

Joint Scrutiny Committee Report

Report of Head of Housing and Environment

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To: JOINT SCRUTINY COMMITTEE

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Performance review of Biffa Municipal Limited - 2017

RECOMMENDATION

That scrutiny 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 2017 to 31 December 2017 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 the Vale of White Horse for the period 1 January 2017 to 31 December 2017.

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 for 2017 for each dimension, the overall assessment and a comparison against 2016 can be seen in the following table:

	<i>2016</i>	<i>2017</i>
Key Performance Target	Fair	Fair
Customer satisfaction	Good	Good
Council satisfaction	Good	Fair
Overall officer assessment	Good	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 now due to end in June 2024.
10. The current value of the contract, as a fixed annual charge is £9,758,559 per annum of which the Vale of White Horse proportion is £4,541,148 per annum and South Oxfordshire is £5,217,408 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 green sacks, collecting textiles from bags placed next to 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
 - fortnightly collection of batteries, small electrical items and textiles
 - 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. As of January 2018, there were 49,345 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. KPTs are included in the Biffa contract to provide a benchmark against which performance can be measured. The KPTs 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 KPTs for this contract are:
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- 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 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 promotions 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. No contractual target was formally set for 2017
- 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.

13. An additional 6 KPT's were agreed at the 2017 board meeting and came into force from January 2017, these are presented for the first time in this report.

- 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 10 working days of the request being logged. Target – 85%
- KPT 8 – Deliveries – Replacement bins, Percentage of bins delivered within 10 working days of the request being logged. Target – 85%
- KPT 9 – Fly tipping – percentage of fly tips cleared from high intensity areas within 12 working hours of a report received. Target – 90%
- KPT 10 – Fly tipping – Percentage of fly tips under three cubic meters, not in high intensity areas cleared within 24 hours of a report being received. Target – 90%

14. Contractor performance is assessed initially using KPTs 1 – 4 as these have been monitored through the life of the contract. This score allows direct comparison with previous years. A second score is then calculated to provide a broader measure of contract performance using all 10 KPTs.

KPT 1 – Missed Collections

15. Performance is calculated as the number of reported missed collections per 100,000 collections for the period 1 January 2017 to 31 December 2017.
 16. During this review period the average number of missed collections across the two districts was 110 per 100,000 collections. Last year the number was 65 per 100,000. The target is no more than 40 missed collections. A combined total of 14,680 collections were logged as missed throughout the review period across the two districts, this is out of a total of 13,299,347 potential collections (each bin type is recorded as a separate collection) and equates to 0.11 per cent of bins being missed. There has been a further increase in the number of missed bins during the review period. The overall rating for this KPT is “Poor”.
 17. The target was not met in 2017 primarily because of vehicle breakdowns associated with Biffa’s refuse collection fleet as it neared the end of its operational life. The reliability issues continued and worsened through this year until the entire fleet was replaced in October 2017. The new fleet included the introduction of separate vehicles for food waste. Missed collections remained high as the new food waste collection routes were established.
 18. The council acknowledges that the missed bin target is challenging. Benchmarking this performance with other Oxfordshire district councils, the performance is within the range of performance provided by our nearest neighbours. West Oxfordshire reported a missed bin figure for April 2018 of 105 per 100,000. Cherwell also reported 80 per 100,000 although this figure includes contaminated as well as missed bins. Oxford City Council’s rate was significantly lower at around 29 per 100,000. As an urban authority, they do not have the same challenge of the rural districts where locating remote properties can increase the number of missed collections. They also review every missed bin report and check the camera footage from vehicles to confirm the missed collection report is genuine before agreeing to return.
 19. The poor performance this year was driven by the issues with Biffa’s ageing fleet. When the fleet was replaced, separate vehicles were introduced to collect food waste. A revised service was then introduced and despite all the communications that were sent out to advise residents, many were reporting missed collections as the collection vehicle had come earlier than “usual” and residents did not have their bins out. Some residents also reported missed collections where their wheeled bin was emptied and they didn’t know the food waste collection would be made later in the day by a different vehicle.
 20. The number of missed bins in the first 5 months of 2018 remains higher than the equivalent months last year. Because the food waste collections are now made with an entirely separate fleet, additional scope for human error has also been introduced. To reduce the number of missed food waste collections Biffa are taking the following actions:
 - Actively monitor the number of missed bins on a daily basis.
 - Analyse round data and ensure that sufficient resources are allocated to monitor underperforming rounds
 - Increase the usage of in-cab technology
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- Set specific missed bin targets for each crew and address problems on individual rounds via Biffa's capability and disciplinary procedures

