

Waste and Related Services Update	
Executive Summary	<p>This report provides new members of the Overview and Scrutiny Committee with background information on the contract and a summary of the previous performance of the contract.</p> <p>The recent performance of the contract is set out against the various collection streams and other service areas and shows an overall improvement in performance which is broadly being sustained.</p> <p>Future developments associated with the contract are also outlined.</p> <p>In general the position is greatly improved from previous reports to this committee. There is still work to be done but the level of concern in respect of performance is much reduced on the part of senior officers.</p>
Options considered	This is an update report and therefore no options have been considered.
Consultation(s)	This is an update report and there is no decision making or financial consequences and therefore no consultation has been undertaken.
Recommendations	<ol style="list-style-type: none"> 1. That Overview and Scrutiny note the report contents of the report. 2. That Overview and Scrutiny decide the frequency of further updates on the Waste and Related Services Contract.
Reasons for recommendations	<ol style="list-style-type: none"> 1. To ensure that members of Overview and Scrutiny have opportunity to consider how the contract is performing and to understand trends around key performance indicators. 2. To allow further consideration of contract performance in the future.
Background papers	None

Wards affected	All
Cabinet member(s)	Callum Ringer
Contact Officer	Steve Hems, Director for Communities, steve.hems@north-norfolk.gov.uk Scott Martin, Environment and Safety Manager, scott.martin@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	N/A

Medium Term Financial Strategy (MTFS)	N/A
Council Policies & Strategies	N/A

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	Not Exempt
Details of any previous decision(s) on this matter	Not Applicable

1. Purpose of the report

This is a regular update report to enable members of the Overview and Scrutiny Committee to understand the how the Waste and Related Services Contract is currently performing against the contract expectations, how this has changed from since the last report and any further measures which are being put in place to deliver further improvements if required.

This report is designed to provide new members with information on the contract and a brief history of the contract performance to date.

2. Introduction & Background

The Council delivers services related to waste collection, street cleansing, grounds maintenance and toilet cleaning through an external contractor.

2.1 Procurement

The Council procured a new Waste and Related Services contract in 2019 with two other Council's Breckland and the Borough Council of King's Lynn and West Norfolk. This procurement resulted in a single contract delivering services to the three Councils. Serco were the successful contractor.

The Contract was signed in mid-March 2020 just as Covid was having an impact on everyday activity. North Norfolk was the first council to mobilise the contract with the going live on the 6th April 2020. Breckland and King's Lynn mobilised their element of the contract around April 2021. The reason for this difference related to the respective end dates of the previous contracts that each Council had in place. The end dates of the contract are the same for each Council in March 2029.

2.2 North Norfolk Mobilisation

Due to the short time between contract award and the start of services there was insufficient time to obtain the new collection fleet to deliver the services.

Serco instead obtained some of the vehicles from the previous contractor and others from another contract where their fleet vehicles had become available.

The age of these vehicles meant they were more prone to breakdown and so some issues were experienced with vehicle reliability which in turn impacted on round completion on occasions.

Covid restrictions, the introduction of Covid-safe working practices and isolation absence meant that there was some impact on services but all services remained delivered during this period. There were many Councils around the UK who saw significant disruption to services during with Covid with many withdrawing some services during this time. Cleansing Services were altered to reflect the lack of visitors to normal tourist destinations, with staff redeployed into maintaining other services.

The new fleet was delivered through October and November 2020. This saw improvements in the reliability but not to a level that was demanded in the contract.

Mobilisation of the Breckland and King's Lynn contracts took place in the 2021. The roll out of these elements of contract did cause some impact in the delivery of the North Norfolk part of the contract as some resource was reallocated into these mobilisations.

2.3 Route and Round Re-organisation

Serco had, as part of their bid submission, stated that routes and rounds would be reorganised. This was necessary for a number of reasons:

- To rebalance rounds which had grown disproportionately due to unequal property growth across the district;
- To ensure rounds could be completed on their scheduled day;
- Introducing new round methodologies which would be more efficient;
- Reduce mileage, especially around disposal points to reduce fuel use and therefore carbon emissions.

