

Date	-	27 July 2018
Report of the	-	Lead Director, Dr Anthony Leonard
Subject	-	Service Performance Update

Recommendation: It be **RESOLVED:** That the performance and progress made since the last meeting be noted.

Report Author: Madeleine Gorman, Partnership Manager

Introduction

1. This report provides an update on performance across the Joint Waste Contract. It provides commentary on the total workflow through the Contract, recycling levels, missed bin performance and street cleanliness and considers the current risks to waste services.
2. Unfortunately, since the parties agreed the Mutual Exit Agreement (MEA), Kier has experienced an on-going level of management and supervisory staff absence. Action has been taken by Kier to cover absences and recruit new staff but collection service failures continue to be experienced almost daily. The Councils are therefore considering what actions can be taken to enable an acceptable level of performance until the Contract ends on 28 June 2019.
3. It is recognised that Kier face a genuine industry-wide issue concerning the ability to recruit and retain HGV drivers. This matter is of particular relevance, with implications for the current and future delivery of services.

Completion of Scheduled Work

4. Kier's ability to resource and manage the collections and street cleansing work scheduled each day has unfortunately not significantly improved since the Joint Waste Committee (JWC) last considered performance in April 2018.
5. In response to the concerns previously expressed by the JWC, assurances were made by Kier's General Manager that action was being taken to manage productivity and day-to-day efficiency across the Contract. However, the General Manager has subsequently advised that Kier continue to experience difficulties recruiting and retaining management and supervisory staff as well as HGV drivers. Difficulties are also being experienced with availability of the vehicle fleet needed each day. These are the primary reasons for the current level of performance being experienced across the Contract.
6. Action has been taken by Kier to cover management and operational staff absences and recruit new staff to enable continuity of service. Unfortunately there is seldom enough time to handover all the local knowledge and understanding each individual has, but of the 16 key personnel listed in the MEA, there is currently one supervisor post vacant with recruitment underway and one management position remains absent. Since the last JWC meeting,

Kier has recruited two new managers to support the Contract and increased the number of supervisory positions to enable a sufficient level of supervisory presence. This also aims to ensure continuity through periods of absence.

7. In response to the concerns previously expressed by the JWC, Kier's General Manager has confirmed that action is being taken to manage productivity and day-to-day efficiency across the Contract. A mechanical workshop has been opened in Amberstone to service vehicles onsite and improve vehicle repair turnaround times. An additional 15 tonne vehicle has now been deployed in the Rother area and 26 tonne vehicle in the Wealden area.
8. Kier's General Manager has also advised that a primary cause for the difficulties experienced with garden collections in Wealden has been due to the turnaround times at the Woodlands In-Vessel Composting Facility and the inability to tip garden waste at the Maresfield Waste Transfer Station. The Woodland turnaround times have since improved and the Maresfield Facility has since been reopened as of the 9 July. This has had a positive impact on the garden waste collections service.

General Workflow and Performance across the Contract

9. In addition to the collections and cleansing work that is scheduled each day, residents and Council officers send work via the Kierway system. Using the CRM and Kierway integration to request and record jobs (rather than emails and telephone messages) has improved communications, as previously Council officers were instructing Kier staff via several channels, which often created confusion and duplication within the Kier depot teams. When daily scheduled work is not completed, most of the "extra" jobs being generated are actually remediation requests (e.g. missed bin reports). Analysis of performance data for the March 2018 to June 2018 period records a total of over 45,000 worksheets (excluding those subsequently cancelled) that were raised by the Partnership of which approximately 1/3 were missed bin reports.
10. The breakdown by Council with cancelled, completed, completed late or open status is tabled overleaf:

