

EAST HERTS COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE – 5 NOVEMBER 2019

REPORT BY HEAD OF OPERATIONS

WASTE KEY PERFORMANCE INDICATORS – MISSED BINS

WARD(S) AFFECTED: N/A

Purpose/Summary of Report

- To provide an overview of the waste management service in East Herts over the past year.
- To provide comparative data of our nearest neighbours for missed bin collections and recycling rates

<u>RECOMMENDATIONS FOR OVERVIEW AND SCRUTINY:</u>	
(A)	To note the update report, and
(B)	Members views on possible changes to the Waste Key Performance Indicator for missed bin collections as described in para 2.16 be sought.

1.0 Background

1.1 In May 2018 East Herts Council implemented a Joint Waste contract with North Herts. The contract was awarded to Urbaser and managed by a newly formed joint client team across the two authorities (North Herts and East Herts).

- 1.2 A partnership board was also developed to oversee the monitoring and performance of the contract above and beyond the role of the contract monitoring team. The partnership board consists of key officers and members from both Councils including the Chief Executive, the Executive/Cabinet member for Waste and Recycling, Director/Head of Service responsible for Waste, finance and legal officers and the Joint Waste Service Manager.
- 1.3 The day to day performance of the contract is closely monitored by the shared waste, recycling and street cleansing service (the client team). This includes daily checks and inspections, weekly and monthly meetings with key members of staff at varying levels from both Urbaser and client team.
- 1.4 A number of key performance indicators (KPIs) underpin the monitoring and contract compliance of the service delivered by Urbaser. Since the implementation of the new joint waste contract in May 2018, one of the key performance indicators for the service, missed bin collections per 100,000 (30 or less per month) has not been achieved since the start of the contract. The report seeks to provide an overview of the performance of the contract to date and address the concerns/questions raised by the Overview and Scrutiny Committee. The questions posed are:
 1. What are the issues that have led to ongoing underperformance with respect to the missed bins performance indicator.
 2. What has been attempted to resolve this and what understanding is there as to why such mitigation has failed to resolve the problem/s
 3. What future actions are planned to reduce the number of missed bins
 4. What penalties have been incurred as a result of the repeated missed target.

1.5 The reports also seeks to explore how we might increase our recycling rates as an authority and compare our current rates with neighbouring Authorities.

2.0 Report

2.1 Urbaser commenced operations in both East & North Herts on the 6th May 2018. This included the transfer of staff from the previous contractor of which 95% of staff transferred (from the East Herts division). In addition new vehicles and technology were introduced over a bank holiday weekend, creating an additional challenge by playing “catch up”. In our experience as officers, new contracts generally require an embedding phase of approx. 6 months to 1 year before we see service standards improve and settle to expected levels.

2.2 Additional staff were employed through local agencies to cover the shortfall of staff and Urbaser ensured that agency staff were working closely with more experienced staff on the rounds to maximise training and in turn minimise disruption to the service residents received.

2.3 In the first week of the contract there was some disruption to the service due to vehicles being incompatible with the landfill site, however this was rectified immediately and service resumed.

2.4 There are a number of key performance indicators which determine how successful the contract is operating. These include (this is not an exhaustive list):

- Missed Bin collections (further information provided in report)
- Fly tips removal
- Street cleansing grades
- Rectifications completed within timescales
- Contamination in dry recycling

2.5 Broadly speaking the East Herts Urbaser contract is operating

to satisfactory standards. Though missed bins collections have not met the target set, Urbaser are able to rectify issues within a timely manner in accordance with the contract. There is a good working relationship with Urbaser and our enforcement team regarding fly tipping which has led to increased prosecutions as the crew are clearing fly tips post evidence gathering from the Council. Our streets are being cleaned at a good standard, in the last year 95% of our streets were an A and B grade under the code of practice on litter and refuse guidance. Our contaminations levels in dry recycling have always been below 5%, averaging 2.23% per month since the start of the Urbaser contract. This is of course largely due to the great work undertaken by residents to clean the materials and ensure the right materials are placed in the recycling bins and partly due to the strict instructions the collection crews are given to not collect bins that have visible contamination at the point of pick up.

