

Joint Scrutiny Committee Report

Report of Head of Corporate Strategy

Author: Ian Matten

Tel: 01235 540373

E-mail: ian.matten@southandvale.gov.uk

Vale Cabinet Member responsible: Elaine Ware

Tel: 01793 783026

E-mail: Elaine.ware@whitehorsedc.gov.uk

To: JOINT SCRUTINY COMMITTEE

DATE: 30 July 2015

South Cabinet Member responsible: Tony Harbour

Tel: 01235 810255

E-mail: tony.harbour@southoxon.gov.uk

Performance review of Biffa Municipal Limited - 2014

RECOMMENDATION

That the committee considers Biffa Municipal Limited's (Biffa) performance in delivering the household waste collection, street cleansing and ancillary services contract for the period 1 January 2014 to 31 December 2014 and makes any comments to the Cabinet Members with responsibility for waste to enable them to make a final assessment on performance.

PURPOSE OF REPORT

1. The report considers the performance of Biffa in providing the household waste collection, street cleansing and ancillary services in South Oxfordshire and the Vale of White Horse for the period 1 January 2014 to 31 December 2014.

STRATEGIC OBJECTIVES

2. The service contributes to the council's strategic objective of excellent delivery of key services with particular emphasis on achieving excellent levels of recycling, keeping streets and public spaces clean and attractive.

BACKGROUND

3. Managing contractor performance is essential for delivering the council's objectives and targets. Since a high proportion of the council's services are outsourced, the council cannot deliver high quality services to its residents unless its contractors are performing well. Using an agreed framework and working jointly with contractors to review performance regularly is therefore essential.

4. The council's process for managing contractor performance focuses on continuous improvement and action planning. The council realises that the success of the framework depends on contractors and the council working together to set and review realistic, jointly agreed and measurable targets.
5. The overall framework is designed to be
 - a way for the council to consistently measure contractor performance, to help highlight and resolve operational issues
 - flexible enough to suit each contract, including smaller contracts which may not require all elements of the framework
 - a step towards managing risk more effectively and improving performance through action planning.

OVERVIEW OF THE REVIEW FRAMEWORK

6. Evaluating contractor performance has four elements:
 1. performance measured against key performance targets (KPT)
 2. customer satisfaction with the total service experience
 3. council satisfaction as client
 4. a summary of strengths and areas for improvement, feedback from the contractor on the overall assessment plus the contractor's suggestions of ways in which the council might improve performance.
7. The first three dimensions are assessed and the head of service makes a judgement of classification. The fourth element is a summary of strengths and areas for improvement and includes contractor feedback. Where some dimensions are not relevant, or difficult to apply fairly to certain types of contract, the framework may be adjusted or simplified at the discretion of the head of service.
8. Biffa were awarded the joint waste contract in December 2008 with a commencement date in South Oxfordshire of June 2009. The Vale of White Horse element of the contract commenced in October 2010. The council in 2013 decided, in accordance with the conditions of contract to extend the contract for a seven year period. The contract is now due to end in June 2024.
9. The current value of the contract, as a fixed annual charge is £9,650,920 per annum of which the Vale of White Horse proportion is £4,449,442 per annum and South Oxfordshire is £5,201,478 per annum.
10. The contract includes delivery of the following services:
 - weekly collection of household food waste from 23 litre bins
 - fortnightly collection of household recycling from 240 litre wheeled bins or green sacks
 - fortnightly collection of household refuse from 180 litre wheeled bins or pink sacks this is collected on the alternate week to recycling

- emptying bulk bins for refuse and recycling and food waste bins which service flats and communal properties
- fortnightly collection of household garden waste to residents who have opted into this charged for service. As of January 2015 there were 43,225 garden waste bins provided to customers across the two districts
- collection from Waste Electronic and Electrical Equipment (WEEE) bring banks
- collection of household bulky waste items for which there is a charge
- litter collection and cleansing of roads, streets and public areas
- emptying of litter and dog bins
- provide a dedicated call centre facility to residents
- remove fly-tipping.

