

Joint Scrutiny Committee Report

Report of Head of Housing and Environment

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To: JOINT SCRUTINY COMMITTEE

DATE: 10 September 2019

Performance review of Biffa Municipal Plc - 2018

RECOMMENDATION

That scrutiny committee considers Biffa Municipal Plc (Biffa) performance in delivering the household waste collection, street cleansing and ancillary services contract for the period 1 January 2018 to 31 December 2018 and makes any comments before a final assessment on performance is made.

PURPOSE OF REPORT

1. To ask scrutiny committee for its views on the performance of Biffa in providing the household waste collection, street cleansing and ancillary services in South Oxfordshire and Vale of White Horse for the period 1 January 2018 to 31 December 2018.

STRATEGIC OBJECTIVES

2. The service contributes to Vale's strategic objective of running an efficient council and continue to improve our environment and South's objective of delivering services that reflect residents needs and build thriving communities by making communities clean and safe.

BACKGROUND

3. Managing contractor performance is essential for delivering the councils' objectives and targets. Since a high proportion of the councils' services are outsourced, the
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councils 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 councils' 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. A summary of officer's assessment in 2018 for each dimension, the overall assessment and a comparison against 2017 can be seen in the following table:

	<i>2017</i>	<i>2018</i>
Key Performance Target	Fair	Fair
Customer satisfaction	Good	Good
Council satisfaction	Fair	Fair
Overall officer assessment	Fair	Fair

9. 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 due to end in June 2024.
10. The current value of the contract, as a fixed annual charge is £10,166,728 per annum of which the Vale of White Horse proportion is £4,806,093 per annum and South Oxfordshire is £5,360,635 per annum.
11. 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 clear sacks, collecting textiles from bags placed next to the recycling bin, collecting batteries placed in a clear bag on top of the recycling bin
 - fortnightly collection of household residual waste from 180 litre wheeled bins or pink sacks this is collected on the alternate week to recycling, collection of small electrical items in bags placed next to the residual bin
 - emptying bulk bins for refuse, recycling and food waste bins provided for flats and communal properties
 - fortnightly collection of household garden waste to residents who have opted into this charged for service. In January 2018, there were 49,463 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
 - removal of fly-tipping.

DIMENSION 1 – KEY PERFORMANCE TARGETS (KPT)

12. 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 current KPT for this contract are:
- KPT 1 - missed collections – number of missed collections per 100,000 collections.
Target - no more than 40
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- KPT 2 - rectification of missed collections – percentage of reported missed household collections rectified within 48 hours of the scheduled collection day. **Target - 100 per cent**
- KPT 3 - NI 192 - percentage of household waste sent for re-use, recycling and composting. Although it was agreed that KPT 3 would be removed from the contract as the promotion's role has been transferred to the council and Biffa can no longer directly influence this, it is still a key outcome from the contract and performance is driven in part by the proficiency of the collection service. **Performance is measured against the official England waste from recycling rate. For 2017 this was 45.2 per cent.**
- 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 has continued to use these as a measure of the contractor's performance.

- KPT 5 – Incomplete rounds – the number of properties affected as a result of incomplete rounds. **Target – fewer than 1,000 per month**
- KPT 6 – Call centre – average time residents spend on hold before the call is answered. **Target – 35 seconds.**
- KPT 7 – Deliveries – New properties, Percentage of bins delivered within ten working days of the request being logged. **Target – 85 per cent**
- KPT 8 – Deliveries – Replacement bins, Percentage of bins delivered within ten working days of the request being logged. **Target – 85 per cent**
- KPT 9 – Fly tipping – percentage of fly tips cleared from high intensity areas within 12 working hours of a report received. **Target – 90 per cent**
- KPT 10 – Fly tipping – Percentage of fly tips under three cubic metres, not in high intensity areas cleared within 24 hours of a report being received. **Target – 90 per cent**

KPT 1 – Missed Collections

13. Performance is calculated as the number of reported missed collections per 100,000 collections for the period 1 January 2018 to 31 December 2018.

14. During this review period the average number of missed collections across the two districts was 102 per 100,000 collections. In 2017 the number was 110 per 100,000. A combined total of 14,046 collections were logged as missed throughout the review period across the two districts, this is out of a total of 13,709,207 potential collections (each bin type is recorded as a separate collection) and equates to 99.9 per cent of bins being collected on time. The number of missed bins has fallen slightly during the review period. The overall rating for this KPT is "Poor".

