

Report to: **Executive Committee**
Date: **22 October 2020**
Title: **Waste & Cleansing Contract Performance**
Portfolio Area: **Environment – Cllr K Baldry**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: Immediately

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Recommendations: that the Executive

1. Acknowledges the overall success of the performance of the waste and cleansing contract as measured by the key contractual objectives, including a significant reduction in the number of missed collections since the contract began.
2. Acknowledges that there were also opportunities for improvement in some areas and these have already been, or will be addressed by the plan to improve performance in areas of street cleansing.
3. Notes the new recycling (Devon aligned) service update.
4. Notes the progress of the commercial waste review with an outcome report to be presented to the Executive next spring

1. Executive summary

- 1.1 The waste and cleansing services for the district were outsourced to FCC Environment (UK) Limited on 1 April 2019. This report summarises the how the contract is monitored and measures performance against the key objectives as set out by the Council in the contract documentation during the first 18 months of the contract.
- 1.2 The key objectives have all been met in the main although there were opportunities for improvement in some areas early on in the contract. These areas included toilet cleansing, litter and dog bin emptying and recycling bank servicing.

- 1.3 These areas have been reviewed with enhancements made to improve standards. Further improvements will be incorporated into the street cleansing appraisal mentioned in 1.4.
- 1.4 The report also comments on how the services fared during the changed circumstances brought about by the COVID-19 pandemic and how the lessons learned during this time are being used to develop a more responsive street cleansing service for the future.

2. Background

- 2.1 FCC Environment (UK) Limited are the waste and cleansing services contractor for South Hams District Council. The contract includes recycling and refuse collection, street cleansing and toilet cleaning services. The contract started on 1 April 2019 and operates for 8 years. The appointment of FCC followed a comprehensive and detailed competitive dialogue procurement with Council approval obtained in December 2018.
- 2.2 Waste collection and street cleansing services are statutory services that affect residents, businesses and visitors to the district.
- 2.3 The Waste Partnership Board, comprising 3 Members from South Hams, 3 Members from West Devon, 3 contractor representatives and 3 officers, oversees the contract performance and development of services as detailed within the contract documents. The Board meets on a quarterly basis and is presented with performance indicators, health and safety information, partnership activities and service development updates.
- 2.4 This report details the performance of the contract to date, the effects of COVID-19 on the services, and the progress on the development of the services including the new recycling service and the current reviews being undertaken around street cleansing and commercial waste.
- 2.5 This report has been prepared at the request of the Executive Committee.
- 2.6 The provision of these services aligns with the Council themes of:
 - Council
 - Communities
 - Environment

3. Performance

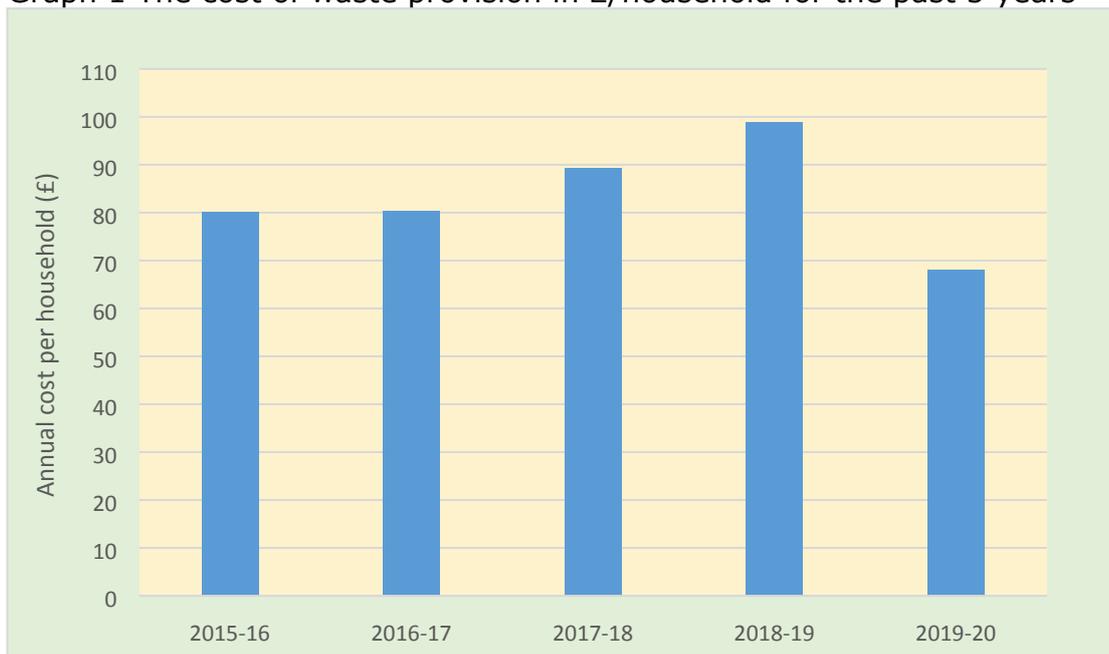
- 3.1 The Council's key objectives, as written into the contract agreement, are to employ waste minimisation, reuse and recycling schemes which will:
 - A. Improve upon the cost of household waste collection per household at the contract commencement date, during the life of the Contract.
 - B. Improve the quality of service through greater use of technology which better meets the requirements of customers and integrates with existing systems where necessary, subject to affordability;
 - C. Achieve the current and future aims of The Waste and Resource Management Strategy for Devon including working towards the 'Aligned Service' for Devon;
 - D. Minimise carbon emissions;