DIMENSION 1 – KEY PERFORMANCE TARGETS

11. KPT are included in the Biffa contract to provide a benchmark against which performance can be measured. The KPT cover those aspects of the service which are considered to be of most concern to our residents and are measured on an ongoing basis and reported monthly by Biffa. The KPT for this contract are:

- KPT 1 - missed collections – number of missed collections per week per 100,000 collections. Target - no more than 40
- KPT 2 - rectification of missed collections – percentage of reported missed household collections rectified within 24 hours. Target - 100 per cent
- KPT 3 - NI 192 - percentage of household waste sent for re-use, recycling and composting. 2014/15 Target – 49.1 per cent (Vale) and 52.9 per cent (South)
- KPT 4 - NI 195 - improved street and environmental cleanliness – levels of litter and detritus. Targets - litter 4 per cent, detritus 7 per cent.

Since April 2011 national indicators for waste NI 192 and NI 195 are no longer used as national measures, however the council continues to use these as a measure of the contractor's performance.

KPT 1 – Missed Collections

12. For the purpose of this report performance has been measured against the number of reported weekly missed collections per 100,000 collections for the period 1 January 2014 to 31 December 2014.

13. During this review period the average number of weekly missed collections across the two districts was 32 per 100,000 collections. The target is no more than 40 missed

collections. A combined total of 4,100 collections were logged as missed throughout the review period across the two districts - this is out of a total of 12,831,536 potential collections (each bin type is recorded as a separate collection) and equates to 0.03 per cent of bins being missed.

14. During last year's review meeting the committee asked officers to review the rating for the missed collection target as they considered it to be harsh that Biffa had only received a fair rating when they had only missed a weekly average of 30 collections in Vale and 34 in South per 100,000 collections.
15. Officers and Biffa have reviewed this target and agree that the scoring mechanism in the performance review of contractor's guidance is acceptable. It is based on a failure rate target of "no more than" 40 missed collections per 100,000 collections. To achieve an "excellent" rating it is necessary for Biffa to achieve an average per week of less than 20 missed collections, a "good" rating requires it to be between 20 and 30 missed collections and a "fair" rating is between 30 and 50 missed collections.

KPT 2 - Rectification of missed collections

16. This measure is the percentage of reported missed collections rectified within 24 hours of Biffa being informed. The previous years percentage was 98.9 per cent, however as a result of updating their computer system Biffa have been unable to retrieve all the required data associated with this KPT for this review period. Amendments to their system and procedures have been put in place to ensure this does not happen in the future and that the data will be available for the next review. For the purposes of this review this KPT has not been included in the calculation.

KPT 3 - NI 192 percentage of household waste sent for re-use, recycling and composting

17. At the commencement of the contract the council and Biffa agreed baselines for assumed recycling rates as follows:

Vale

- 2013/14 – 48.3 per cent
- 2014/15 – 49.1 per cent.

South

- 2013/14 – 52.5 per cent
- 2014/15 – 52.9 per cent.

18. Table one below shows that the combined performance of both councils for KPT 3 for the period to which this report relates was 66.41 per cent, for information the previous three years figures are also shown. The individual NI192 scores for this review period are Vale 65.81 per cent and South 66.92 per cent.

19. The figures indicate an increase in the percentage of waste sent for recycling from last year. This is due to a combination of increases in garden waste and dry recycling and

a reduction in the amount of waste going to landfill and the Energy Recovery Facility (ERF) compared to the previous year. The new ERF at Ardley became operational towards the middle of 2014 and the majority of our refuse now goes there.

Table One

NI 192 Performance

	Dry recycling (tonnes)	Food waste (tonnes)	Garden waste (tonnes)	Total Recycling (tonnes)	Refuse to Landfill & ERF (tonnes)	NI192
1 January – 31 December 2011	32,116	10,913	16,526	59,555	26,876	68.90%
1 January – 31 December 2012	31,865	9,800	16,711	58,376	29,957	66.08%
1 January – 31 December 2013	31,758	9,921	14,890	56,569	31,070	64.54%
1 January – 31 December 2014	32,404	9,770	18,806	60,980	30,835	66.41%

KPT 4 – NI 195 Improved street and environmental cleanliness – levels of litter and detritus

20. At the commencement of the contract, the council and Biffa agreed targets for litter and detritus. These targets were as follows:

- no more than four per cent of relevant land to have unacceptable levels of litter
- no more than seven per cent of relevant land to have unacceptable levels of detritus.