Serco originally planned to introduce these round reorganisations in October 2020 but these were delayed for a combination of reasons. Plans to undertake this work in February 2021 were also put on hold.

Serco did complete the route and round reorganisation in September 2022 which resulted in a change of collection day for around 90% of households, as

Serco moved to a different round structure. There was significant disruption associated with the introduction of the new rounds with many crews not completing all their allocated work on the scheduled day. Whilst some disruption was expected, it was anticipated that this would improve each week with all collections back to normal.

In reality disruption to collections continued for an extended period beyond the 12 weeks with some rounds regularly not being able to complete work on the scheduled day. This had a knock-on effect for the remainder of the week as outstanding work from the previous day was collected as the first work of the day, meaning that day's work was not able to be completed. In effect this

meant some collections slipped a day with catch up taking pace on Saturdays and Sundays.

Isolated and hard to find properties were also regularly missed during this time due to a combination of a lack of familiarity of crews with rounds and the approach Serco first adopted to these sporadic misses of sending mop up crews, meaning that the round crew repeated misses as they were not able to address their lack of knowledge.

2.4 Industrial Action

As the impact of the route and round reorganisation was settling down Serco employees began a pay dispute.

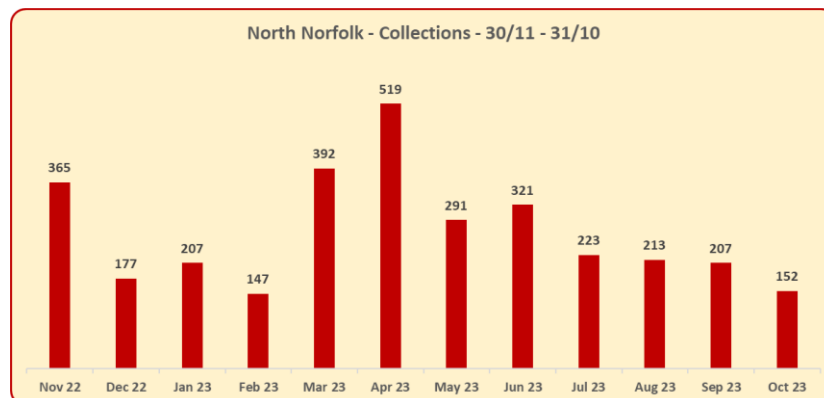
There was a period before formal industrial action when some staff withdrew goodwill working, not staying out beyond their contracted core hours to complete rounds. With the issues experienced with the round reorganisation this caused further issues with round completions.

Having been unable to settle the pay dispute union members voted to take strike action. Although a significant number of staff participated on an all-out strike, Serco were able to run rounds albeit with a much reduced staffing cohort. It has to be said that whilst there was disruption the level was far less than anticipated with many of those who did continue to work putting in long hours to complete rounds.

3. Update

3.1 Collections

Missed collections across all collection streams are shown below.

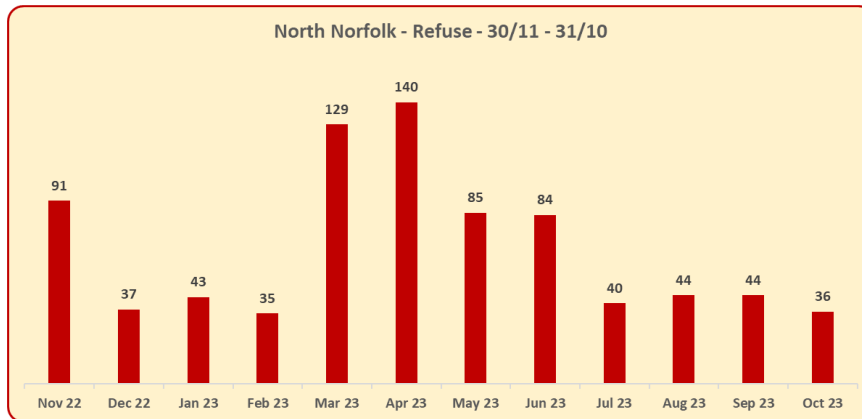


The peak in missed collections around March/April was associated with the industrial action previously referred to. Since industrial action was resolved, we have seen a steady reduction in the numbers of missed overall. Most notable is that Serco end of day reports are regularly showing that all rounds are complete. This is in part down to additional support rounds which Serco are providing at their own cost.