KPT 2 – Rectification of missed collections

21. 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 14,680 reported missed bins 97 per cent were recorded as rectified within the 48-hour target.
22. This results in a "Good" rating. Although the number of missed bins reported increased compared to 2016 (see KPT1), Biffa's performance in rectifying the missed collections when reported has improved significantly from 2016.

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

23. At the commencement of the contract the council and Biffa agreed target recycling rates as follows:

Vale

- 2014/15 – 49. per cent
- 2015/16 – 50.0 per cent.

South

- 2014/15 – 52.9 per cent
- 2015/16 – 53.3 per cent.

24. Table one below shows that the combined performance of both councils for KPT 3 was 62.79% per cent, for information the previous five years' figures are also shown. The individual NI192 scores for this review period are Vale 62.61% per cent and South 62.94% per cent.
25. Although the figures show a further decrease in the amount of dry recycling collected in 2017, compared to the previous year. There was only a small increase in the tonnage of refuse collected which can be explained by the number of new households which became occupied during the year and it can therefore be assumed that the drop in recycling tonnage is caused by less waste being produced.
26. There are a number of factors that may sit behind the reduced recycling tonnage – e.g. changes in consumer behaviour; industry innovation in reducing and light-weighting packaging and the ongoing switch from print to digital media. However there has been an increase in the amount of food and garden waste collected and the overall recycling rate has only fallen slightly because of this both councils remain in the top five nationally. Although it is not a formal target it remains in the contract, performance in this area is high and thus the overall rating for this KPT remains "Excellent"
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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 2012	31,865	9,800	16,711	58,376	29,957	88,333	66.08%
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%

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

27. 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.
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28. As previously mentioned we no longer report nationally 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.
29. The combined scores achieved in this review period were, level of litter two per cent and level of detritus 11 per cent. The litter and detritus scores are unchanged from 2016. Litter levels exceed the KPT whereas levels of detritus are notably lower than the target. The overall rating for this KPT is “fair”.
30. The failure to meet the detritus aspect of the KPT is, in part, due to problems recruiting and retaining drivers to this role. Council officers monitor monthly utilisation of mechanical sweepers and reports on contract resources are provided at monthly operations meetings.

Average rating score – KPT 1 – 4 only

31. Based on Biffa’s performance an overall “Fair” KPT performance rating score of 3.3 has been achieved for the four KPTs monitored for the life of the contract. An analysis of performance against the KPTs can be found in Annex A.
32. For reasons of consistency with previous assessments, and for fairness between contractors, the following is a guide to the assessment of Biffa against KPTs 1 - 4:

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

33. The head of service has made a judgement on KPT performance (1 - 4) as follows:

KPT judgement

Previous KPT judgement for comparison

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

34. 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.
35. The target for this KPT is fewer than 1,000 per month. The average number of properties affected by incomplete rounds was 18,353 per month. The overall assessment against this KPT is “Poor”. The councils are well aware of the issues caused by the ageing fleet, however, since the introduction of the new fleet, all collection rounds have been complete on the scheduled day and we expect this KPT to be exceeded in 2018.
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KPT 6 – Call centre – average time residents spend on hold before the call is answered

36. The average time residents spent on hold before their call was answered is measured and reported monthly.
37. During this review period the average time residents spent on hold was 74 seconds. This is in excess of the target in the contract and the overall rating for this KPT is “Weak”. The number of incomplete rounds caused by the vehicle reliability issues during 2017 caused a significant spike in the number of customer calls. When the new collection fleet was rolled out, teething problems with new food waste collection rounds also resulted in high call volumes.
38. Hold times were longest in September and October where the separate food waste collection rounds were rolled out. The figure had fallen to 38 seconds in December. Although outside of the review period, the KPT for January to March 2018 was around 45 seconds showing considerable improvement compared to 2017. The numbers of calls have reduced significantly since the fleet change although there are spikes in demand i.e. after bank holidays, that put pressure on this.