15. One likely cause of the performance target not being met in 2018 is because of the change to the method of collection following replacement of Biffa's collection fleet in October 2017. The new fleet included the introduction of separate dedicated vehicles for food waste – the original fleet collected food on a separate compartment in the same vehicle.
16. The failure to meet this KPT in part highlights the vital role that local knowledge can play in effective service delivery. As a separate vehicle now collects the food waste, a second driver and crew need to know the rounds – this is particularly challenging in more rural areas and failures can occur where new staff are learning the round and local geography.
17. Following the previous scrutiny report, a contract action plan was agreed with Biffa to address the performance issues that were highlighted in 2017. All crews now have access to an electronic device in their cab (PDA) which includes details of all roads they need to collect from and allows crews to actively report back issues with individual collections – for example to highlight where a bin was not out for collection at the time the crew attended; issues with contamination of recycling bins and where there are access problems preventing a collection being made.
18. Uptake and usage of the new system by the crews has been below the level the council anticipated reflecting the challenge Biffa's supervisors have in driving change within the workforce and persuading operational staff of the wider benefits of what may seem like an additional and unnecessary administrative process. The council's waste technical team continues to support Biffa by providing detailed information of new properties coming online.
19. Looking forward from the end of the review period, the average number of missed bins in the first six months of 2019 was 83 per 100,000 which is an improvement in performance but still exceeding the target of 40 per 100,000.

KPT 2 – Rectification of missed collections

20. This measure is the percentage of reported missed collections rectified within 48 hours of the scheduled collection day. The target is 100 per cent. During this review period out of the 14,046 reported missed bins 84 per cent were rectified within the 48-hour target, compared to last year's figure of 97 per cent.
21. This results in a "Poor" rating for this review period, currently in 2019 the target of 100 per cent is being achieved.

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

22. Table one below shows that the combined performance of both councils for KPT 3 was 62.90 per cent an increase on last year's figure of 62.79 per cent, for information the previous five years' figures are also shown. The individual NI192 scores for this review period are Vale 62.66 per cent and South 63.12 per cent.
 23. The figures show an increase of 1,266 tonnes of total recycling collected in 2018, compared to the previous year. This included an increase in the amount of dry recycling and food waste collected but a reduction in the garden waste tonnage.
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There was an increase in refuse collected which can be explained by the number of new households which became occupied during the year.

24. Although KPT 3 does not have a formal target, since the promotion's element of the contract was brought back into the councils in 2016, it continues to be measured. Performance is measured against the official England waste from households recycling rate which for 2017 was 45.2 per cent. This is the official recycling measure which is used as the basis for reporting at UK level against the waste Framework Directive which sets a target for recycling of 55 per cent by 2025. Performance in this area is high, the overall rating for this KPT is "Excellent"

Table One

NI 192 Performance

	Dry recycling (tonnes)	Food waste (tonnes)	Garden waste (tonnes)	Total recycling (tonnes)	Refuse to ERF & Landfill (tonnes)	Total recycling plus refuse (tonnes)	NI192
1 January – 31 December 2013	31,758	9,921	14,890	56,569	31,070	87,639	64.54%
1 January – 31 December 2014	32,404	9,770	18,806	60,980	30,835	91,815	66.41%
1 January – 31 December 2015	32,265	9,455	18,637	60,357	31,056	91,413	66.03%
1 January – 31 December 2016	28,948	9,942	19,888	58,778	34,045	92,823	63.32%
1 January – 31 December 2017	26,854	9,972	20,896	57,722	34,206	91,928	62.79%
1 January – 31 December 2018	28,052	11,015	19,921	58,988	34,781	93,768	62.90%

KPT 4 – National Indicator (NI) 195 Improved street and environmental cleanliness – levels of litter and detritus

25. 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.

26. The councils are no longer required to report nationally on NI 195, however for consistency contract performance for street cleanliness continues to be monitored using the methodology. The inspections are carried out by an independent company specialising in this type of work who assesses the levels of litter and detritus using Defra's Code of Practice on Litter and Refuse.

27. The combined scores achieved in this review period were 4 per cent for litter and 17 per cent for detritus. The litter score has dropped from 2 per cent but still meets the target. Detritus scores have fallen from 11 per cent in 2017. The overall rating for this KPT is "fair".