Most recently in October we have seen good levels of completion of rounds with isoalted incidents such as vehicle breakdowns and unexpected staff absence.

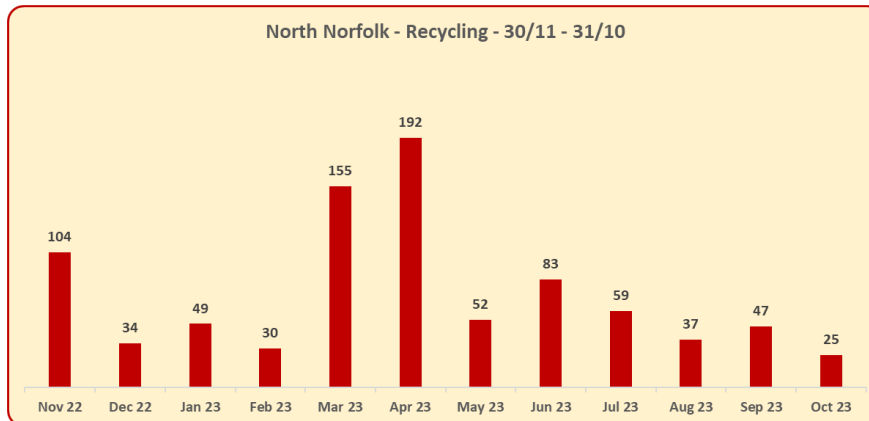
The following slides drills down into the different collection streams

Refuse



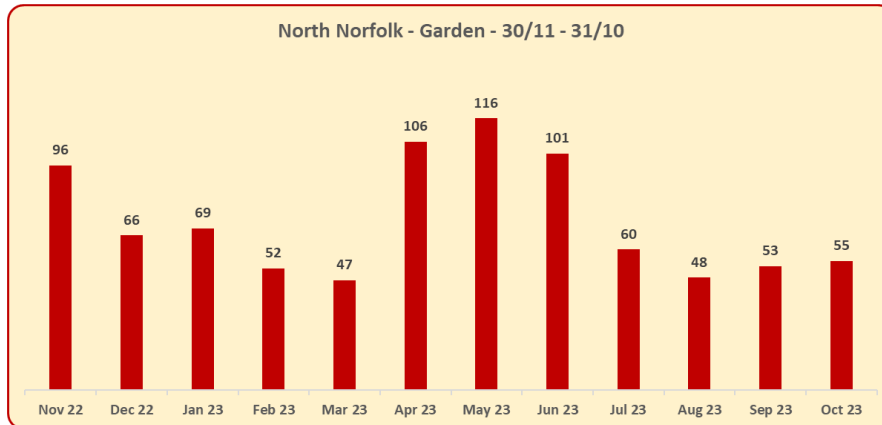
The level of reported missed collections has plateaued at a level that is around what is to be expected of any collection service and is in line with industry standard.

Recycling



The level of reported missed collections on recycling rounds is now an acceptable level of performance.