21. As previously mentioned we no longer report on NI 195, however officers have continued to monitor street cleanliness using the same methodology. The inspections are carried out by an independent company specialising in this type of work.

22. The combined scores achieved in this review period were, level of litter 3 per cent and level of detritus 11 per cent. This was a slight increase in both litter and detritus levels from last year's 2.4 per cent for litter and 9.2 per cent for detritus.

23. Based on Biffa's performance an overall "average" KPT performance rating score of 4.0 has been achieved. An analysis of performance against the KPT can be found in Annex A.

24. For reasons of consistency with previous assessments, and for fairness between contractors, the following is a guide to the assessment of Biffa against all KPT:

Score	1 – 1.4999	1.5 – 2.499	2.5 – 3.499	3.5 – 4.499	4.5 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

25. The head of service has made a judgement on KPT performance as follows:

KPT judgement

Previous KPT judgement for comparison

DIMENSION 2 – CUSTOMER SATISFACTION

26. Customer satisfaction for this report has been measured by the results of the most recent residents survey carried out in December 2013. M-E-L Research was commissioned to undertake a door stepping survey. In total 1109 responses were received in Vale and 1102 responses in South.

27. The main areas of questioning regarding satisfaction with the waste service were:

- satisfaction with the waste and recycling collection service
- satisfaction with street cleaning and keeping the area clean and litter free.

28. Overall satisfaction with the waste service in Vale was 85.25 per cent and in South it was 82 per cent. This compares to the previous residents survey in early 2012 when Vale achieved 80.41 per cent and South achieved 79.23 per cent.

29. In terms of the satisfaction with the waste and recycling collection service 89.71 per cent of Vale residents are either satisfied or very satisfied. In South 88 per cent said they were either satisfied or very satisfied.

30. In terms of satisfaction with street cleansing 80.79 per cent of Vale residents are either satisfied or very satisfied with the cleanliness of the streets and pavements in their local area. In South 75 per cent said they were either satisfied or very satisfied.

31. Based on Biffa's performance a combined overall customer satisfaction rating score of 3.90 has been achieved. An analysis of customer satisfaction can be found in Annex B.

32. For reasons of consistency with previous assessments, and for fairness between contractors, the following is a guide to the assessment of Biffa on overall customer satisfaction:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

33. Based on this performance, the head of service has made a judgement on customer satisfaction as follows:

Customer satisfaction judgement

Previous customer satisfaction judgement for comparison

DIMENSION 3 – COUNCIL SATISFACTION

34. As part of the performance review officers with direct knowledge and who frequently interact with the contractor were asked to complete a short questionnaire, this included the head of service, shared waste manager, technical monitoring officers and communications officer. In total five questionnaires were sent out and returned.

35. Based on Biffa’s performance an overall council satisfaction rating score of 4.29 has been achieved. Last years overall rating score was 4.05. An analysis of council satisfaction can be found in Annex C.

36. For reasons of consistency with previous assessments, and for fairness between contractors, the following is a guide to the assessment of Biffa on council satisfaction:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

37. Based on this performance, the head of service has made a judgement on council satisfaction as follows:

Council satisfaction judgement

Previous council satisfaction judgement for comparison

OVERALL ASSESSMENT

38. Taking into account the performance of the contractor against KPT, customer satisfaction and council satisfaction, the head of service has made an overall judgement as follows.

Overall assessment

Previous overall assessment for comparison

39. Other areas of note within the period of this review are:

- South confirmed by DEFRA as the highest recycling authority nationally for 2013/14 with a rate of 65.71
- Vale confirmed by DEFRA as the third highest recycling authority nationally for 2013/14 with a rate of 65.27
- Vale were first and South second for the district council that produced the least amount of residual waste per household in England
- the continued success in South of the deep cleanse
- finalists in the LGC awards for campaign of the year for our waste “sort it out” campaign.