28. Following the last scrutiny report, Biffa's utilisation of mechanical road sweepers has increased, and much greater tonnages of street cleaning residues are delivered each month however the NI195 surveys are still finding areas that are below standard on the day of inspection.

KPT 5 – Incomplete rounds – the number of properties affected as a result of incomplete rounds

29. This KPT was introduced in 2017 to quantify the impacts of reliability issues with Biffa's fleet which caused collection rounds to be incomplete on the correct day. These were not measured as part of the missed collection KPT.

30. The target for this KPT is fewer than 1,000 per month. The average number of properties affected by incomplete rounds in this review period was 1,289 per month. This compares to 18,353 per month in 2017.

31. In 2018, the incomplete rounds occurred in June and July only, there were no incomplete rounds in the other ten months. The main contributing factor was the extreme weather conditions, temperatures during these two months were above 30 degrees Celsius on many occasions. The heat affected the overall productivity for the collection operation, contributed to some vehicle breakdowns and put pressure on recruitment and retention of staff.

32. It should be noted that Biffa's staff worked hard in some very difficult conditions. Biffa were supported by the councils who authorised crews to start collections at 6am on days where extreme heat was forecast to allow the work to be completed earlier for the wellbeing of the crews. The overall assessment against this KPT is "Weak".

KPT 6 – Call centre – average time residents spend on hold before the call is answered

33. The average time residents spent on hold before their call was answered is measured and reported monthly.
34. During this review period the average time residents spent on hold was 54 seconds. This is in excess of the target and the overall rating for this KPT is “Poor” although performance has improved compared to the figure of 74 seconds in 2017.
35. The highest call volumes and wait times were experienced in January to July. This coincided with the period where bin deliveries were regularly made late and this had a knock-on impact to this KPT as customers called to chase delivery. The average hold time from August to December varied between nine and 15 seconds – significantly exceeding the target of 35 seconds. This improvement has continued with an average pick up time so far in 2019 of 17 seconds.

KPT 7 – Deliveries – New properties, Percentage of bins delivered within ten working days of the request being logged

36. The percentage of bins delivered to new properties within ten working days of the request being logged is measured and reported monthly.
37. During this review period 5,018 out of a total of 9,303 bins were delivered within ten working days this equates to 54 per cent compared to 47 per cent in the previous year. The number of orders for bins are very high due to the amount of new housing in both districts. The overall assessment against this KPT is “Poor”.
38. Following the poor performance against this KPT during 2017, Biffa introduced a second delivery driver and vehicle. They also made significant changes to the process/system to manage bin deliveries and stock. Each bin delivery is now allocated to a driver through an in-cab computer system. The system automatically schedules delivery routes and reduces administration. Because of the backlog of deliveries, performance did not meet the KPT for the first eight months of the year. Once the backlog was cleared, bin delivery performance from September to December was 99.6 per cent, this trend continues, for the first six months of 2019 99.5 per cent of bins have been delivered on time.
39. Given the much-improved system Biffa now use, officers expect this KPT to be exceeded in future years.

KPT 8 – Deliveries – Replacement bins, Percentage of bins delivered within ten working days of the request being logged

40. The percentage of replacement bins delivered within ten working days of the request being logged is measured and reported monthly.
 41. During this review period 6,378 out of a total of 11,329 replacement bins were delivered within ten working days this equates to 56 per cent compared to 48 per cent in the previous year. The overall assessment against this KPT is “Poor”.
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42. The same system change as described in KPT 7 is now in place and there were significant improvement in the KPT from September to December with 100 per cent being delivered within time. For the first six months of 2019 98.5 per cent of bins have been delivered within time.

KPT 9 – Fly tipping - percentage of fly tips cleared from high intensity areas within 12 working hours of a report being received

43. 100 per cent of fly-tips were cleared in high intensity areas within 12 hours of a report being received during this review period. There were 219 fly-tips in high intensity areas, there are some occasions when the time being measured is paused for a short period to allow our envirocrime time to investigate a fly tip to obtain evidence. Once any evidence is collected we instruct Biffa to proceed with the clearance.