KPT 7 – Deliveries – New properties, Percentage of bins delivered within 10 working days of the request being logged

39. The percentage of bins delivered to new properties within 10 working days of the request being logged is measured and reported monthly.
40. During this review period 3,486 out of a total of 7,345 bins (full sets and individual bins) were delivered within 10 working days this equates to 47%. 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”.
41. As demand remains high, Biffa have now appointed a second permanent delivery driver with a third available for peak times during the summer where garden waste bin orders increase.

KPT 8 – Deliveries – Replacement bins, Percentage of bins delivered within 10 working days of the request being logged

42. The percentage of bins delivered within 10 working days of the request being logged is measured and reported monthly.
43. During this review period 5,248 out of a total of 10,954 replacement bins were delivered to within 10 working days this equates to 48%. The number of orders for replacement bins appear very high in numerical terms. The data indicates we replaced around 3% of our bin stock within the year. As the bins originally delivered at the start of the contract are now over 7 years old, the replacement rate is not unusual and moving forward the number of replacements is likely to increase year-on-year. Because most bins that go missing or get damaged happen during collection, Biffa pay for 75% of the costs of replacing bins. The overall assessment against this KPT is “Poor”.
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44. As demand remains high, Biffa have now appointed a second permanent delivery driver with a third available for peak times during the summer where garden waste bin orders increase.

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

45. 98% of fly-tips were cleared in high intensity areas within 12 hours of a report received during this review period. There were 127 fly-tips in high intensity areas. 124 of these were cleared within the 12-hour SLA.

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

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

47. 81.3% of fly-tips not in high intensity areas were cleared within 24 hours of a report received during this review period. 659 fly-tips were reported outside of high intensity areas. 536 of these were cleared within the 24-hour SLA.

48. The overall assessment against this KPT is “Fair”. Performance improved notably in mid-2017 as officers worked with Biffa’s supervisors to ensure paperwork was correctly completed. Consistent with national trends, the number of fly-tipping incidents have increased and this has increased pressure on the resources available to clear these. Current performance exceeds the target and officers expect this to continue.

Average rating score – KPT 1 – 10

49. Based on Biffa’s performance an overall “Fair” KPT performance rating score of 2.6 has been achieved for all 10 KPTs. An analysis of performance against the KPTs can be found in Annex A.

50. 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

51. The head of service has made a judgement on KPT performance (1-10) as follows:

KPT judgement

Previous KPT judgement for comparison

DIMENSION 2 – CUSTOMER SATISFACTION

52. Customer satisfaction for this report has been measured by the results of the most recent residents survey carried out in December 2017. M-E-L Research was commissioned to undertake a door stepping survey. In total 1,100 responses were received in each district.

53. 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.

54. 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.

55. 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.

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

57. 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

58. 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**

Previous customer satisfaction judgement for comparison **good**

DIMENSION 3 – COUNCIL SATISFACTION

59. 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 environmental services manager, team leaders, recycling officers, technical monitoring officers and business support team. In total eight questionnaires were sent out and returned.
60. Based on Biffa's performance an overall council satisfaction rating score of 3.50 has been achieved. Last year's overall rating score was 4.19. An analysis of council satisfaction can be found in Annex C.
61. Council satisfaction is lower than last year as the quality of service has been reduced primarily because of the vehicle reliability issues. This has had a knock-on effect throughout the operation. Supervisors have often been required to drive trucks at busy times. Consequently, service issues have not been resolved promptly and some problems have recurred. In addition, whilst lots of work is done by the councils' technical officers to scope out new collections or make arrangements for assisted collection, arrangements are not always communicated to crews or round lists updated.
62. 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

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

Council satisfaction judgement

Previous council satisfaction judgement for comparison

OVERALL ASSESSMENT

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

- South confirmed by DEFRA as the third highest recycling authority for 2016/17 with a rate of 63.8 per cent
 - Vale confirmed by DEFRA as the fifth highest recycling authority for 2016/17 with a rate of 62.5 per cent
 - the rollout of the new collection fleet including the introduction of a separate food waste fleet
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- fly-tipping rates have increased locally and nationally which has put pressure on clearance activities
- 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, 10 formal remediation notices were served in 2017. 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 2017 resulted in a sum of £77,818 being deducted from Biffa's invoices.