2.5 In terms of customer complaints, there was a reduction in the number of stage 1 complaints since start of the new contract (Table 1 - year 18/19). However, it is worth noting that the first 6 months of 19/20 indicate that the percentage of waste service related stage 1 complaints for the year is likely to be higher than previous years of approx. a quarter of all stage 1 complaints across the Council.

2.6 This increase is due to the delay in bins deliveries due to lack of stock and storage space (managed by the client team). This has now been resolved. As this is managed locally there are no contract performance issues in relation to Urbaser. The client team have been operating under capacity since the start of the contract (less 4 FTEs), this has led to some delays in responding to customer enquiries in a timely manner and therefore some complaints had been escalated to a stage 1 complaint. Staff recruitment has taken place and the number of stage 1 complaints should settle to levels expected. In addition, there were some staff changes within the Council's customer service team. Whilst training took place some

complaints were categorised as stage 1, with training now in place we expect to see fewer stage one complaints for waste services as more should be dealt with at first point of contact.

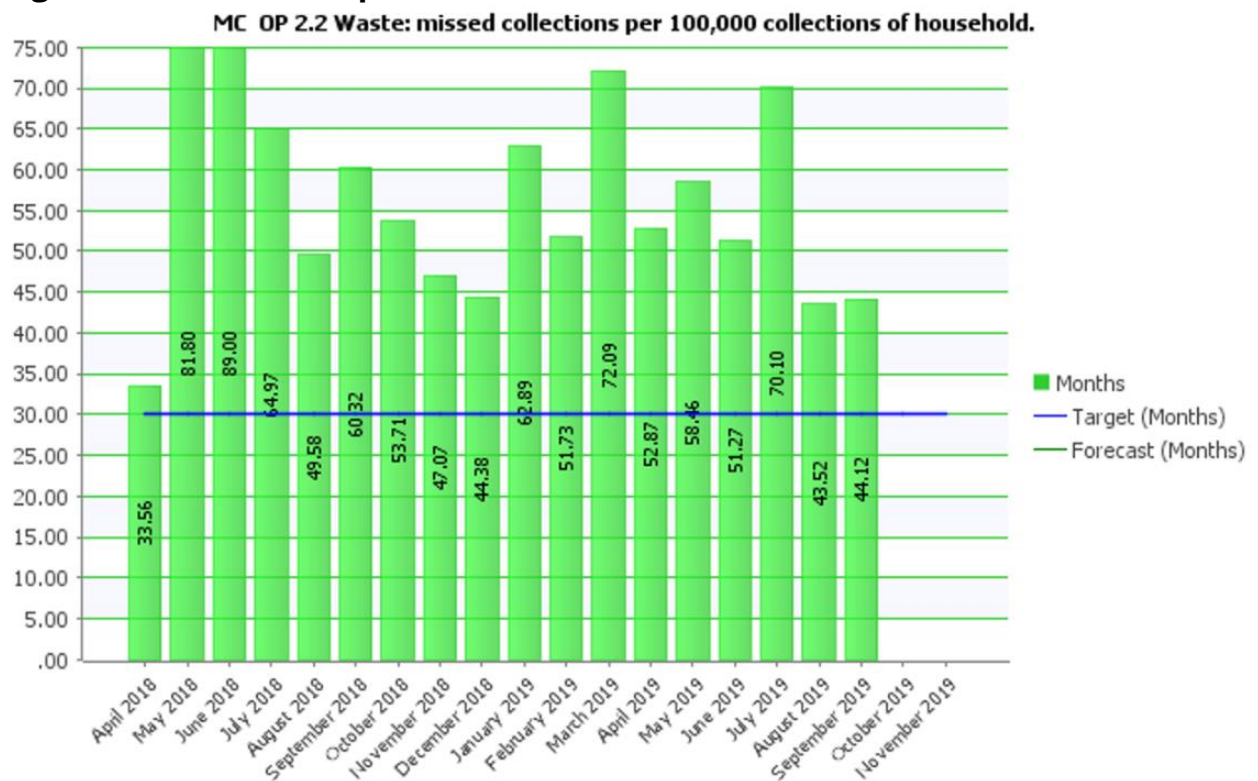
Table 1 - Stage 1 complaints relating to Bins/Waste