- E. Provide Services that are flexible enough to meet the changing needs of evolving waste legislation;
- F. Improve on the current recycling rate;
- G. Reduce the amount of residual waste per household;
- H. Ensure the number of missed collections per one hundred thousand (100,000) potential collections, is within the Council's target of eighty (80); and
- I. Aim to maintain and incrementally improve customer satisfaction.

These points are addressed below in 3.2 – 3.9.

3.2 **A. Cost** - The cost of the base contract is in line with tender expectations and the predicted annual savings of £286,000 per annum before the change to the Devon aligned service increasing to £424,000 per annum on moving to the new service. These savings are against the previous service costs as outlined in the Council report of 6 December 2018. The graph below details the cost of the recycling and waste services per household over the past 5 years. Since the contract started in April 2019, the relative cost of the waste services has reduced significantly even when compared with 4 years previously.

Graph 1 The cost of waste provision in £/household for the past 5 years



3.3 **B. Technology** - In partnership, the Contractor and South Hams and West Devon Councils have implemented a new web platform, Milestone. The platform allows customers to see real time data reported against their collection and passes customer requests direct to the in-cab system, Whitespace, without manual intervention. To the customer the platform appears as part of the Councils' websites allowing for a seamless experience. 'Find my collection day' and 'Report a Missed Collection' processes have already be moved to the platform with other processes set

to go live in 2020/21. Greater integration between All on Mobile, the reporting software used by Localities, and Whitespace is also planned for 2020/21 which will allow for real time reporting. One example of this will be that reports of full bins can be sent from Localities and received immediately (subject to signal) by FCC. FCC will report back exactly at the time of emptying providing a quicker resolution and a more robust way of monitoring performance. In addition, this will allow for a further review of bin rounds and will result in a more efficient service overall.

- 3.2 C. The Aligned Service for Devon - FCC are working closely with officers to bring in the new 'Aligned Service' in March 2021. The new service will increase the frequency of dry recycling collections and food waste from fortnightly to weekly. Residents will be able to put out a greater range of materials including glass and mixed rigid plastics and further details are included at 7.1.
- 3.3 A new facility is being constructed at Ivybridge depot to house the recyclable materials before onward haulage to reprocessors. The construction of this building, which will become an asset of the Council, is overseen by FCC who provide monthly reports on progress. Construction is on schedule and will be completed by late October.
- 3.4 A round review which will facilitate most of the day changes required in order to launch the new recycling service has already been undertaken, with new rounds going live on 5 October 2020. The review takes into account the new recycling fleet, material streams and time required to sort at the kerbside, and will reduce significantly the day changes that will be required at the start of the service in March.
- 3.5 D. Minimise carbon emissions - The round review has improved the overall efficiency of the collection rounds by reducing annual fleet mileage by 13,000 miles and diesel use by 14,000 litres, equating to over 35t of CO² emissions per year. The new service will eliminate the need to supply single-use plastic sacks by replacing these with more sustainable re-usable boxes and sacks.
- 3.6 E. Provide services that are flexible enough to meet the changing needs of evolving waste legislation -The Waste and Resource Management Strategy for Devon is currently being reviewed by the Devon Authorities Strategic Waste Committee. The South Hams Lead Member for Environment is a member of this committee. The review is taking into account any changes in legislation brought about by the English waste strategy consultations and the Environment Bill which is still progressing through Parliament. Due to delays brought about by Covid-19, the consultations are yet to be concluded, however there are strong indications that the new recycling service changes will meet the needs of future waste legislation.
- 3.7 F & G. Improve on the current recycling rate and reduce the amount of residual waste per household - In the first year of the contract, the recycling rate has risen from 53.9% in 2018-19 to 54.4% in 2019-20. At the same time, the amount of residual (grey bin) waste per household has

reduced by approximately 587 tonnes. The recycling rate is expected to further improve significantly when the new service is introduced.