65. Taking into account 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 judgement as follows:

Overall assessment

fair

Previous overall assessment for comparison

good

STRENGTHS AND AREAS FOR IMPROVEMENT

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

67. Areas for improvement identified in last year's reviews were:

- *Communication needs to be improved. Often it is the residents telling us about a problem before Biffa have told us.*

Communication has improved in many areas however, there are still operational issues that are not communicated pro-actively – for example bin stock problems, delays at the call centre and missed bins.

- *Vehicle maintenance/reliability*

This remained a serious issue throughout most of 2017 until the fleet was replaced in October. Many rounds were incomplete because of this and the level of service was well below what the councils required

- *Systems/IT – very paper based and locational info poor and not fit for purpose for street cleansing side of contract*

Personal Digital Assistants (PDAs) have been rolled out to the refuse and recycling collection crews allowing real-time service information to be fed back from crews.

- *Response times for fly-tipping, street cleaning and bin deliveries*
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There are still some challenges in this area borne out by the KPT scores for bin deliveries and for clearance of fly-tipping outside of high intensity areas

- *Call centre need to review information more in particular looking at historical information to make better informed decisions*

There have been some improvements but staff turnover at the call centre and overall workloads have been a barrier to this.

- *Not always receiving responses to emails or acknowledgement that the email has been received*

Some improvements but still some challenges from the depot and the call centre

- *Staff retention*

Staff turnover has been a contributory factor in some of the performance issues. There is an industry-wide challenge in retaining LGV drivers that the councils recognise. A replacement business manager responsible for the operations and the contract was appointed in March 2017 however, he subsequently left towards the end of the review period.

- *Adequate supervision*

Although sufficient supervisors were in post, the operational pressure caused by the vehicle reliability issues meant that supervisors were often driving collection vehicles and supervision was not always at the level the councils expect during this period.

68. During last year's review the committee raised the following action points:

- *Provide benchmarking against other councils*

This year's scrutiny report has benchmarked Biffa's missed collection performance against other Oxfordshire districts.

- *Schedule on deep cleansing in inFocus*

The schedule was not published in inFocus, however, the councils' waste team have revised the schedule to ensure the number of days spent in each area is equitable. Each parish or town council are contacted around a month before the team are due in the area. Positive feedback is regularly received from towns and parishes once the deep clean team have visited.

- *Put recycling guide on the internet*

The communications and IT applications teams have developed an app called Binzone. It is available on our website and can also be downloaded on android and iPhone. It has been downloaded nearly 4,000 times and allows residents to check their collection day and search for individual waste items to confirm what bin to put it in. We also have extensive recycling information on our websites, including a

leaflet explaining how the waste collection services works and what items can be recycled.

COMMENTS AND COMPLAINTS

69. The councils received 17 official stage one complaints during this review period compared to 21 last year. Of these, 11 were due to missed collections, one was a report of damage to property, two were for bin placement issues, one was the time taken to replace a missing bin, one for a missed bulky waste collection and one for mess left after collection.

70. During this review period Biffa and the councils received 19 compliments from residents relating to the waste service such as:

- *Lady's husband collapsed outside their home and fell unconscious with a bad gash to the face. Local refuse collectors nearby went out of their way to help him into a chair and called ambulance.*
- *Excellent Waste service provided by Biffa in Henley for Olympian parade event*
- *Bin collectors/Waste Team in Henley on Thames - Every week they are so cheerful & friendly. She has a 3 year old son who they always wave to and say hi, he is always absolutely delighted to see them.*
- *Resident called to thank the crew for their hard work and said they are the best collection crew she has had the pleasure of dealing with in all the locations she has lived.*
- *Please compliment the crew that collect the bins week in week out from my address. We have never been missed and working in recycling and waste myself, I understand the demanding and unappreciated job that the guys go through. Please give them my compliments including the garden crew also as they do just as good job.*