STRENGTHS AND AREAS FOR IMPROVEMENT

40. Annex C also records strengths and areas for improvement relating to the performance of the contractor in this review period.

41. Areas for improvement identified in last year’s reviews were :

- *There are some re-occurring problem properties which take a disproportionate amount of officer time to deal with, when better frontline supervision could prevent the behaviour that causes the complaint*

Overall the number of problem properties has reduced although there are still some issues with not resolving a problem at the first attempt. To improve this Biffa have introduced a more robust procedure for the “care list” which now requires a signature from a supervisor to indicate that they have visited and confirmed a collection has taken place correctly from any problem property on the list.

- *When Biffa have problems with broken down vehicles or incomplete rounds they could be pro-active and tell us sooner so that we are aware of what is happening on the collection rounds and can advise residents when we need to*

This has improved and we receive regular communications if a round is not completed on the scheduled day, although the actual number of breakdowns has also reduced.

- *Biffa could be more innovative, that said whenever we suggest a change they are always ready to work with us to implement it, e.g. kerb side battery collection.*

We have continued to work in partnership with Biffa to introduce service improvements. During this review period weekend collections of bulky waste and a scheme working with Katherine Turner Trust to reuse some of the bulky waste was introduced.

- *Responding to requests for information in a more timely manner*

There have been some improvements in this area, in particular the accuracy of data being provided. However, officers would like to see a quicker turn around to requests for some information.

- *Better communications between different levels of staff members*

This has improved, the regular operations meetings and meetings between the supervisors and technical officers have taken place. There is also daily contact with supervisors and the technical officers to discuss specific operational issues.

- *Less frequent staff changes*

This continues to be a concern. We also had a change at more senior level with the Business Manager and Operations Manager leaving in December. Scott Newman has taken over the role of Business Manager and Ian Gillott as the Operations Manager.

42. During last year's review the committee requested the following :

- *Improved information for new tenants/residents on absent bins when they took over a property*

We are having difficulty in getting information from council tax, which tells us when a new resident is moving into a property. The information is in a format that requires a lot of sorting to separate out new residents from any other change that may have been made at a property. The information is also available only after the change has been made by which time the residents have moved in to the property.

Our Communications Team are working on a welcome pack that will be provided to all new properties when the bins are delivered.

- *Further improvements at Dalton Barracks*

We worked closely with Dalton Barracks near Abingdon to address the contamination issue but they decide in the end to withdraw from the service and have arranged for their own commercial collection.

- *Information on the recycling of detritus, landfill tax and recycling credits*

During this review period street sweepings were transported to Ling Hall, Rugby by OCC where the different materials were separated. These were metals, aggregate, compost like output (CLO's) and rejects. An average 151 tonnes per month were sent there of which 82.10 per cent was recycled. There is now a facility at Ewelme operated by Grundons which carries out this process. Mays recycling rate was 80.7 per cent.

Landfill tax is paid by OCC as the disposal authority.

During the financial year 2014/15 South received a total of £988,905 in recycling credits and Vale received £800,692. These are based on a price per tonne.

- *Arrange for councillors to see a demonstration of the new technology*

A demonstration was arranged to see the cameras installed on the collection vehicles.

COMMENTS AND COMPLAINTS

43. The council received thirteen official stage one complaints during this review period relating to the waste service, of these six were for missed garden waste bins, two missed recycling/refuse collection, four general complaints about the service provided by Biffa, and one complaint about glass being left on the road after collection.
44. During this review period Biffa and the council received 33 compliments from residents relating to the waste service such as:
- thanking collections teams for the *'fantastic work in carrying out their duties in Cotman Close. They have turned around their customer care and bring all bins back to our houses for which I am truly appreciative. Thanks again'*
 - driver saw resident struggling with the bins and got out of the vehicle to help, collected the bin and returned it to her property.
 - email to thank Biffa for efficient bulky waste service - who were "friendly, thoughtful, courteous and good ambassadors for you"
 - praising and thanking the street sweeper, Alan for taking pride in his job and working very hard "he goes over and above his duties when working".