Garden Waste Service

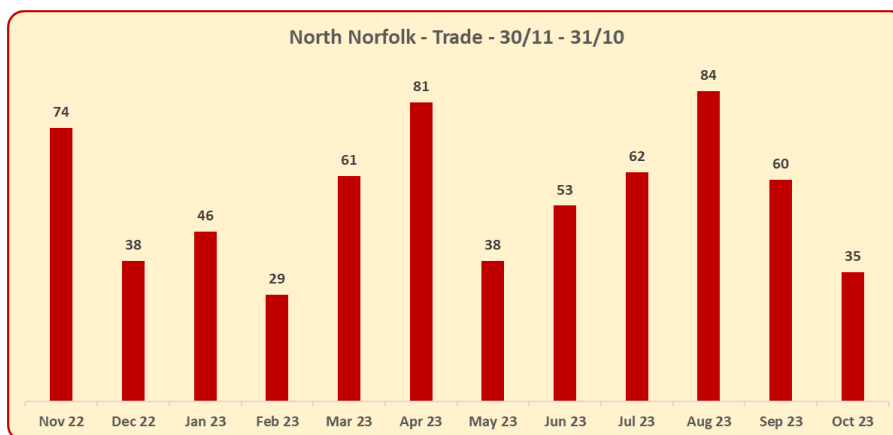


The level of reported missed collections remain above where we would wish them to be especially considering that this is a paid for service. The predominant reason for this appears to be down to capacity in the garden rounds on certain days. Capacity is associated with both number of collections due in any one day and volume/weight of each collection. Garden waste is generally heavy and vehicles have a legal maximum weight they must not exceed. Where the maximum weight is being approached crews will need to travel to the disposal point to empty the freighter. This added travel time reduces the number of collections that crews can complete in any one day. With the growth in our Garden Waste subscriber numbers the rounds have reached capacity.

Earlier this year Cabinet resolved to fund the purchase of an additional collection vehicle to reflect the increase in subscriber numbers. The vehicle is on order but due to the lead time is not due for delivery until the end of November 2023.

When the route and round reorganisation took place it deliberately did not include the garden waste rounds. These were planned to be done in the spring of 2023 but the issues with the main rounds and the pay dispute put these on hold.

Trade Waste



The level of reported missed collections on the trade waste services remains above what we would want to see, especially as this is a paid for service.

The Council sells trade waste collection services to businesses and then requires Serco to undertake the associated collections. The Council endeavours to provide customers with as much flexibility around collection days and frequency as possible and there are occasions where this leads to scheduling challenges for Serco. In order to be as efficient as possible Serco undertakes a number of trade waste collections on the normal domestic rounds.

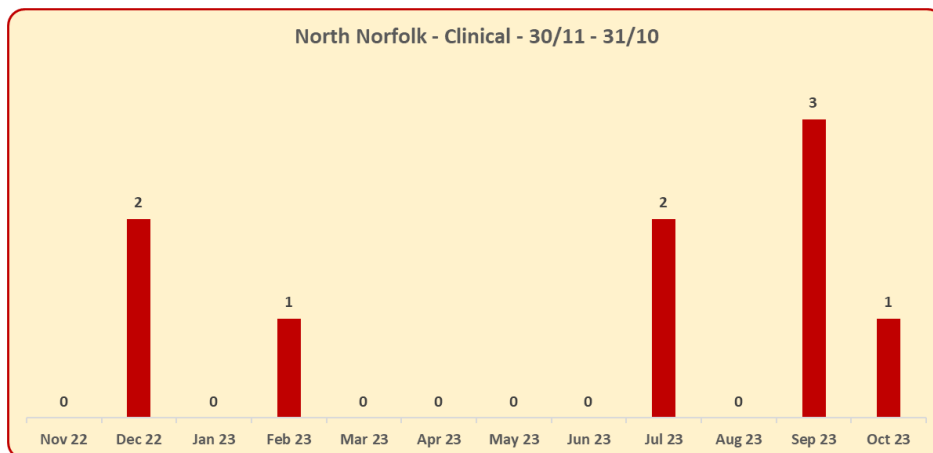
There has been significant growth in the number of trade waste collections that the Council provides. Seasonal fluctuations in both customers and collection frequencies do see in a significant increase in workload associated with the trade waste service. This in turn puts pressure on the completion of the domestic rounds.

Earlier this year, Cabinet resolved to fund the cost of an additional refuse collection vehicle to recognise the growth in collections and to provide additional capacity to enable further growth in our customer base.

Serco have invested in an upgrade to their software system to include a trade waste module which will enable better control of the scheduling of rounds for them. This software is at the stage of user acceptance testing and it is anticipated that it will be live in the next few weeks.