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. It was a very challenging year for the service because of the significant operational problems caused by the aging fleet. This resulted in a lot of incomplete rounds and additional pressure on Biffa's management at Culham and the drivers and crews. This also contributed strongly to Biffa's reduced performance against the existing and new KPTs.
75. A new business manager with considerable operational experience of our contract operation was appointed by Biffa in February 2018. Constructive meetings between council officers and Biffa are setting a clear direction of travel to improve performance against the KPTs where performance was low in 2017 – in particular to reduce the number of missed collections and to improve bin delivery times.
76. The deep cleanse has continued in South and completed its second year in Vale. The overall allocation of days spent in each area has been reviewed to more closely match demand and more structured information is requested from and provided by town and parish councils to target key areas.
77. 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 2017. 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.
78. 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

79. None
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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	110 per 100,000 collections	poor	1
KPT 2	rectification of missed collections	100 per cent rectified within 48 hours of the scheduled collection day	97%	good	4
KPT 3	percentage of household waste sent for re-use, recycling and composting	No specific target set for 2017 however overall recycling rate is excellent compared to national performance	Combined 62.79% Vale 62.61% South 62.94%	excellent	5
KPT 4	improved street and environmental cleanliness – levels of litter and detritus	4% litter 7% detritus	2% 11%	fair	3
Overall “average” KPT performance rating score – KPT 1 – 4 only (arithmetic average) refers to points 31-33 in the report					3.3

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	18,353	poor	1
KPT 6	Call centre – average time residents spend on hold before the call is answered	35 seconds	74 seconds	weak	2
KPT 7	Deliveries – New properties, Percentage of bins delivered within 10 working days of the request being logged	85%	47%	poor	1
KPT 8	Deliveries – Replacement bins, Percentage of bins delivered within 10 working days of the request being logged	85%	48%	poor	1
KPT 9	Fly tipping – percentage of fly tips cleared from high intensity areas within 12 working hours of a report received	90%	98%	excellent	5
KPT 10	Fly tipping – Percentage of fly tips under	90%	81%	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)
	three cubic meters, 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 49-51 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

$$\frac{(8840 + 5442)}{14282} \div \frac{(2200 + 1472)}{3672} = 3.89$$

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

Previous customer satisfaction judgement for comparison good

(refers to points 52-58 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 Limited			
From (date)	1 January 2017	To	31 December 2017	

SERVICE DELIVERY

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
1 Understanding of the client's needs	1	5	2		
2 Response time		3	4	1	
3 Delivers to time	0	2	0	5	
4 Delivers to budget	1	1	1		
5 Efficiency of invoicing	2	1			
6 Approach to health & safety	1	6		1	

COMMUNICATIONS AND RELATIONS

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
9 Easy to deal with	1	6		1	
10 Communications / keeping the client informed		5	1	2	
11 Quality of written documentation		0	5	2	
12 Compliance with councils' corporate identity		3	4		
13 Listening		6	1	1	
14 Quality of relationship	1	6		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		3	4	1	
16 Degree of innovation		2	5	1	
17 Goes the extra mile	1	2	4	1	
18 Supports the councils' sustainability objectives	1	1	3		1
19 Supports the councils' equality objectives	3	1		1	
20 Degree of partnership working	2	4	1		1

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

Rating	Votes	Score equivalent	Total
very satisfied	14	X 5	70
satisfied	55	X 4	220
neither satisfied or dissatisfied	37	X 3	111
dissatisfied	17	X 2	34
very dissatisfied	2	X 1	2
Total	125		437

The overall council satisfaction is calculated as follows: $437 \div 125 = 3.50$ (refers to point 57-60 in the report). The overall rating for client satisfaction is "Fair"

STRENGTHS AND AREAS FOR IMPROVEMENT

Strengths

Feedback from supervisors has improved
Commitment of the crews to get the service complete when dealing with breakdowns
Call centre staff are always polite and a pleasure to deal with.
Good working relationships with TOs/supervisors
Large numbers of collections made on correct day without problems
Key members of the supervisory team are committed and often go the extra mile to help.
Good relationships with many of the operational staff
We do get good customer feedback when a crew has gone the extra mile to assist a resident
Good working relationship with Management and local Operations team

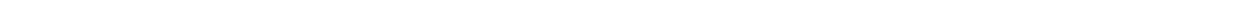
They are very good at delivering a waste collection service – nationally we are in the top five councils for recycling.