44. The overall assessment against this KPT is “excellent”.

KPT 10 – Fly tipping - Percentage of fly tips under three cubic metres, not in high intensity areas cleared within 24 hours of a report being received

45. 99.75 per cent of fly-tips outside high intensity areas were cleared within 24 hours of a report received during this review period. There were 953 fly-tips within this review period, there are some occasions when the time being measured is paused for a short period to allow our envirocrime time to investigate a fly tip to obtain evidence. Once any evidence is collected we instruct Biffa to proceed with the clearance

46. The overall assessment against this KPT is “excellent”.

Average rating score – KPT 1 – 10

47. Based on Biffa’s performance an overall KPT performance rating score of 2.6 has been achieved, the previous satisfaction rating score was also 2.6. An analysis of performance against the KPTs can be found in Annex A.

48. 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

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

KPT judgement

Previous KPT judgement for comparison

DIMENSION 2 – CUSTOMER SATISFACTION

50. Customer satisfaction for this report has been measured by the results of the most recent residents survey carried out in December 2017. Please note the residents survey is completed every two years and thus the figures here are the same as the 2017 scrutiny report.

51. M-E-L Research was commissioned to undertake a door stepping survey. In total 1,100 responses were received in each district.

52. 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.

53. In terms of satisfaction with the waste and recycling collection service 85 per cent of South residents and 83 per cent of Vale residents are either satisfied or very satisfied. A decrease of four percentage points in Vale and two percentage point in South since the previous survey in 2015.

54. In terms of satisfaction with street cleansing 72 per cent of Vale residents are either satisfied or very satisfied with the cleanliness of the streets and pavements in their local area. This is an increase of two percentage point from the 2015 survey. In South 77 per cent said they were either satisfied or very satisfied, a decrease of four percentage points.

55. Based on Biffa's performance a combined overall customer satisfaction rating score of 3.89 has been achieved, the previous satisfaction rating score in 2015 was 3.88. An analysis of customer satisfaction can be found in Annex B.

56. 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

57. Taking into account that 84 per cent of residents are satisfied or very satisfied with the waste collection service, the relatively small number of complaints received and that the combined overall satisfaction rating score is only 0.01 point away from a good rating the head of service has made a judgement on customer satisfaction as follows:

Overall assessment

Previous customer satisfaction judgement for comparison

DIMENSION 3 – COUNCIL SATISFACTION

58. 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, services manager, team leaders, recycling officers, technical monitoring officers, enforcement officer and business support team. In total nine questionnaires were sent out and returned.
59. The major service issues relating to the ageing fleet from 2017 were addressed and collections have become more reliable. Biffa’s management introduced new systems and a contract action plan, take-up and full usage of the new systems has been sporadic and needs improvement.
60. Operationally, key relationships with supervisors and depot managers has worked well, Biffa had struggled to recruit a permanent and experienced business manager to oversee and drive up performance. Pockets of persistent and ongoing repeat failures has resulted in seven formal remediation notices being issued and subsequently, four default notices issued. A default notice incurs a financial deduction from the Biffa’s invoice.
61. A revised process for the call centre to highlight persistent issues has been a welcome procedural process. Further improvement to the flow of information between the call centre and depot is needed to ensure notes are added to worksheets in a timely manner.
62. Based on Biffa’s performance an overall council satisfaction rating score of 3.85 has been achieved. Last year’s overall rating score was 3.50. Whilst there has been an improvement in the rating score it is not enough to move it into the “Good” classification. An analysis of council satisfaction can be found in Annex C.
63. 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

64. The head of service has made a judgement on council satisfaction as follows:

Council satisfaction judgement

Previous council satisfaction judgement for comparison

OVERALL ASSESSMENT

65. Other areas of note within this review period are:

- South confirmed by DEFRA as the third highest recycling authority for 2017/18 with a rate of 63 per cent
- Vale confirmed by DEFRA as the fifth highest recycling authority for 2017/18 with a rate of 62.36 per cent. There had been an error with the original published figures which DEFRA have acknowledged
- driver recruitment and retention within the waste sector is a nationally recognised challenge
- whilst the contract is delivered in partnership with Biffa, the councils have taken enforcement action for ongoing problems and complaints, seven formal remediation notices were served in 2018. Four of these resulted in the issuance of a default notice and the deduction of associated sums from the contractor's invoice
- KPT 1, KPT 2 and KPT 4 have bonus payments linked to them. The low performance against these targets in 2018 resulted in a sum of £93,277 being deducted from Biffa's invoices.