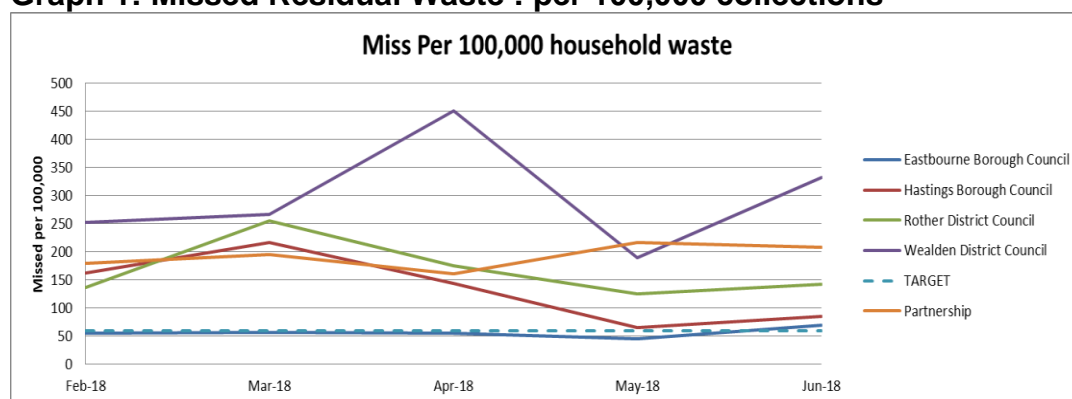
Table 1: Total Workflow (March – June 18)

Row Labels	Eastbourne Borough Council	Hastings Borough Council	Wealden District Council	Rother District Council	Grand Total
March/2018	9240	2807	4168	2004	18219
Cancelled	729	451	725	293	2198
Completed	7686	1900	378	1238	11202
Completed Late	698	335	1771	399	3203
Open	127	121	1294	74	1616
April/2018	2020	1214	2016	1436	6686
Cancelled	270	88	185	357	900
Completed	1424	880	164	675	3143
Completed Late	299	208	840	383	1730
Open	27	38	827	21	913
May/2018	3554	2303	5158	3073	14088
Cancelled	425	290	572	1077	2364
Completed	2061	1400	369	920	4750
Completed Late	917	559	2231	748	4455

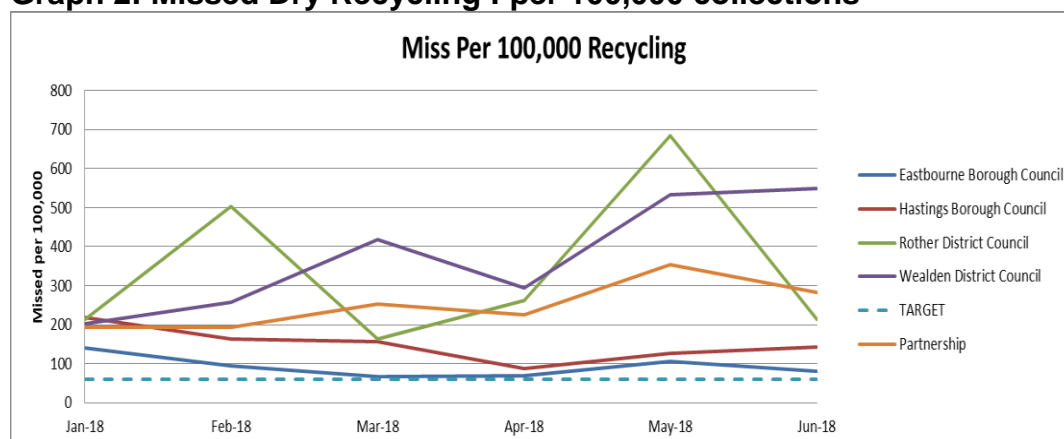
Open	151	54	1986	328	2519
June/2018	2461	3166	4688	2878	13193
Cancelled	423	286	443	349	1501
Completed	1102	2170	405	1208	4885
Completed Late	532	344	1970	609	3455
Open	404	366	1870	712	3352
Grand Total	17275	9490	16030	9391	52186

11. The same pattern of work activities has continued since the Autumn-Winter 2017 period (October to February) through the Spring and early Summer period (March to June 2018). The highest volumes of work are created by reports of missed collections, requests for container deliveries and new garden waste customers.
12. Average performance across the Partnership for collection services in May 2017 was c60 misses per 100,000 collections due, rising to just over 100 misses per 100,000 collections by end August 2017. Collection performance then improved from September through to December 2017 but subsequently returned to over 100 misses per 100,000 collections mid-January 2018.
13. Kier advise that performance in January reflects the period after the Christmas and New year peak periods where staff start to take holidays. Kier consider the industry standard to be approximately 100 per 100,000 which offers a recognisable tolerance and ensures a performance level of 99.9%.
14. Graphs 1, 2 and 3 below display missed collections for the primary collections services during the February to June period.