Areas for improvement

Getting on top of ongoing problems and resolving within a faster timeframe. Better customer feedback when dealing directly with residents.
Feedback from supervisors has improved, still room for more improvement.
Collect all materials that the council provides – electricals, textiles, batteries. Better monitoring of crews who do not collect
Better communication at depot level
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.
Communication with client, keeping us up to date and making us aware of problems/situations
Street cleaning section of contract – this needs to be treated as equally as important as the collections part of the contract.
Response times to emails
Documentation needs to be clearer, often the information is there but is not easy to interpret.
Processes/procedures/use of systems.
Reduce risks of reliance on individual's operational knowledge and experience
Improve and provide evidence of adequate staff resources deployed on street cleansing
Bin container stock levels and deliveries
Lock out/roundsheet/PDA completion – e.g. garden waste lock-out sheets are often not completed correctly.

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, we are less proud of the fact that service levels during 2017 have tested that relationship. 2017 was not a good year and we will not defend that, but report that 2018 is better and we commit to being back to previous standards before the end of this calendar year and thereafter.

The bulk of 2017 suffered from vehicle reliability problems both from an ageing fleet and the breakdown of our fleet maintenance sub-contract with a third party. The replacement fleet was delivered in autumn 2017. Unfortunately that brought two more challenges:

1. Teething problems with the new fleet (which are now consigned to history); and
2. The introduction of separate food waste collections, which caused some confusion with residents and subsequently high levels of calls into our call centre. The confusion was with households having their wheeled bin emptied at a different time to their food caddies, creating a perception that the second container was missed at the time the first was emptied (we are now on top of that also);

During 2017 our business manager left and in a tough employment market we took a long time to find a suitable replacement. The replacement is the internal promotion of our operations manager on the contract, Ian Gillott.

To provide Ian the appropriate level of guidance and mentoring he needs whilst he is new to the role, we have released Brian Ashby from his responsibility for two other large contracts. He will be spending the majority of his time at this contract until such time as the KPTs are back on track and we are confident Ian is ready to lead the contract on a more autonomous basis.

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:

We have recently re-mobilised the in-cab reporting devices which will provide better detail and intelligence to the call centre for round progress and missed collection reporting. Crews are reporting '*lock outs*' where containers have not been presented by residents and we ask the Councils to support us in supporting our crews by refusing to record such instances as missed collections, more resident error (please excuse the expression).

Accurate data is an important tool for us to improve the services and this will be very difficult to come by unless we stop sending our crews back for bins they didn't miss.

This improvement will increase the proportion of justified missed collections we clear on the day they are reported, because we will have a far greater ability to get instructions out to the crews whilst they are still in the area.

Whilst we have missed the KPT during 2017, the standard provided still represents a 99.9% right first time service. We also hope members have comfort in the fact we want this to be a 100% right first time service and that this has a self-fulfilling commercial driver, because right first time is the lowest cost of operation.

There are two issues we would like to raise regarding the calculation of this KPT, but feel it's right to point out that they wouldn't have resulted in us achieving the target:

1. It does not include the WEEE and textiles collections and we propose it should; and
2. It includes some reported missed collections which were resident confusion when we started collecting food waste separately from the wheeled bins at fleet replacement. We appreciate this is should be entirely within our control and it now is;

KPT 2 – rectification of missed collections

This is a target we should meet. However, it is clearly a greater challenge when missed collections are at the higher level we experienced in 2017.

We haven't helped ourselves with this KPT in that our system records missed collections not rectified in 24 hours, whereas the target is 48 hours. The system has been corrected.

Also, in conjunction with the crews using their in-cab devices, supervisors have been given tablets and are responsible for ensuring missed bins are rectified within 48 hours.

KPT 3 – Recycling performance

No specific target set for this KPT, but we are as committed as ever to working with the Councils to maintain their presence at the top of the charts.

There is, however, a downward trend in % recycling performance across the country. This is masked by the continued conversion by some local authorities from weekly to fortnightly residual; and a smaller number from fortnightly to three or four weekly residual collections.