	16/17		17/18		18/19		19/20 (so far)	
	Number	%	Number	%	Number	%	Number	%
S1 Complaints related to bins/waste	23	24%	27	26%	18	24%	17	40%
Total S1 Complaints (all services)	97	100%	105	100%	76	100%	42	100%

Missed Bin collections

2.7 The number of missed bin collections per 100,000 as per KPI reported monthly has been inconsistent over the last 18 months and under achieving the target set (less than 30 per 100,000 – Figure 1). It is important to interpret the definition of the KPI correctly in terms of impact to service delivery.

Figure 1 - Missed bins per 100,000



- 2.8 To obtain the KPI figure the actual number of missed bins are reported and inputted into a calculation to provide the “per 100,000” figure. This is not the actual number of missed bins nor the percentage of missed bins.
- 2.9 The monthly KPI on missed bins has varied from around 45 bins per 100,000 up to almost 90 per 100,000 with the 2018/19 annual average of 58.8 this equates to 0.06% of collections missed. This actually means that 99.95% of collections are “right first time”.
- 2.10 In terms of a comparison with other Authorities, we were able to gain figures from 5 other Hertfordshire Districts. The data has been anonymised as not all Authorities publish this data. Table 2 below illustrates their missed bin data:

Table 2 - Comparison to neighbouring authorities

		East Herts equivalent
Council A	221 actual missed bins (monthly average based on 32 months)	189 actual missed bins (monthly average July 18 to Sept 19)
Council B	99.95% of bins collected	99.95% of bins collected based on 18/19
Council C	99.41% of bins collected	As above
Council D	30 per 100,000	55 per 100,000 (July 18-Sept 19)
Council E	741 actual missed bins (monthly average 18/19)	189 actual missed bins (monthly average July 18 to Sept 19)

- 2.10 Despite the positive comparison with other Authorities, the KPI in itself has not been met since the start of the contract. Issues relating to this include:
 - Extreme weather
 - Change of IT system
 - Changes in staff

Extreme Weather

2.11 The number of missed bins were at their highest in the months of March and July. In these months we experienced extreme weather on both ends of the spectrum. In March, we experienced snow and high winds which impacted collections and on the hottest day in July temperatures reached 38.7C which set an all-time UK record. Notwithstanding the efforts made by the contractor to regularly provide crews frozen water, the number of sickness from crews rose due to dehydration as temperatures in the vehicles were much higher than this with the operating machinery to tip the bins exacerbating the temperatures. In January, there is an industry wide expectation for missed bin collections to be higher as crews play catch up from the holiday period in December.

Change of IT system

2.12 In terms of change of IT system. The software used in the previous contract to log missed bin collection data allowed client team officers and the contractor to discuss disputed data and update these based on the results of discussions at contract meetings. In the new system the data collected and validated at first point of contact (customer service) cannot be altered on the system after disputes have been discussed between technical staff on both the client and contractor staff. The team will be exploring whether the software could be upgraded to allow amendments to take place, though we expect disputed figures to be minimal in a contract of this size and the KPI set out in this way the figure looks exceedingly high.