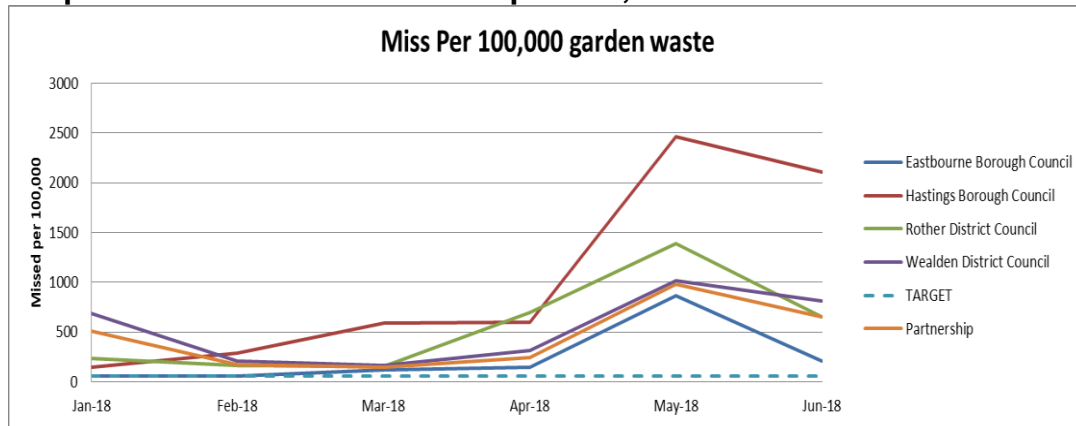
Graph 1: Missed Residual Waste : per 100,000 collections



Graph 2: Missed Dry Recycling : per 100,000 collections



Graph 3: Missed Garden Waste : per 100,000 collections



15. It is noted that snow and freezing conditions occurred Thursday 1 to Saturday 3 March. The level of disruption Kier experienced meant it then took until Monday 19 March for collection services to return to normal.
16. The Councils and Kier continue to monitor missed collections as a key performance indicator and seek to positively manage Kier performance on all collection services. In recognition of the financial and operational issues being faced by Kier the recovery timescale for missed collections was increased to two days by the MEA. Unfortunately the consequence is a growing expectation that some scheduled work will be missed each day but then recovered in the following days without any financial implication for Kier.
17. This situation has implications for those customers whose reference information (council website and calendar information) instructs them to present their bin on a day it is rarely actually collected. Despite this, officers generally support Kier in their endeavours to recover missed collections the same week until they consider that they have no alternative but to apply defaults (as per the MEA). In practice, defaults are issued for significantly overdue or repeatedly instructed work but each Supervising Officer would much prefer a consistently acceptable level of daily collections performance so that management time can be spent on pragmatic solutions to other service challenges.

Garden Waste Services

18. In April 2018, Eastbourne Borough Council (EBC) introduced a charged garden waste service, with the cost of service to customers at £52 per container. There were significant implications for Kier as although the annual cost of emptying a garden waste container is higher for a charged service than for a non-charged service, fewer customers subscribe. EBC previously had 29,521 customers and their expectation was that they would have c12,000 customers with the new charged service, which of course provided a new income stream for the council.
19. However, this change during the contract period and with just over a year remaining on the contract term, had significant implications for Kier in terms of EBC's annual garden waste payment for the service, and would have resulted in a payment reduction. Discussions took place between Kier and EBC and it was agreed EBC would continue to pay Kier the same level of payment as for 2017/18, plus the annual CPI uplift, outside of the normal contract bill rates. However, a cap was agreed of 13,658 for container numbers, and once

containers exceed this sum EBC will make an additional payment to Kier per container. A variation to the contract was negotiated and signed by all parties to documents and enable the service change to commence.

