

Report to: **Executive**

Date: **1st December 2022**

Title: **Waste and Recycling Services Update**

Portfolio Area: **Lead Member for waste and recycling services – Cllr Baldry**

Wards Affected: **All**

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

Date next steps can be taken: **10 December 2022**

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RECOMMENDATIONS:

That the Executive:

- 1. Notes the successful transfer of the service, the improvement in service performance and the key operational risks that the service is operating under.**
- 2. Endorses the approach to improving the service throughout the transitional period set out in Section 4 of the report.**
- 3. Notes the work underway to build a comprehensive budget forecast for the current operating phase and prepare financial projections of the service beyond the transition phase.**

1. Executive summary

- 1.1 This report follows the recommendations and decisions taken by the Executive on 21 September 2022 (minute E.33/22 refers). The minute stated that a further report be brought back to the Executive at its 1 December 2022 Meeting on the progress of the transition period and the costs incurred to date on the service transfer.

- 1.2 Section 3 of the report details how the service has been successfully transferred to the Council and the subsequent improvement in performance, whilst detailing some of the day-to-day challenges.
- 1.3 Due to the significant number of known risks and the likelihood of considerable unknown risks, the Council's ambition was that that within the first few months of the service transfer, service performance would be comparable with that of the previous contractor. Section 3 of the report demonstrates that the performance of the service has been significantly better than anticipated.
- 1.4 Section 4 explains the approach the Council is taking to deliver service through the transition phase and the key risks.
- 1.5 Section 5 notes that the budgetary position currently remains within the cost envelope agreed by Council on 14 July 2022.

2. Background

- 2.1. At its meeting on 14 July 2022, Council agreed to terminate the contract by mutual agreement, resulting in the transfer of all services currently provided under the contract back to the Council with effect from 3 October 2022 (Minute 24/22 refers).
- 2.2. At its meeting on 21 September 2022, the Executive recommended to Council (Minute E.33/22 refers) and on 22 September 2022 Council approved (Minute 35/22 refers), the approach to the transfer of the service set out below and the next steps to improving the service. The key priorities being:
 - a. The safe transfer from FCC to the Council on day one.
 - b. A period of stabilisation to ensure that residents receive a reliable service. (Known as the transitional period of up to 9 months)
 - c. To improve recycling collections within the District. (Known as the improvement phase which will last up to 18 months).
- 2.3. The Executive agreed with the Cross-Party Waste Working Group that in considering options for the service that the service provided to residents:
 - i. Does not deteriorate further
 - ii. That any service change results in minimum disruption to residents
 - iii. That the existing workforce is reassured over the change in management and control.
 - iv. Enables the Council to deliver a consistent collection service following transfer as soon as possible.
 - v. Improve the service and increase recycling rates in the South Hams.

3. Service Transfer

- 3.1 The service successfully transferred on Monday 03 October 2022 and all actions outlined in the Executive report of 21 September completed on target.
- 3.2 By 05 October several operational inefficiencies were identified and resolved. As a result, the Council has:
 - a. Completed all rounds as scheduled including the garden waste service.
 - b. Reduced the number of reported missed collections
 - c. Recovered customer reported missed collections
 - d. Maintained toilet cleaning as scheduled
 - e. Collected fly-tips quicker than the previous contractor
 - f. Begun to deploy the street cleaning sweepers
- 3.3 Comparing the customer reported missed collection data across all waste streams between September and October demonstrates the dramatic improvement in service performance.



- 3.4 At the end of September all residents were advised (by Royal Mail delivered letter) that the garden waste collection service would cease on 31 October and that a subscription garden waste collection service would operate from March 2023. Residents were advised how to sign up for the new service from 01 November.
- 3.5 Whilst the performance of the service has exceeded all expectations, Members and indeed the public need to recognise that there will be no overnight fix of all the service problems. As well as the challenge of maintaining the day-to-day operation there are a number of significant issues to be resolved, these include:

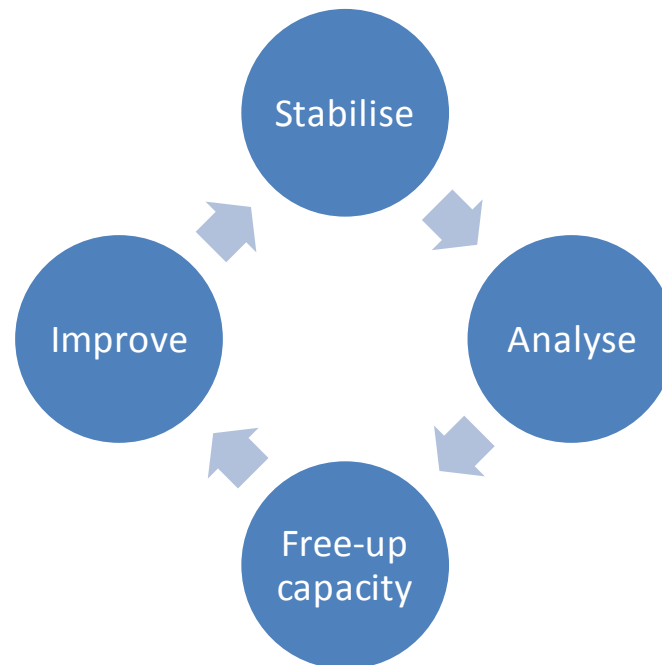
- a. The round data is incorrect and does not reflect the day-to-day operation
- b. The round design is fundamentally flawed
- c. The service is reliant on over 25% agency staff and a significant number of hired vehicles
- d. Staff pay and other terms and conditions are varied across the workforce