Changes in staff

2.13 The target of less than 30 missed bins per 100,000 was carried over from the previous contract as part of a continuous improvement target (after several years of operation) which was led by long standing members of staff with years of experience of the East Herts waste, recycling collection and street cleansing service. As the contract moved over to Urbaser some long standing members of staff left the company, which impacted on service delivery in terms of the

missed bins KPI. With new staff in place it has meant they have had a steep learning curve to fully perfect and understand the new routes and East Herts Operations. Officers are confident that there will be a declining trend in the number of missed bin collections for East Herts based on the commitment the new management team have demonstrated to deliver a high quality service.

- 2.14 As mentioned previously 95% of the staff from the old contractor transferred over to Urbaser at the beginning of the contract. This meant 5% of the workforce were agency workers who were unfamiliar with the rounds, technology and vehicles. Though endeavours were made by Urbaser to work rotas to mix experienced staff with less experienced staff, this undoubtedly had some impact on service delivery and bin collections. As of September 2019, the percentage of permanent is at 98.75%. It is evident that this is having a positive impact of service delivery in terms of missed bins with the general trend of numbers of bins reducing (with the exception of the cases of extreme weather).
- 2.15 Overall, as a client we are satisfied with the level of service we receive from Urbaser for the East Herts contract. Though the historic KPI has not been met since the start of the new contract, crews have returned to collect bins (met rectification levels) where appropriate to do so and therefore defaults/ payments to the Council have not been triggered in relation to missed collections. In line with the emerging new corporate plan, there is an opportunity to develop more meaningful KPIs to report on.
- 2.16 The Officer recommendation for a new KPI would be to measure the percentage of bins collected with a target set based on the average percentage of collection from the start of the contract to date. It is also recommended to review this target on an annual basis.

Recycling Rates

2.17 The latest East Herts recycling levels are shown below on table 3 as a comparator with the other Hertfordshire authorities

Table 3 - Recycling rate across Hertfordshire

Recycling Rates										
Year	Broxbourne	Dacorum	East Herts	Hertsmere	North Herts	St Albans	Stevenage	Three Rivers	Watford	Wel
2010/11	39.30%	47.70%	48.30%	42.50%	50%	50.20%	39.10%	50.90%	40.20%	36.50%
2011/12	39.60%	46.70%	48.40%	46.70%	49.50%	48.30%	40%	60.50%	41.20%	49.90%
2012/13	34.30%	46.80%	46.60%	40.50%	47.30%	41.60%	36.80%	62%	39.70%	43.80%
2013/14	35.00%	46.20%	48.50%	43.20%	57.30%	47.70%	37.40%	62.40%	40.60%	46.60%
2014/15	35.00%	46.30%	49.50%	43.30%	58.50%	50.40%	38.20%	63.20%	41.70%	48%
2015/16	40.30%	49.10%	48.60%	42.10%	57.60%	52.20%	39.40%	59.40%	40.10%	48.50%
2016/17	41.10%	51.10%	51.20%	43.40%	58.90%	57.50%	39.80%	61.90%	42.90%	53.00%
2017/18	41.80%	52.50%	49.40%	43.60%	57.50%	59.50%	38.30%	62.40%	44.30%	43.40%
2018/19	42.26%	52.65%	50.00%	44.59%	56.93%	62.05%	39.55%	63.26%	45.37%	45.26%

2.18 East Herts Council has an aspiration to reach a recycling level of 60% by 2023 and delivered a “Recycling September” programme to engage with members and officers in a programme of informative opportunities. Presentations from stakeholders and field trips to recycling sites have been completed including a member’s workshop session and discussions with officers on ideas of how to improve recycling rates, a brief list of ideas is provided below:

- Improve marketing and communications, use videos
- Run education programmes on recycling
- Keep messages simple
- Publicise “end destinations” of where our material goes
- Introduce trade waste recycling
- Introduce weekly food collection
- Reduce black bin size to focus minds on recycling
- Larger recycling bins
- Pick up side waste for recycling to determine whether there is demand for larger recycling bins

2.19 In line with the development of the new corporate plan and the Council’s commitment around environmental sustainability, actions will be included in the plan to improve recycling rates subject to an options appraisal and business plan.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

N/A

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