CONTRACTORS FEEDBACK

45. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to council processes. This is included in Annex D.

FINANCIAL IMPLICATIONS

46. There are no financial implications arising from this report.

LEGAL IMPLICATIONS

47. There are no legal implications arising from this report.

CONCLUSION

In 2014 we continued to see the service improve with very few complaints from residents when you consider the number of collections that are made throughout the year. We achieved first and third in the official recycling league table. Vale was ranked first nationally for the amount of residual waste produced per household and the service continues to be well regarded by residents. Scott Newman joined as Business Manager for our contract in December, the transition went well and we look forward to building on our already good working relationship with Scott and his team.

There are still some areas for improvement and therefore the head of corporate strategy has assessed Biffa's performance as good for its delivery of the household waste collection, street cleansing and ancillary services contract. The committee is

asked to make any comments to the Cabinet Members with responsibility for waste to enable them to make a final assessment on performance.

BACKGROUND PAPERS

48. None

Annex A – Key performance targets

KPT ref	Description of KPT	Target	Performance	Individual KPT rating (excellent, good, fair, weak or poor)	KPT rating score (excellent = 5, good = 4, fair = 3, weak = 2, poor = 1)
KPT 1	missed collections	No more than 40 missed collection per 100,000 collections	32 per 1,000,000 collections	fair	3
KPT 2	rectification of missed collections	100 per cent rectified within 24 hours of contractor being informed	Data not available	N/A	N/A
KPT 3	percentage of household waste sent for re-use, recycling and composting	V - 49.1% S - 52.9%	Vale 65.81% South 66.92% Combined 66.41%	excellent	5
KPT 4	improved street and environmental cleanliness – levels of litter and detritus	4% litter 7% detritus	3% 11%	good	4
Overall “average” KPT performance rating score (arithmetic average) refers to point 23 in the report					4.0
Overall “average” KPT performance (excellent, good, fair, weak or poor)					Good

Annex B – Customer satisfaction

In total 2211 residents across both councils responded to questions about the waste contract. Not every respondent answer all the questions.

Q. How satisfied are you, with the waste and recycling collection service?

Rating	Number of residents	Score equivalent	Total
Very satisfied	572	X 5	2860
Fairly satisfied	1392	X 4	5568
Neither satisfied or dissatisfied	82	X3	246
Not very satisfied	120	X 2	240
Not at all satisfied	39	X 1	39
Total	2205		8953

Waste and recycling collection service - resident satisfaction calculation: $8953 \div 2205 = 4.06$

The following is a guide to the assessment of Biffa on customer satisfaction for the waste collection service:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

Q. How satisfied are you with the standard of cleanliness of the streets and pavements in the village or town where you live?

Rating	Number of residents	Score equivalent	Total
Very satisfied	290	X 5	1450
Fairly satisfied	1434	X 4	5736
Neither satisfied or dissatisfied	165	X 3	495
Not very satisfied	227	X 2	454
Not at all satisfied	74	X 1	74
Total	2190		8209

Standard of cleanliness - resident satisfaction calculation: $8209 \div 2190 = 3.74$

The following is a guide to the assessment of Biffa on customer satisfaction for the standard of cleanliness of the streets and pavements:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

The combined overall customer satisfaction rating for the waste and recycling collection service and standard of cleanliness is calculated as follows:

Residents total scores ÷ number of residents

$$(8953 + 8209) \div (2205 + 2190) = 3.90 \text{ (refers to point 31 in the report)}$$

Annex C - Council satisfaction

This assessment allows the council (as a client) to record its own satisfaction with aspects of a contractor's performance which lie outside Key Performance Targets and customer satisfaction. Each officer with direct knowledge and who frequently interacts with the contractor should complete this form. Some questions can be left blank if the officer does not have direct knowledge of that particular question.