4. Delivering the Transition plan

4.1. The key goals of the transition phase are to:

- Improve the consistency of the service
- Improve the efficiency of the service
- Reduce the operating costs of the service
- Improve the overall resilience of the service

4.2. The short-term approach adopted by the team is illustrated below



4.3. The key priorities are:

1. Continuing to run the service and optimise the rota (vehicle and staffing)
2. Reviewing and resolving data issues
3. Designing the rounds and rolling out the Garden waste service
4. Christmas readiness and winter working
5. Undertaking round optimisation for go live in June
6. Negotiating on new Terms & Conditions
7. Training and development and Health & Safety at depots
8. Other service improvements i.e. bottle bank schedules
9. Performance management

4.4. Round Review progress

4.4.1. The original plan outlined in the 21 September report to the Executive was to deliver a smaller scale round review ahead of Christmas and then a complete round review in late spring / early summer.

4.4.2. It was anticipated that the first review would deliver some 'quick wins' reducing the number of co-mingled rounds, improving the recycling service to those properties and reducing costs. However due to the data issues and complexity of the existing rounds, Officers have concluded that risks of such a change would outweigh the benefits.

4.4.3. This is because:

- The benefits to the Council in terms of cost reduction would be negligible.
- The disruption to residents would be considerable but more importantly these residents would experience more change when the full-scale review is implemented.
- Changes would distract the current operation and could disrupt the Christmas collection schedule (the busiest time of year)
- Focus needs to be maintained on the full-scale review.

4.4.4. Despite the above the team believe that they can implement individual small-scale change on specific rounds which will deliver minimum disruption to residents and the full service but will enable improvements to be made. It is estimated that by adopting this approach that between 500-1,000 additional properties will start to receive a food waste collection before the end of March 2023.

4.4.5. Progress on the full-scale review continues at pace, with the following actions underway:

- The Council is reviewing the existing data and has commissioned a round review through a specialist provider, Integrated Skills.
- Co-mingled and Kerbside crews have been interviewed and feedback collated.
- Member, Towns and Parish feedback is also being considered in round improvements.
- A provisional date of 12 June 2023 for new round design go-live. This allows for a significant testing phase window i.e. driving all the new routes.
- A robust project and comms plan is being devised to assist with the round implementation to include education for residents.

4.5. Officers are also working on a whole range of other options to improve the overall service, including:

- Joined up working with existing Council operations team i.e. Localities etc..
- Vehicles review and procurement
- Depot set-up
- Trade/Commercial
- Environment Act & Devon waste strategy adoption
- Materials options
- Partnership working
- Robust education and communications campaign
- Policy review
- alternatives for the Devon Aligned Service (DAS) where it is operationally effective to do so and/or the costs of the DAS are excessive
- 3-weekly collections

4.6. The Council will be reviewing its policies in relation to the service. It is important that the service should operate under the following guiding principles:

For the Resident that means

- Clear and consistent
- Equitable and fair

For the Council that means

- Affordable and efficient

5. Costs

5.1. Considerable work is now underway to understand all the costs of the current service and a Finance Officer has been seconded into the team to help build the current operating budgets and then prepare financial projections of the service beyond the transition phase.

5.2. As of 01 November, initial estimates based on current costs are the service will remain within the budget anticipated for the transition phase. The costs and budget are detailed in the previous report to the Executive on 21 September 2022.

6. Recommendations

6.1. That the Executive notes the successful transfer of the service, the improvement in service performance and the key operational risks that the service is operating under.

6.2. Endorses the approach to improving the service through the transitional period set out in Section 4 of the report.

6.3. Notes the work underway to build a comprehensive budget forecast for the current operating phase and prepare financial projections of the service beyond the transition phase.

7. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	
Financial implications to include reference to value for money	Y	As of 01 November, initial estimates based on current costs are the service will remain within the budget anticipated for the transition phase. The costs and budget are detailed in the previous report to the Executive on 21 September 2022.
Risk	Y	
Supporting Corporate Strategy	Y	Quality Council Services Natural Environment
Climate Change - Carbon / Biodiversity Impact	N	
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	
Safeguarding	N	
Community Safety, Crime and Disorder	N	
Health, Safety and Wellbeing	N	
Other implications	N	

Supporting Information

Appendices:

None

Background Papers:

None