

O&S Waste Update – February 2024	
Executive Summary	The Waste and Related Services Contract is a single contract covering the three districts of North Norfolk District Council, Breckland District Council and the Borough Council of King's Lynn and West Norfolk. The Contract is with Serco, who have delivered the services in North Norfolk since April 2020.
Options considered	NA – update report
Recommendations	<p>Recommendation 1. Given the current performance levels and the arrangements in place, to monitor performance and the gap analysis, through the governance structures within the contract that further updates on performance are only made to Overview and Scrutiny committee if, in the view of the Authorised Officer (Director for Communities) for the contract, performance has dropped to a level that is of significant concern or that progress on the gap analysis items is not adequate.</p> <p>Recommendation 2. That Overview and Scrutiny provide scrutiny of the progress made in planning, implementing and embedding the round reorganisation on a regular basis.</p> <p>Recommendation 3. That Overview and Scrutiny form a view on whether it would be appropriate to recommend to Full Council that a letter be sent to DEFRA setting out the evidence associated with the shortfall in allocation and the anticipated capital costs in relation to food waste collection.</p>
Reasons for recommendations	To allow the committee to consider what further actions or scrutiny should be taken following this report.

Wards affected	All
Cabinet member(s)	Cllr Callum Ringer
Contact Officer	Steve Hems, Director for Communities Steve.hems@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	N/A
Medium Term Financial Strategy (MTFS)	N/A
Council Policies & Strategies	N/A

1. Purpose of the report

- 1.1 This report provides an update on:
- 1.2 Areas of contract delivery where the Overview and Scrutiny Committee have had concern in relation to performance.
- 1.3 On planned changes to collection schedules.
- 1.4 The latest position in relation to the requirement to introduce Food Waste collection services.

2. Contract Performance

- 2.1 Completion of rounds on the scheduled day of collection remain high. Most daily reports now show 100% completion rates of rounds. Where rounds are not completed on the scheduled day this is typically due to either vehicle issues or crew issues such as sickness absence. The work left over is now typically caught up during the next day alongside that day's work. This means that we are seeing less instances where incomplete rounds are impacting over several days of collection activity.
- 2.2 Missed collection reporting shows a continuation of the improving trend across all collection areas. A missed collection for these reporting purposes is one that is not collected within the rectification period set out in the contract. In general, Serco have until close of play of the day after the scheduled collection to collect any missed bin; if they achieve this then it is not counted in the reporting and the Performance Management Framework (PMF) deductions are not triggered.
- 2.3 It can be seen from the graphs in Appendix 1 that the number of missed bins now hitting the PMF trigger is at a level which is comparable with other parts of the contract and industry wide standard for such activities. This continued maintenance of good performance is down to the ongoing investment and additional resources provided by SERCO.
- 2.4 Officers are working to develop the reporting of any service disruption/incompletions on our website as part of the online missed bin reporting process.

3. Cleaning and Grounds Maintenance

- 3.1 In general the performance of these elements of the contract remains good. Graphs in Appendix 1 show the level of performance failures in relation to cleaning and grounds maintenance activities did increase in the late autumn but have now begun to reduce. It appears that the increase relates to a change in the reporting mechanisms put in place between the Environmental Contracts Officers and Serco to more effectively capture service issues and failures. Improvements in the waste collections area of the contract has allowed the Environmental Contracts Officers to focus more time on other areas of the contract.

4. Call Centre

- 4.1 The contract specification requires that 90% of calls are answered by a person within 20 seconds by the Serco provided customer contact center which operates across the whole contract area. Members of the Overview and Scrutiny Committee had previously expressed concern over the performance of the contact center and data suggested that Serco were only meeting the specification for around 45% of calls at the beginning of last year.
- 4.2 Serco have introduced a number of improvements to their customer contact centre and these, in combination with the improvement in other areas of contract performance has seen a significant improvement in performance. Over recent months Serco have consistently performed over the contract specification response times and in December 99% of calls were being answered within 20 seconds compared to 80% for the previous 12month period. The average time to answer was just seven seconds and only 0.4% of calls were abandoned.
- 4.3 Performance of the contract is discussed at an operational level at the fortnightly Contract Management Boards and with the relevant portfolio holders from each Authority at the regular Joint Contract Review and Development Board meetings.

5. Outstanding Contract Elements – Gap Analysis

- 5.1 Overview and Scrutiny had expressed concerns over the gap between what had originally been specified by Serco in their bid submission and what was being provided on contract, particularly related to the “added value” elements.
- 5.2 Attached at Appendix 2 is an updated version of the Gap Analysis tracker. This shows that there remain relatively few of the original items and those that do remain are mostly in train or dependent on activity outside the direct control of Serco.
- 5.3 Officers across the contract continue to work with Serco to ensure that elements of the contract which are deemed to be of greatest benefit are delivered in a timely manner.
- 5.4 The outstanding parts of the gap analysis is discussed at the Contract Management Board meetings and with the relevant portfolio holders from each Authority at the Joint Contract Review and Development Board meetings.