3.8 H. Missed collections - The contract includes around 3.5 million scheduled collections from domestic properties in the South Hams each year. Missed collections are measured by the actual number recorded per potential 100,000 collections. To improve performance, the contract limit was set at 80 missed collection in every 100,000 collections. The graph below shows the number of missed collections per 100,000 for the past 3 years. The dotted red line shows the contract target limit of 80. The number of missed collections has fallen significantly since the service was outsourced in April 2019.

Graph 2 Number of missed bins per 100,000 collections



3.9 Customer satisfaction - At the beginning of the contract there were issues with the cleanliness of some of the public toilets. In response to these concerns, the Localities team carried out 1135 inspections during the first year of the contract and officers worked closely with the contractor to improve the standard overall. In the past few months however, there have been very few issues regarding the toilets reported to us and these have not been about inadequate cleaning. There was an issue with the frequency of emptying of litter and dog bins at the start of the service, and a limited review was carried out which took into consideration the size, location and state of the bins in certain areas and whether the service overall was adequate to meet the needs of the peak holiday season. There are still pockets where more work is needed and this is being addressed by a wider ranging review. Please refer to 4.5 - 4.7 for more details.

4.0 **Effects of COVID-19**

- 4.1 The first quarter of 2020-21 has been heavily impacted by the effects of COVID-19. As lockdown came into force, FCC saw a 20% reduction of staff available for work due to self-isolation or shielding. At the same time, there was a rise in domestic waste being presented due to the combination of people being confined mainly to the home and a change in shopping habits. More meals were prepared at home and more time was available for residents to clear out lofts and garages and tidy gardens. As all but essential shops closed, there was a significant increase in online purchases and a corresponding increase in packaging waste from bulky card.
- 4.2 To cope with these issues and ensure collections continued, some workers were redeployed from other duties and rounds were supplemented heavily by additional agency staff.
- 4.3 The business continuity plan details a prioritisation of services in these conditions. Bulky waste collections were suspended due to the decision by Devon County Council to close the Household Waste Recycling Centres where these items are tipped. Nationally, 24% of authorities had recycling collections impacted to some degree and over half suffered disruption to garden waste collections. Of the latter, 28% of councils withdrew garden collections completely. However, in the South Hams, bulky waste aside, all other waste services continued as scheduled.
- 4.4 The toilets were closed soon after lockdown was announced to comply with government guidelines. During June and July as the toilets were reopened, extra hygiene measures were introduced to ensure the safety of the public and the cleaners.
- 4.5 The easing of lockdown brought a set of trials for street cleansing. With a rapid influx of visitors and many eating establishments switching to take away services, the pressure on litter and dog bins and recycling banks, particularly in the coastal towns, increased as their use rose significantly. Waste from litter bins increased by up to 4 times as much compared with similar periods the previous year whilst tonnages from recycling banks increased by 60% in June. Illegal makeshift campsites also brought challenges for cleansing crews.
- 4.6 In response, additional measures, such as extra bin and bank rounds were mobilised as soon as possible. One of the major challenges in the South Hams is the travel time between towns, exacerbated by heavy holiday traffic, which can mean a disproportionate amount of time is spent travelling rather than working. To counter this, additional support focussed in certain towns was introduced. This was supplemented by re-training of Environmental Protection and Localities officers who prioritised compliance enforcement with the public and businesses.
- 4.7 The street cleansing service was considered not fit for purpose in certain geographical areas in 2019 and was reviewed with success during that year. However, during the exceptional year of 2020, the service struggled to meet the demands outlined in 4.5 above. It is impossible to predict what will happen next year but to ensure the service is as prepared and robust as possible, a further review is being undertaken. This review will

examine in more detail the balance between the summer and winter resources and take into account the lessons learnt in 2020.