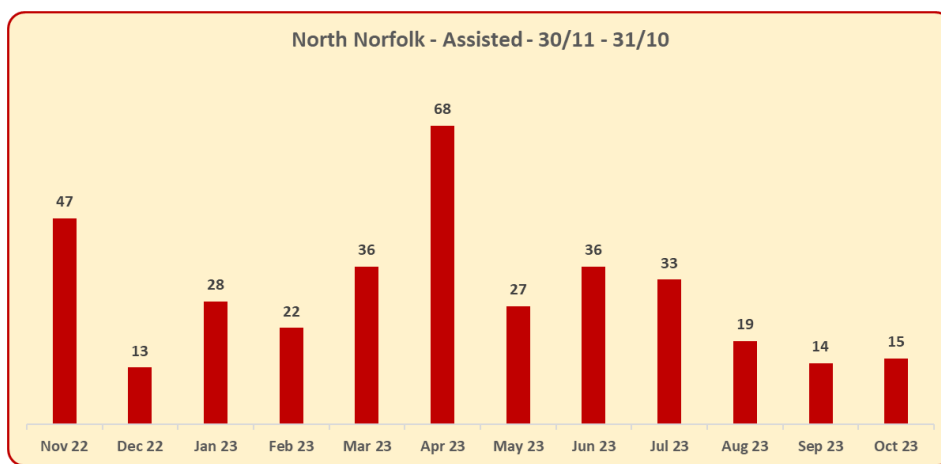
Officers continue to work with Serco to ensure that trade customers are receiving paid for services in a timely manner.

Clinical Collections



The Council provides a relatively small number of collections to residents who produce certain categories of clinical waste through a separate collection service. Due to the relatively low number of collections this service is delivered through the Watton Depot. Performance of these collections is generally good although there have been a few instances of misses, which are being addressed through the contract managers at Serco.

Assisted Collections



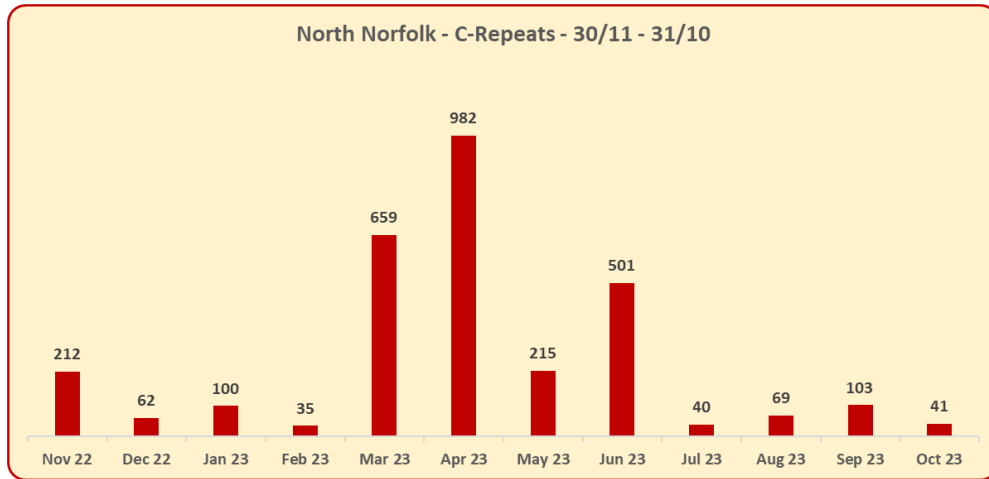
Some of our residents are not able to move their bin to the edge of their property, which is where the majority of residents are required to present their bins for collection.

Although the number of missed collections for assisted collections has come down it remains at a level which is not acceptable to officers. These are properties where residents tend to be more vulnerable and the collections are consistent as the crews have to pull and return the bins from the location on the residents property.

There will be ongoing focus on assisted collections moving forward.