6. Route and Round Re-optimisation

- 6.1 Serco currently provide additional resource to the contract in order to ensure that they are able to complete the rounds. This additional resource was due to some of assumptions made during the previous route and round optimization not delivering in the way that the modelling suggested. This level of additional resource is not sustainable for Serco on an ongoing basis.
- 6.2 Norfolk County Council, as the Waste Disposal Authority, have recently re-procured the disposal points to which residual and recycling waste is taken by North Norfolk collection crews. This process has led to a change in the disposal point for recycling, from the current location in Aylsham to a site in North Walsham. This change will affect the effectiveness of a significant number of the current rounds due to the changes to the time it will take to get to the disposal point. Some rounds, particularly those in the west of the

district, will have much longer transit times to tip their loads and those in the east part will have less, leading to some imbalance in the rounds as currently organized.

- 6.3 The combination of the new disposal point and rounds sustainability issues mean that to be as efficient as possible Serco are looking to introduce changes to the current rounds. Serco are currently working on the round redesign. The first drafts of the new rounds have been shared with officers and comments are being fed back to ensure the change will be as smooth as possible. It is likely that high proportion of residents may have changes to the day that their bins are collected.
- 6.4 The planned date for the new rounds to come into effect is the 8th April 2024. This date ensures that there is an adequate number of collection cycles between the introduction and the next set of bank holidays to allow the rounds to bed in before there is any catch up dates due to the bank holidays. Serco will be providing additional resource during the bedding in process to allow for mop ups whilst crews get used to the new rounds.
- 6.5 A communication plan is in place, with all member briefings, information to Town and Parish Councils and affected residents built into the plan.

7. Food Waste

- 7.1 The Overview and Scrutiny Committee have previously been advised of the mandatory requirement to introduce a food waste collection service to all households and certain businesses. Commercial food waste collections currently have to be available by the 1st April 2025 and household collections by the 1st April 2026. A work stream of the Norfolk Waste Partnership is currently considering these requirements and initial work is underway between Breckland and North Norfolk with Serco to look at the implications and routes to delivery under the contract; Kings Lynn already have a food waste collection service in place.
- 7.2 As will any new legislative requirement Government provides new burdens funding to local authorities in minimise the impact. In the case of food waste collections Government has split the new burdens funding into sections with the first being the allocation of capital funding to allow for the purchase of food waste caddies and collection vehicles. Further burdens funding will be made available for the costs associated with implementing the collection system and then for running the additional service provision.
- 7.3 For North Norfolk it is almost certain that food waste collection will need to be done through an entirely separate collection scheme with smaller vehicles providing the weekly collection, possibly on a different day from the other waste streams.
- 7.4 Government have provided all local authorities with an allocation of capital money for the purchase of caddies and vehicles etc. The funding has been calculated in collaboration with the Waste Resources Action Programme (WRAP).

	Kitchen caddies (plus spares)	Kerbside caddies (plus spares)	Communal wheeled bins (plus spares)	Vehicles (Plus spares)	Total funding

NNDC	£115,584	£265,843	£0	£716,100	£1,097,527
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- 7.5 Initial work by officers suggest that the allocation is not sufficient to cover the full capital costs of the equipment that DEFRA suggests will be required to deliver a weekly food waste collection to every household in North Norfolk.
- 7.6 One supplier of caddies has given pricing for internal and external caddies which, across the number of households in North Norfolk, gives an expected spend of over £600,000 against the notified funding of £381,427, which is supposed to also include an allowance for spares. An external caddy may not be required for every household, such as communal bin areas, however, there is also no allowance provided for communal bins.
- 7.7 Our initial modelling for collection vehicles suggests that between 8-12 vehicles will be required to service every property on a weekly basis. Whilst we do not at this stage have firm quotes for food waste collection vehicles, our understanding is that they are in the region of £130,000-£150,000 depending on size and specification, giving a total cost range between £1.04-£1.8m against a funding allocation of £716,100.
- 7.8 Whilst financial support for the introduction of weekly food waste collections to all households is a welcome move, the currently proposed figures provided by DEFRA (which come with no indication of the modelling used to calculate them), are between £0.6m to £1.3m less than the actual sums that will be required to deliver this service in North Norfolk.
- 7.9 It should be noted that the feedback from the majority of collections authorities is that the capital allocation made is insufficient to fund their estimated costs required.

8. Finance Comment from S151 Officer

- 8.1 It is recommended that the Council should write to DEFRA to express its concern over the level of funding that has been allocated at this point as it can be demonstrated that it is inadequate. If the funding doesn't cover the actual cost, then in all likelihood the council will need to borrow to fund the difference (which could range from £1.04m-£1,8m less £0.716m) which would incur an annual revenue cost to the council of between £46k-£155k Minimum Revenue Provision costs plus the interest costs on external borrowing. (This assumes a vehicle life of seven years).

9. Recommendation 1.

- 9.1 Given the current performance levels and the arrangements in place, to monitor performance and the gap analysis, thought the governance structures within the contract that father updates on performance are only made to Overview and Scrutiny committee if, in the view of the Authorised Officer for the contract, performance has dropped to a level that is of significant concern or that progress on the gap analysis items is not adequate.

10. Recommendation 2.

- 10.1 That Overview and Scrutiny provide scrutiny of the progress made in planning, implementing and embedding the round reorganization on a regular basis.

11. Recommendations 3.

- 11.1 That Overview and Scrutiny for a view on whether it would be appropriate to recommend to Full Council that a letter be sent to DEFRA setting out the

evidence associated with the shortfall in allocation and the anticipated capital costs in relation to food waste collection.