We believe this is primarily down to three things:

1. Downsizing of packaging;
2. Migration of glass to plastic packaging;
3. Reduced paper consumption by virtue of the impact of the digital economy;

KPT 4 – Street cleanliness

We consistently achieve the litter standard, but often miss the detritus standard.

There is an acceptance that the detritus standard provided is satisfactory and the target ambitious.

In addition to this, we believe there would be value in all Oxfordshire authorities measuring 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

There is an increasing difficulty in recruiting drivers up and down the country. Unfortunately South & Vale is no exception. We are paying below market rate for HGV drivers, which has historically been ok because this particular job was a lifestyle choice.

That is no longer the case, primarily because of longer working hours and increased use of in cab technology. These two issues mean we have also struggled to recruit drivers.

The result of this has meant, on occasions, all supervisors have been driving, which has a direct impact on service levels.

We are working hard to address this driver shortage on the contract. In the shorter term we have engaged a new agency provider to fill vacancies and are confident we will be fully employed by the end of 2018 calendar year.

Improved service levels right across the contract will be the result of being fully employed from a driver perspective, not least on this KPT.

KPT 6 – Call answering times

We realise our performance is a long way off this target.

To improve performance we are working through a modernisation project for the call centre that will see:

- A greater choice of contact media;
- Increased automation of processes;
- Ceasing unnecessary processes;
- Encouragement of channel shift in line with local government targets;
- Revised scripts designed to reduce call times;

The reality is that, in 2017 we received 50% more calls and emails than in 2015. We need to deal with that, but feel we can get back to contract standards by improving and modernising our processes, rather than increasing our resource levels by 50%.

This is the first fundamental review of the call centre since we set it up in 2009.

KPT 7 & 8 - Bin deliveries

We are in control of our performance against this KPT because we are not relying on any third parties. Demand has increased significantly over time and we have now introduced an additional round to deal with this, with short term additional support to clear a backlog that had built up.

To get back on track with this one we are automating the process, which will result in a maximum of two human interventions:

1. Call centre receiving the request;
2. Driver confirming the delivery;

Before reviewing the process there was anything up to eight human interventions in the process. WE have removed some and automated others.

We have divided the districts up into five zones, one for each day of the week. On receipt of a delivery request it will be booked into the next delivery day in that property's zone – a maximum of five working days against a target of ten.

This gives us a further week's flexibility to deal with peak demand and still meet the KPT.

KPT – 9 & 10 – Fly tip clearance

Whilst there is room for improvement in this area, our performance meets both targets in most months.

We have, however, made a system update to improve our performance in this area. The system now identifies high intensity locations and automatically treats it as a priority job.

Streamlining our administration process will deliver shorter response times.

There is a national trend of increases in fly tips, which is intensified in rural areas. We believe we have reacted to this increase and have it under control from a performance perspective.

Summary

After a difficult 12-18 months we are looking forward with optimism.

We are tackling and will overcome the recruitment and retention issue with drivers; we are providing our new management team with the support and mentoring they deserve and require; the contract and its systems will be modernised and fit for purpose, providing efficient and consistent support to our operations.

It is nearly eight years and over nine years since we re-routed the collection services in Vale and South respectively. The property growth over that period has been significant, but concentrated in certain areas rather than spread evenly across the districts. This means our operation has become imbalanced and relatively inefficient. Once the contract is in a settled state we will be working with officers towards a reschedule of the collection service to set us up for the contract's remaining six years.

ANY AREAS WHERE CONTRACTOR DISAGREES WITH ASSESSMENT

None

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

- Permit us to stop carrying out actions that appear to add little or no value, such as:
 - Sticking address labels to new bins we deliver, unless they are to be presented at a communal point along with neighbours' bins;
 - Review the approval process for bins requested by occupants of new build houses and consider developing a web-form to request these;
- In the event of escalation, support Biffa's position of not returning for bins that were reported as not out on PDAs, or were presented with contamination and stickered;
- Report all collections services as part of KPT 1;
- Review the suitability and relevance of NI195 reporting and benchmark other authorities;
- Review fly-tipping enforcement and the local Biffa team are willing to work with the client to assist in securing prosecutions where possible;
- Support the principle of a re-schedule for the collection service in the next 6-12 months;

Feedback provided by

Pete Dickson

Date

30/08/2018