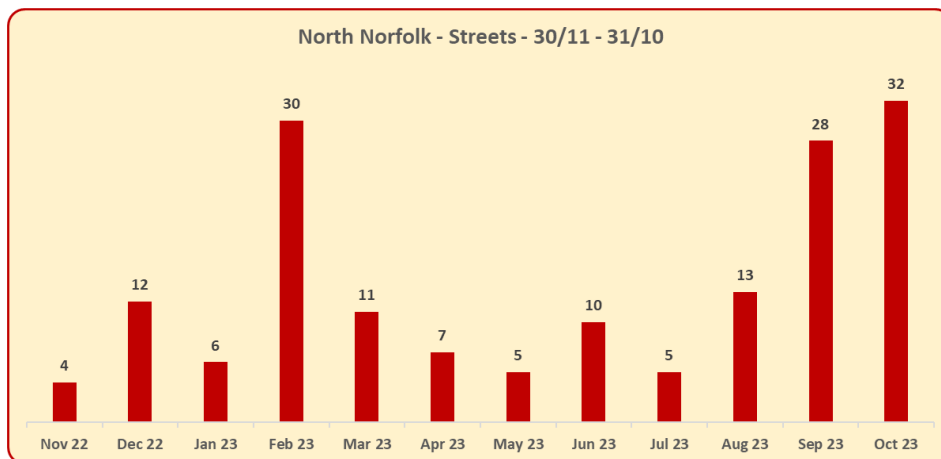
“Repeat” Misses

When Serco fails to complete a round on the scheduled day of collection or a resident reports a missed collection to Serco, they have a period of time to return to complete the collection. This is to the end of the next working day and referred to as the rectification period. If Serco fail to do this then a performance deduction applies. In the event that Serco fail to complete the collection on the first day after the scheduled collection, it is then classed as a repeat miss.



As can be seen from the graph above the number of repeat misses is relatively low but more work needs to be done to drive this still lower and preferably eradicate this all together.

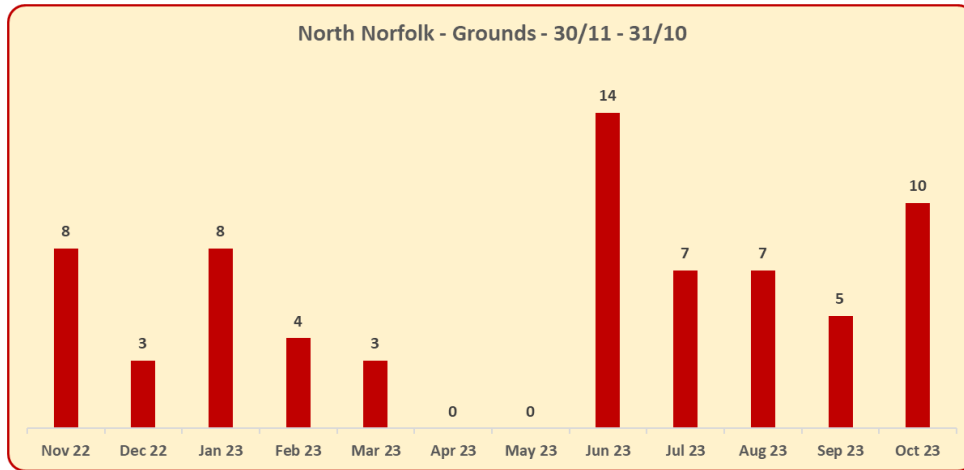
3.2 Street Cleansing



In general the level of failures associated with street cleansing is relatively low with very few complaints around the standard of cleanliness.

Although the increase in KPI failures over the last 3 months suggests a worsening performance by Serco, in reality it reflects a greater focus on cleanliness standards by Environmental Services Officers and more stringent use of Serco's IT system to monitor completion of worksheets raised.

3.3 Grounds Maintenance



Grounds Maintenance activity is generally in line with contract requirements. The performance figure for October again reflects the enhanced monitoring of standards by Officers and a focus on the completion of worksheets on Serco's IT system.

3.4 Customer Contact Centre

Members have previously raised concern in respect of the performance of the customer contact centre by Serco, in particular the time it took to answer calls.

This has been a focus for Serco over recent months and there has been significant improvement since June around all areas of the call centre performance.

From	1/11/22	To	31/10/23
Customer Care Centre Performance Analytics - 01/11-31/10			
Number of Calls (per month)	Answered	Answered Within SLA	Abandoned
3,761	3,594 - 96%	2,863 - 76%	168 - 4%
Calls per day (average)	Answered per day (average)	Within SLA per day (average)	Abandoned per day (average)
180	172	136	08
Average Call Time	Speed to Answer (average)	Calls per Agent per Hour (average)	Agents per day (average)
05:52	00:35	4.1	7.1

The table above shows the data for the contact centre, it relates to calls coming in around all three council areas and it is not possible to separate these out.