66. Considering the performance of the contractor against KPT, customer satisfaction, council satisfaction and the other areas of note above the head of service has made an overall assessment as follows:

Overall assessment

fair

Previous overall assessment for comparison

fair

STRENGTHS AND AREAS FOR IMPROVEMENT

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

68. Areas for improvement identified in last year's reviews and actions taken are as follows:

- *Getting on top of ongoing problems and resolving within a faster timeframe. Better customer feedback when dealing directly with residents.*

The number of ongoing issues that take too long to resolve have reduced but there are still some examples where Biffa struggle to resolve a problem on the first occasion.

- *Collect all materials that the council provides for– electricals, textiles, batteries. Better monitoring of crews who do not collect.*

Whilst the number of missed bins exceeded the target in the review period the majority of these related to food caddies, there was a significant reduction in the

number of reports of missed collections relating to electricals, textiles, batteries. An officer mystery shopper exercise carried out during the review period confirmed collections were taking place correctly.

- *Better communication at depot level*

There is good communication between supervisors and the council but there needs to be further improvement between the call centre and depot to ensure both parties have the most up to date information relating to a particular issue.

- *It would be better if Biffa were more positive in initiatives to help recycling rates e.g. fitting WEEE/textile cages onto vehicles, stickering bins etc.*

Cages have been fitted to all vehicles.

- *Street cleaning section of contract – this needs to be treated as equally as important as the collections part of the contract.*

As mentioned earlier Biffa's utilisation of mechanical road sweepers has increased during this review period with much greater tonnages of street cleaning residues being recorded.

- *Bin container stock levels and deliveries*

The new systems implemented by Biffa have resolved this and as mentioned earlier deliveries are nearly at 100 per cent in 2019.

- *Reduce risks of reliance on individual's operational knowledge and experience*

With the introduction of PDA's for each of the vehicles it has enabled additional information to be available to the crews when they are making collections. However, this still doesn't replace the operational knowledge of individual crew member but the reliance on this is not as significant as it used to be.

- *Lock out/roundsheet/PDA completion – e.g. garden waste lock-out sheets are often not completed correctly.*

Some crews are more proactively using the PDA's than others and Biffa are aware that they need to get the crews to use the system to its full potential. This may require disciplinary action on individuals if they are found not to be using it as instructed.

COMMENTS AND COMPLAINTS

69. The councils received six formal stage one complaints relating to Biffa's performance during this review period compared to 17 last year. Of these, four were due to persistent missed collections, one related to operational processes not being followed and one related to a late bin delivery.

70. During this review period Biffa and the councils received a number of compliments from residents relating to the waste service such as:

- *Just wanted to say a huge thank you and shout out to our bin men. They say hello to us every Friday and take time out their day to greet my kids and talk to them about the collection vehicle*
- *I am now writing directly to you to ask that you pass our appreciation for this work onto the Vale. Several parts of our estates have been improved considerably with the hard work done by the team from Biffa. They worked very hard in extremely hot temperatures.*
- *Hip-hip hooray to the lovely food waste bin man who was so cheerful and friendly this morning (Sonning Common). Sorry, no idea on his name, but was so refreshing to have someone so polite and friendly at 7:30am.*
- *Thank you for the massive improvement - our pavements are no longer being blocked after bin collections and it has made a huge difference.*

CONTRACTORS FEEDBACK

71. A key feature of the process for reviewing the performance of contractors is that the councils 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

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

LEGAL IMPLICATIONS

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

CONCLUSION

74. The operational problems experienced in 2017 caused by the ageing fleet continued to impact on the first six months of this review period resulting in the end of year KPT being lower than we would expect from one of our contractors. While there was an improvement in eight out of ten KPT, compared to the previous review, it was not enough to change the overall classification.

75. There is a significant improvement in the first six months of 2019. With the exception of the missed bins and the levels of detritus all targets are being met or exceeded. Officers are working with Biffa to understand why these two KPT continue to be a problem and what action Biffa are going to implement to resolve them.

76. The head of service has assessed Biffa's performance as "Fair" for its delivery of the household waste collection, street cleansing and ancillary services contract for 2018. 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 by way of an Individual Cabinet Member decision.

77. If the committee does not agree with the head of service's assessment, then this report will be referred to Cabinet for further discussion and a final assessment of Biffa's performance.