The numbers indicated in the following table are the total number of responses received for each question

Contractor	Biffa Municipal Limited			
From (date)	1 January 2014	To	31 December 2014	

SERVICE DELIVERY

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
1 Understanding of the client's needs	1	3			
2 Response time	2	1	1		
3 Delivers to time	2	1	1		
4 Delivers to budget	2	1			
5 Efficiency of invoicing	2	1			
6 Approach to health & safety	2	2			

COMMUNICATIONS AND RELATIONS

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
9 Easy to deal with	3	2			
10 Communications / keeping the client informed	1	3	1		
11 Quality of written documentation	1	3	1		
12 Compliance with council's corporate identity		3	2		
13 Listening	2	3			
14 Quality of relationship	2	3			

IMPROVEMENT AND INNOVATION

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
15 Offers suggestions beyond the scope of work		4			
16 Degree of innovation	1	2			
17 Goes the extra mile	2	1	1		
18 Supports the council's sustainability objectives	1	2	1		
19 Supports the council's equality objectives	3	1			
20 Degree of partnership working	3	1			

The following table is a summary of council satisfaction based on the completed questionnaires

Rating	Votes	Score equivalent	Total
very satisfied	30	X 5	150
satisfied	37	X 4	148
neither satisfied or dissatisfied	8	X 3	24
dissatisfied	0	X 2	0
very dissatisfied	0	X 1	0
Total	75		322

The overall council satisfaction is calculated as follows: $322 \div 75 = 4.29$ (refers to point 353 in the report)

STRENGTHS AND AREAS FOR IMPROVEMENT

Strengths

Providing additional administrative support to the council when staff have been off sick. This has been on occasions, at short notice
Biffa are keen to resolve issues as swiftly as possible
They are very receptive to suggestions about improvements to the service and work with us to implement them
They are great at delivering a waste collection service
They are keen to work in partnership and have a good working relationship with the council
Good customer satisfaction
Willing to help with additional work such as flooding, snow and ice
The collections run very smoothly, we are first nationally for the lowest residual waste per property and first and third for our recycling rate

Areas for improvement

Response times could be improved on providing requested information
Delivery times for bins can be slow – proactive planning for peak times would be helpful
Back office procedures needed to ensure a clear audit trail of actions taken to ensure work is completed
More attention to detail needed
Responding to questions in a consistent way and in accordance with the council policies
Better use of the IT available in the waste industry

Annex D - Contractor 360° feedback

CONTRACTOR'S REACTION / FEEDBACK ON COUNCIL'S ASSESSMENT

Considering the recent staff changes to the management team at the contract as well as at the call centre this is a very encouraging report. Whilst most contractors would consider it satisfactory to be considered 'Fair to Good' it is not good enough for this contract moving into the extension period and the local team will be striving to improve this over the next year. There has been a marked improvement in the reaction times at the depot and they are now working much more closely with both the contract management team and the call centre to get matters resolved faster and satisfactorily.

Due to a procedural oversight we cannot supply details of the missed bins as detailed in KPT2 but this has now been resolved and we will be able to report on this in much greater detail next year. It should be noted that this does not mean that we have not completed the work in the allotted time, just that we cannot prove it, however the distinct lack of complaints does indicate that this is the case.

With the new management team comes greater experience in street cleansing and this is shown in the recent NI195 scores.

As we move towards the end of the primary term of the joint contract Biffa are still working with the local team to bring in improvements and are currently arranging to have cages fitted to the vehicles to allow for the collection of WEEE and textiles from the kerbside later in the year.

The other point we will be working on this year is the Council Satisfaction score. It is disappointing that some members of the team that we work with every day are neither satisfied nor dissatisfied with the services we supply and we have to make sure that we improve on this.

ANY AREAS WHERE CONTRACTOR DISAGREES WITH ASSESSMENT

Biffa feel that this is a fair assessment of the contract performance for the year 2014.

WHAT COULD / SHOULD THE COUNCIL DO DIFFERENTLY TO ENABLE THE CONTRACTOR TO DELIVER THE SERVICE MORE EFFICIENTLY / EFFECTIVELY / ECONOMICALLY?

N/A

Feedback provided by

Date