5.0 Added Value

- 5.1 The Council Report of 6th December 2018 listed areas where the outsourcing would add value to the services and this has been realised in a number of areas including, but not restricted to the following:
- a) Use of specialist software to plan new collections routes for the new recycling vehicles
 - b) Detailed specification support for the new recycling fleet
 - c) Access to more competitive markets for the new fleet and other items such as recycling sacks
 - d) FCC's materials marketing team have helped to identify best value outlets for recyclable materials
 - e) Dedicated specialist communications support
 - f) Offered the addition of printer cartridges to the list of items that will be recycled in the new service

6.0 Partnership Arrangements & Service Flexibility

- 6.1 The contract works as a partnership arrangement and FCC has demonstrated swift action and flexibility in responding to major issues such as during and after the COVID-19 lockdown cited in 4.4 - 4.6 above. One of the effects of the pandemic was the breakdown in the supply chain which led to the delay of the aligned service introduction. FCC demonstrated their adaptability as they worked with officers to agree the optimum March date for the new service. One noticeable area was in bringing in the round changes before the start of the new service change. This has eased pressure on other Council services during March which is traditionally a time when public contact is high as council tax demands go out.
- 6.2 The contractor is supporting the street cleansing review detailed in 4.7 and is offering expert advice with the current commercial waste review as detailed in 6.3.
- 6.3 In October 2019, the Overview & Scrutiny Committee approved the following:
- “The pricing model for Commercial Waste charges requires consideration of budget performance, disposal charges and market factors. A large scale review is soon to commence that will determine the best way forward for the service and will include proposals for suitable fees and charges. Given the timing of this review, it is requested that the Commissioning Manager for Waste along with the CoP Lead for Waste are given delegated authority for setting Commercial Waste charges in consultation with the Portfolio Holder.”
- 6.4 A review of commercial waste is overdue and the service requires a comprehensive appraisal. A range of options are possible and FCC have offered assistance in the form of dedicated support with expert knowledge in both private and council owned commercial waste services. Further details and options for the service will be the subject of a future report to the Executive and this is expected to be presented in spring next year.

6.5 The market for textiles has deteriorated dramatically over the past year and is unlikely to pick up for some time. The price for this commodity has fallen from a previous high of around £350 per tonne to around £20 per tonne at the time of writing. Once haulage to reprocessors is taken into account, it is likely that the Council would have to pay, rather than receive and income, for this material. From an environmental point of view, the outlook is worse - some authorities are now stockpiling this material as they cannot find outlets for it and this is likely to result in some being ultimately disposed of rather than recycled. In light of this, the decision was made by the Partnership Board to delay collecting textiles as part of the new aligned service in March. However, FCC have agreed to remain flexible about introducing this service at a later date if conditions become suitable.

7.0 Aligned Service Update

7.1 The change to the Devon aligned service, was approved by Members at the Council meeting of 26 July 2018 and forms part of the contractual obligations. The reason for the change is to meet public demand to recycle more from home and increase the amount of domestic waste recycled within the district. It is called the aligned service as it harmonises the waste services with the rest of Devon. It is also worth noting that this style of service is now the predominant one offered by South West Councils and has been adopted by the Welsh Government.

7.2 The scale of the change is significant and will affect all households. The delay in delivering the change necessitated the round review in October. This will be followed by the new recycling service introduction in March.

7.3 A comprehensive project plan and risk log has been developed and progress is overseen by the Partnership Board. The full project plan, complete with the risk register and comprehensive communications strategy has been reviewed independently by external experts White Young Green who supported the Council through the procurement. Regular informal Member briefings are carried out to keep all Members up to date on progress with the next taking place in October. Members will also receive further briefing notes, Bulletin updates and copies of the information sent to residents.

8. Proposed Way Forward

Members are recommended to note the contents and approve the recommendations of this report.

9. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Authority has a duty to arrange for collection and disposal of household waste. The legislative framework is to be found in the Environmental Protection Act 1990, Waste Framework Directive

		2008, and Controlled Waste (England and Wales) Regulations 2012.
Financial implications to include reference to value for money		Not applicable as this is an update report on the contract performance and aligned service update.
Risk		Not applicable in terms of contract performance update. The aligned service plan encapsulates the full risk register for this project.
Supporting Corporate Strategy		The provision of these services aligns with the Council themes of: <ul style="list-style-type: none"> • Council • Communities • Environment
Climate Change - Carbon / Biodiversity Impact		This report is for the purpose of updating Members on the performance of the contract and therefore the recommendations will have no direct impact on our climate change programme. However, moving to the aligned service will lower carbon emissions from the more efficient round structure, the discontinued use of single use plastic recycling sacks, the increase in recycling collected and the quality of the collected materials.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None
Other implications		None

Supporting Information

Appendices:

Background Papers:

26 July 2018 Council Report

6 December 2018 Council Report

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed/sign off	Yes
SLT Rep briefed/sign off	Yes

Relevant Heads of Practice sign off (draft)	Yes
Data protection issues considered	Yes
Accessibility checked	Yes