BACKGROUND PAPERS

78. 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	102 per 100,000 collections	poor	1
KPT 2	rectification of missed collections	100 per cent rectified within 48 hours of the scheduled collection day	84%	weak	2
KPT 3	percentage of household waste sent for re-use, recycling and composting	Performance is measured against the official England waste from households recycling rate which for 2017 was 45.2 per cent	Combined 62.9% Vale 62.66% South 63.12%	excellent	5
KPT 4	improved street and environmental cleanliness – levels of litter and detritus	4% litter 7% detritus	4% 17%	fair	3

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 5	incomplete rounds – the number of properties affected as a result of incomplete rounds	fewer than 1,000 per month	1,289	weak	2
KPT 6	call centre – average time residents spend on hold before the call is answered	35 seconds	54 seconds	poor	1
KPT 7	deliveries – New properties, Percentage of bins delivered within ten working days of the request being logged	85%	54%	poor	1
KPT 8	deliveries – Replacement bins, Percentage of bins delivered within ten working days of the request being logged	85%	56%	poor	1
KPT 9	fly tipping – percentage of fly tips cleared from high intensity areas within 12 working hours of a report received	90%	100%	excellent	5
KPT 10	fly tipping – Percentage of fly tips under	90%	99.75%	excellent	5

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)
	three cubic metres, not in high intensity areas cleared within 24 hours of a report being received				
Overall "average" KPT performance rating score – KPT 1-10 (arithmetic average) refers to points 47-49 in the report					2.6

Annex B – Customer satisfaction

In total 2,200 residents across both councils responded to questions about the waste contract. Not every respondent answered all the questions.

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

Rating	Number of responses	Score weighting	Total
Very satisfied	554	X 5	2770
Fairly satisfied	1295	X 4	5180
Neither satisfied or dissatisfied	214	X3	642
Not very satisfied	111	X 2	222
Not at all satisfied	26	X 1	26
Total	2200		8840

Waste and recycling collection service - resident satisfaction calculation: $8840 \div 2200 = 4.02$

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 responses	Score weighting	Total
Very satisfied	137	X 5	685
Fairly satisfied	952	X 4	3808
Neither satisfied or dissatisfied	207	X 3	621
Not very satisfied	152	X 2	304
Not at all satisfied	24	X 1	24
Total	1472		5442

Standard of cleanliness - resident satisfaction calculation: $5442 \div 1472 = 3.70$

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

$$(8840 + 5442) \div (2200 + 1472) = 3.89$$

The following is a guide to the assessment of Biffa on overall customer satisfaction for the street cleaning and refuse collection:

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

Taking into account that 84 per cent of residents are satisfied or very satisfied with the waste collection service, the relatively small number of complaints received and that the combined overall satisfaction rating score is only 0.01 point away from a good rating the head of service has made a judgement on customer satisfaction as follows:

Overall assessment **good**

(refer to points 55-57 in the report)

Annex C - Council satisfaction

This assessment allows the councils (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 Plc			
From (date)	1 January 2018	To	31 December 2018	

SERVICE DELIVERY

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
1 Understanding of the client's needs	1	7	1		
2 Response time		7	1	1	
3 Delivers to time		6	3		
4 Delivers to budget	2	3			
5 Efficiency of invoicing	3	2			
6 Approach to health & safety	4	3	1		

COMMUNICATIONS AND RELATIONS

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
9 Easy to deal with	3	5	1		
10 Communications / keeping the client informed		3	3	3	
11 Quality of written documentation		6	1	1	
12 Compliance with councils' corporate identity		5	2		
13 Listening		7	2		
14 Quality of relationship	4	4	1		

IMPROVEMENT AND INNOVATION

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
15 Offers suggestions beyond the scope of work		4	4		
16 Degree of innovation		4	4		
17 Goes the extra mile	1	5	2		
18 Supports the councils' sustainability objectives		4	1	1	
19 Supports the councils' equality objectives	3	1	2		
20 Degree of partnership working		8	1		

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

Rating	Responses	Score equivalent	Total
very satisfied	21	X 5	105
satisfied	84	X 4	336
neither satisfied or dissatisfied	30	X 3	90
dissatisfied	6	X 2	12
very dissatisfied	0	X 1	
Total	141		543

The overall council satisfaction is calculated as follows:

Council total score ÷ number of responses

$$543 \div 141 = 3.85$$

The following is a guide to the assessment of Biffa on overall 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

the head of service has made a judgement on customer satisfaction as follows:

Overall assessment **fair**

(refer to point 62-64 in the report)

