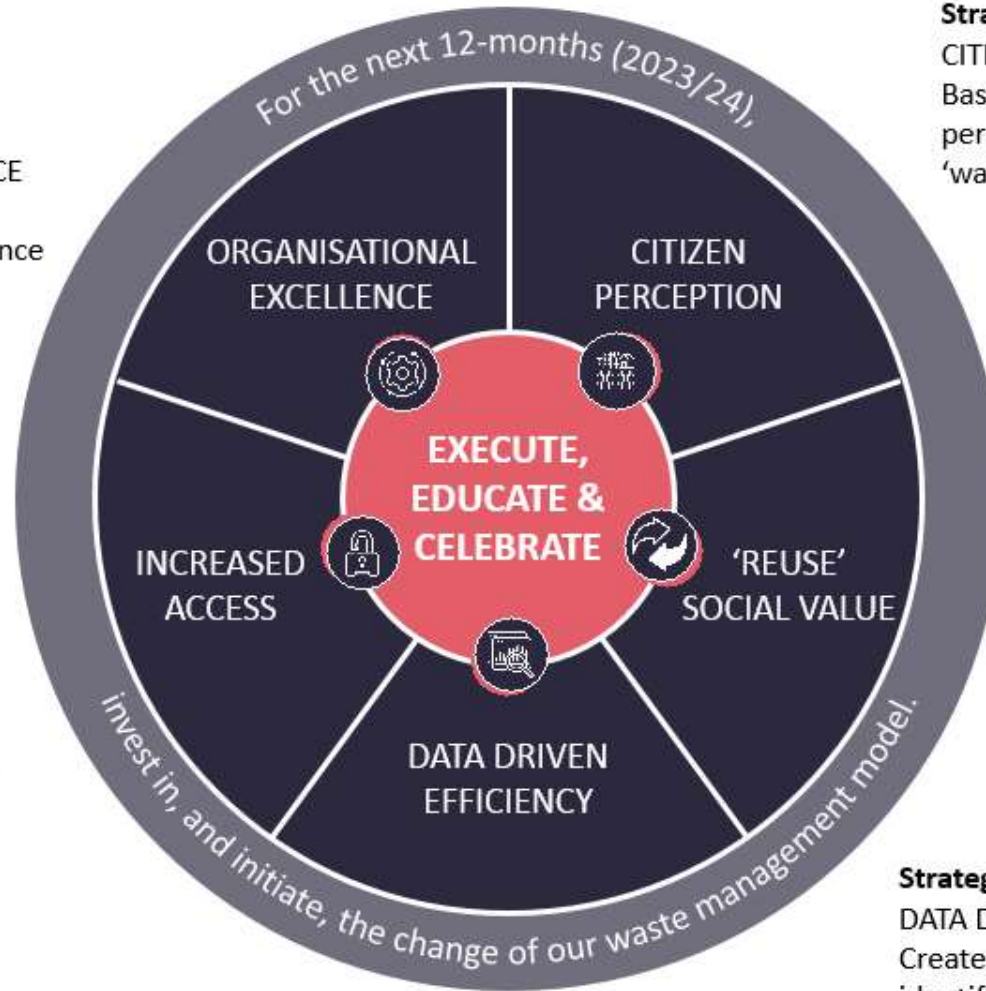
Short-term (twelve months): **Invest in, and initiate, the change of our waste management model.**

- 1. Citizen perception;** Baseline West London citizen's perception of the value of 'waste'.
- 2. Reuse;** Measure and scale up the 'social value' of 'reuse' in order to maximise value and educate more effectively.
- 3. Data driven efficiency;** Create a digital twin of waste services to identify and implement improvements.
- 4. Access to services;** Expand food, reuse, e-waste and textile waste capture to include more of West London.
- 5. Organisational excellence;** Invest in, and improve, our people, systems and governance to drive greater outcomes.

Execute, Educate and Celebrate!

Strategic Priority 5;
ORGANISATIONAL EXCELLENCE
Invest in, and improve, our people, systems and governance to drive greater outcomes.

Strategic Priority 4;
INCREASED ACCESS
Expand food, reuse, e-waste and textile waste capture to include more of West London.



Strategic Priority 1;
CITIZEN PERCEPTION
Baseline West London citizen's perception of the value of 'waste'.

Strategic Priority 2;
'REUSE' SOCIAL VALUE
Measure and scale up the 'social value' of 'reuse' in order to maximise value and educate more effectively.

Strategic Priority 3;
DATA DRIVEN EFFICIENCY
Create a digital twin of waste services to identify and implement improvements.