Comparing these figures with those over the last few months in the table below there is a very clear and sustained improvement in performance of the contact centre and it is not exceeding the standards set out in the contract.

	Calls p/d	Abandoned Calls	Ave. Call Time	Average Speed to Answer	SLA
Last 12 Months	180	4%	5:52	0:35	76%
July	160	1%	4:34	0:11	93%
August	178	1%	4:20	0:12	90%
September	167	1%	4:20	0:10	93%
October	137	1%	4:05	0:09	95%

3.5 Further Developments

Whilst it is clear that there has been improvement in the performance of the contract, work continues to ensure that additional aspects of the bid are implemented and to deliver improvements to the contract offering.

During the last year officers from the three Councils have met regularly to agree which aspects of these should be delivered and relative priorities.

Community Engagement Plan

A draft Community Engagement Plan has been completed by Serco and submitted for the consideration of the three Councils. The Councils have made comments back to Serco, fine tuning some of the proposals and are now awaiting a further submission from Serco.

Carbon Management Plan

The Councils have received a draft Carbon Management Plan which is currently subject to discussion internally. The Council's will provide feedback to Serco on the suitability of the plan contents.

Hydro-treated Vegetable Oil (HVO) Fuel

This Council have had protracted dialogue with Serco in respect of the use of HVO fuel in the collection fleet. There were initial issues on having suitable storage at the depot but there were resolved with the installation of a bulk tank. The war in Ukraine impacted on both the price and availability of HVO fuel. Concerns over the source of some HVO fuel coming into the UK using palm oil resulted in a pause in proceeding with HVO. Serco are now able to source certified sustainable HVO fuel.

HVO is more expensive per litre than diesel and similar to diesel is subject to price fluctuations based on availability. Serco have been asked to provide details of the price differential so that officers can undertake a carbon pricing exercise to understand the cost of offsetting the carbon produced by the fleet

using diesel compared with the additional cost of using HVO fuel. The pricing information is expected shortly.

Possible Change of Recycling Disposal Point

Norfolk County council are the Waste Disposal Authority. They direct the Council as to where collected residual waste should be taken, however, our own arrangements are made for the processing of recyclable waste. At present, the collected recycling is tipped in a barn at the Aylsham depot under a contract with Norse Environmental Waste Services (NEWS) before being transferred to the Materials Recycling Facility (MRF) at Costessey. NEWS have informed us that they are seeking to close this transfer station and will be undertaking a procurement activity in relation to this recycling delivery point and it may be that this will change next year.

Further Route and Round Re-organisation

Serco has stated that the previous route and round reorganisation, launched in September 2022, did not deliver the efficiencies that they expected and further work is required to ensure that collections can reliably be undertaken on the scheduled day without the need for support rounds, which is not sustainable. This has also been the case at Breckland where changes will be implemented shortly.

This reorganisation will also apply to the Garden Waste collections and it is anticipated that this will bring about improvements in collection completions on the scheduled day and reflect the additional vehicle provision. The addition of a further Trade Waste vehicle will also be built into the design of trade routes and allow for some trade waste collections to be moved from the domestic rounds to provide additional capacity.

Serco have provisionally shared a date of the 8th April 2024 for these further changes at North Norfolk to go live. As yet they have not shared details of their plans but once aware these will be shared and discussed through the appropriate channels.

Food Waste

The Government has now launched "Simpler Recycling" which brings in a range of new or amended requirements for local authorities. This includes the mandatory requirement for the introduction of a weekly food waste collection to every household..

As part of the procurement process, the bidders were asked to provide a costed option for the introduction of food waste collections. Serco provided this costed option, however, it was not implemented and the methodology they priced is not compatible with the collection fleet that the Council purchased.

Serco have been asked to provide an alternative standalone solution to food waste collections. Discussions will be ongoing with them in respect of this over the coming months.

4. Conclusion and Recommendations

The performance of the contract has improved significantly since the last update to Overview and Scrutiny Committee.

There are still areas for improvement but broadly speaking the contract is operating in an acceptable manner.

Recommendations

1. That Overview and Scrutiny note the contents of the report.
2. That Overview and Scrutiny decide the frequency of further updates on the Waste and Related Services Contract.