STRENGTHS AND AREAS FOR IMPROVEMENT

Strengths

All supervisors and Call centre staff have always been polite and are willing to assist where they can.
Supervisors were willing to help out and offer support where requested.
Good working relationship with supervisors
System change has significantly improved deliveries
Certain supervisor goes beyond role on daily basis
New managers who have energy and are focused on improving the KPIs
Deep clean runs very smoothly
Vast majority of collections made on schedule without issues
New ongoing issues worksheets allow easier identification of repeat problems
The recycling system that we offer – it is far better and easier to use than most LA
Street cleaning during events including Abingdon Fair and Henley Regatta which received positive feedback
Willing to support, OVO women' tour, Regatta, snow days, going the extra mile when we have exceptional circumstances

Areas for improvement

Communication improvement between Client, Call centre and Depot.
Tasks always seemed to be rushed, due to lack of resourcing.
Overall usage and quality of data collected on PDAs
Call centre need to improve their ability to identify repeat complaints and escalate them to the depot soonest. For remedy
Response via email is slow via the depot, clearer response expectations would be helpful.
Some reoccurring issues tend to take a while to resolve and residents become very frustrated.
Crews checking bins for contamination and properly following tag/PDA process
Staff retention to maintain consistency and understanding of the performance levels expected
Resolve the number of missed bins and the impact this has on all aspects of the service
Crews need to return bins to presentation position

Annex D - Contractor 360° feedback

CONTRACTOR'S REACTION / FEEDBACK ON COUNCIL'S ASSESSMENT

We have tremendous pride in the services we have provided in South Oxfordshire and the Vale of White Horse since the contract started in 2009; as well as the excellent relationship we have developed with the councils and the excellent profile we have developed for the contract in that time, in partnership.

However, as outlined at last year's scrutiny meeting, we are less proud of the fact that 2017 service levels tested that relationship. We are pleased to report that 2018 showed a significant improvement across the contract's KPI suite; and we commit to returning to previous standards and maintaining them before the end of this calendar year. Unfortunately, due to many improvements taking effect in the autumn of 2018, impact upon the statistics is minimal.

Notable areas of improvement include:

- Time taken to answer calls at our call centre;
- Replacement bin deliveries;
- Bin deliveries to new properties;
- Incomplete rounds;
- Missed bin rectification;

Please note that 2019 to date is substantially better than 2018, demonstrating the improvements made in autumn 2018 are sustainable. Therefore we expect to achieve much higher performance this year

The teething problems with the new fleet are now consigned to history and residents have become familiar with the fact that, whilst collections for food waste and waste/recycling wheeled bins are on the same day, they are unlikely to be at the same time.

Our improvement focus is now channelled on:

1. Reducing missed bins; and
2. Improving cleansing standards, specifically detritus levels;

The former is completely self-fulfilling because, as a commercial organisation, we strive for the lowest service cost; and that is achieved by achieving 100% right first time collections. Whilst that is not practical over a sustained period, it is always our aim. To succeed in this area, we need to focus on improving crews' PDA usage and missed bin performance levels of the food waste crews.

For street cleansing, we are pursuing the opportunity of reinvesting the £30k per year we spend on external street cleanliness surveys into the operation to improve the service outputs. This relies on Biffa coming up with a transparent and reliable self-monitoring

process, using the on-board technology we have introduced in phases over the last couple of years.

Our Interim Business Manager continued in this role for longer than anticipated due to the continued challenging employment market for this role and it was only in July 2019 that we recruited a Senior Business Manager to take on this prestigious role and develop the Contract to reach the standards and high levels of service we expect. Francis Drew has worked in the waste industry for 12 years, and is currently relocating to the area, demonstrating a long term commitment to the contract.

Our regional general manager, Brian Ashby, left Biffa in September 2018 and was replaced on this contract by Debbie Dooan with effect from March 2019, when she joined Biffa. Debbie has nearly 30 years waste industry experience, a large proportion of which has been at senior management levels, and will be working with Francis closely to ensure that the service standards reach and exceed, where ever possible, the contractual KPTs.

The rest of this document shows how we are improving and will continue to improve performance against the contract's KPTs.

KPT 1 – Missed Collections

Whilst we are disappointed that we have missed the KPT during the year, 2018 has seen a slight improvement in missed bins, representing a 99.9 per cent right first time result. It is important to note that the WEEE and textile collections are not included within the calculations.

Biffa is continuing to work hard to achieve further improvements in the future and we hope the members take comfort in the self-fulfilling commercial driver described above.

Many of the operational challenges continue to be created by increasing difficulty of attracting staff, and increased staff turnover. We are now trialling alternative recruitment methods in order to overcome this in future.

Due to the challenges faced within the recruitment market, our in cab solution is not always used to its full advantage which has an impact on the recording of non-presented bins, which drive the information used within our call centre when receiving calls from residents. During the current year, improvements to how this technology is used to its full advantage is high on the action plan.

KPT 2 – Rectification of missed collections

Rectification of missed bins was poor, particularly in June & July, driven by staff shortages related to England's prolonged participation in the football world cup; and extreme high weather temperatures, adversely affecting productivity and round completion.

2019 has already seen improvements in this area, brought about by the initial success of the recruitment activity outlined above.

The re-route we are planning will also have a positive impact on this, as it will create greater accountability of crews to deal with their own missed collections.

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

The target was removed from the Contract however we are as committed as ever to working with the Councils to maintain their presence at the top of the official England Waste charts.

The continued trend across the Country continues with dry recycling materials such as paper and glass reducing. Garden waste was below the previous year and this will have been caused by the extremely high temperatures experienced during the summer months. Food waste however has increased.

KPT 4 – National Indicator (NI) 195 Improved street and environmental cleanliness – levels of litter and detritus

Biffa consistently meets the litter standard, but has missed the detritus target. There is an acceptance that the detritus standard provided is satisfactory but the target ambitious.

In addition to this, we believe there would be value in all Oxfordshire authorities measuring the street cleansing performance in the same way. Currently South & Vale, despite using a former National indicator method, is different from the rest of the county. We commit to working with the councils towards county consistency.

KPT 5 – Incomplete rounds – the number of properties affected as a result of incomplete rounds

In 2018 Biffa committed to overcome the deployment issues experienced in the summer of 2017. As such, there has been a significant improvement in this KPT through the year so far, however Biffa accepts there are still further improvements to make.

KPT 6 – Call centre – average time residents spend on hold before the call is answered

Although still above target, 2018 saw a 50% drop in average hold time. This was driven by process changes within the call centre. Areas of poor performance were driven by operational issues (under deployment and therefore an increased number of calls). This KPT improvement has continued into 2019 and we expect to be under target for the year.

KPT 7 & 8 Bin Delivery

Delivery of bins during summer 2018 was disrupted by issues around lead time, mismanaged container ordering & stock control, which led to a deterioration in the service, despite investing in additional delivery capacity and thoroughly revising the bin delivery process. This performance is disappointing.

However, the process control is now much improved and as a result 2019 has seen a significant improvement in performance.

KPT 9 & 10– Fly tipping - percentage of fly tips cleared from high intensity areas within 12 working hours of a report received

Administration streamlining during 2018 has helped achieve an excellent result for fly tip clearance, which we expect to maintain.

The national trend for increasing fly tips continues. We have reacted to this increase in a positive manner, building on a robust procedure.

Summary

2018 was a difficult period, with many improvements masked by operational challenges which limited their impact. Many of these have been around staff recruitment and retention not only for the collection teams but also within the management structure. We have now started to address this and we are already seeing improvements to the service provision; and the latest KPTs reflect the planned changes coming into fruition. We look forward to continuing this trend throughout 2019.

During 2019, there have been minor changes to rounds to address some imbalances, which settled rapidly, providing less cross over of certain collection schedules. However, we will be working with officers during the next few months to bring about further changes to improve the structure of the collection rounds which will overcome the current imbalance due to the substantial property growth in recent years.

Following a review of the report, the depot and call centre will work on a joint improvement plan to provide a more fluid sharing of information in order to provide a higher quality service to the resident. This will include identifying repeat complaints and escalating them for attention. In addition, Biffa is currently reviewing the crew PDA usage in conjunction with missed bin data & other performance criteria in order to raise the standard.

Biffa are currently recruiting for a Supervisor / Performance, Quality and Improvement Manager demonstrating an investment into the contract. Ideally this post will remove some of the administrative functions from the Operational Supervisors and allow them to dedicate more time to delivering the service.

Although 2018 represents an improvement in the overall score, we commit to providing further and sustained improvements for 2019.

ANY AREAS WHERE CONTRACTOR DISAGREES WITH ASSESSMENT

No Feedback provided

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

No Feedback provided

Feedback provided by Francis Drew

Date 20/08/2019