20. In addition to the impact for EBC, there were also implications for Hastings Borough Council (HBC), Rother District Council (RDC) and Wealden District Council (WDC). Payment to Kier for the garden waste service each year is based on the original container numbers at the start of the contract. In conjunction with this, a banding arrangement is in place and if the actual container numbers increase by more than 5,000 per year, an additional and on-going annual payment is made to Kier. In fact container numbers did increase during 2017/18 and so an enhanced level of payment is now being made.
21. However, with EBC having a completely different payment mechanism and container numbers from 1 April 2018, there was a need for a second variation to the Contract to be agreed, to revise the banding system for the three remaining Councils. From 1 April 2018, the previous banding of 5,000 containers has been reset to 3,664, to enable the proportion of EBC's containers to be deducted. HBC, RDC and WDC's combined container numbers as at 1 April was 80,395, so there will be no additional banding payment for Kier until container numbers reach 84,059. Container numbers are monitored each month and it is anticipated that this number will not be reached. This second Contract variation was agreed and signed by all four Councils and Kier.

Container Stocks

22. Between April and July some 4,620 containers have been requested to enable residents to use the collections services (bins, boxes and sacks). As of 1 July, 2,496 were overdue and of these 1,200 had been overdue for more than a month. This represents a significant deterioration in performance partnership wide but the majority demand is for brown garden waste bins and Kier stocks of these bins have been affected by implementation of EBC's garden waste subscription scheme.
23. With the introduction of a customer subscription scheme for the garden waste service in Eastbourne, Kier has allowed unsubscribed garden waste containers to be left with residents for a period of time after roll-out to facilitate uptake of the service. EBC's new garden waste service currently has 12,118 customers meaning that 17,332 unused containers remain unused. Kier are in discussion with EBC and the Partnership with regard to the number of brown bins available to be collected from Eastbourne residents and returned to Kier because stock is required to service residents in other locations.

Weed Spraying

24. Part 27 of the Specification relates to street cleanliness and the requirement placed on the contractor to meet the standards of the Code of Practice on Litter and Refuse (COPLAR) and the Environmental Protection Act. The type of work activity required to deal with weed growth is subject to an ongoing (minor) dispute but officers and Kier are actively seeking to resolve this matter.

Street Cleansing and NI195 surveys

25. Kier has raised concerns with regard to the contractual requirement for street cleansing and the basis on which the service is planned and managed. This matter is ongoing and any fundamental changes to the contractual approach will be reported to the JWC.
26. However, management of the street cleansing work scheduled each day has enabled improvements since the JWC last considered performance in April 2018. The initial survey results for the current NI195 tranche (April to end July 2018) indicate positive improvements. The full survey results will be reported to JWC at the next scheduled meeting.
27. The NI195 tranche 2 and tranche 3 survey results (for the August 2017 to March 2018 period) were disputed but subsequently resolved. WYG's inspections accurately identify and record actual levels of litter, detritus, graffiti and fly-posting but do not identify and take into account when there are contributory root causes that are outside of Kier's control. Kier and the Partnership therefore consider the survey results before Part 13A of the Contract (Performance Management) is applied. In the spirit of the MEA, the Partnership Manager (or Lead Director) seek to ensure the financial impact to Kier is representative of the impact for the Councils. In practice, this means that factors such as the number of public complaints received and associated impact on customer service resources are taken into account.
28. Kier report that several areas of management focus have been ongoing across the Partnership since Autumn 2017 that are improving street standards. In particular Kier report a general increase in the number of fly tips so it is essential that Councils are ensuring adequate enforcement.
29. HBC has been of special focus due to the issues surrounding a lack of litter storage (bin) capacity and domestic waste being presented on the street and often placing pressure on the street cleansing service. Further bins have been deployed along Hastings beach front to alleviate litter accumulation and prevent fly tipping. Further work is required to tackle the root causes of litter in other known hot spots.

Public Communications

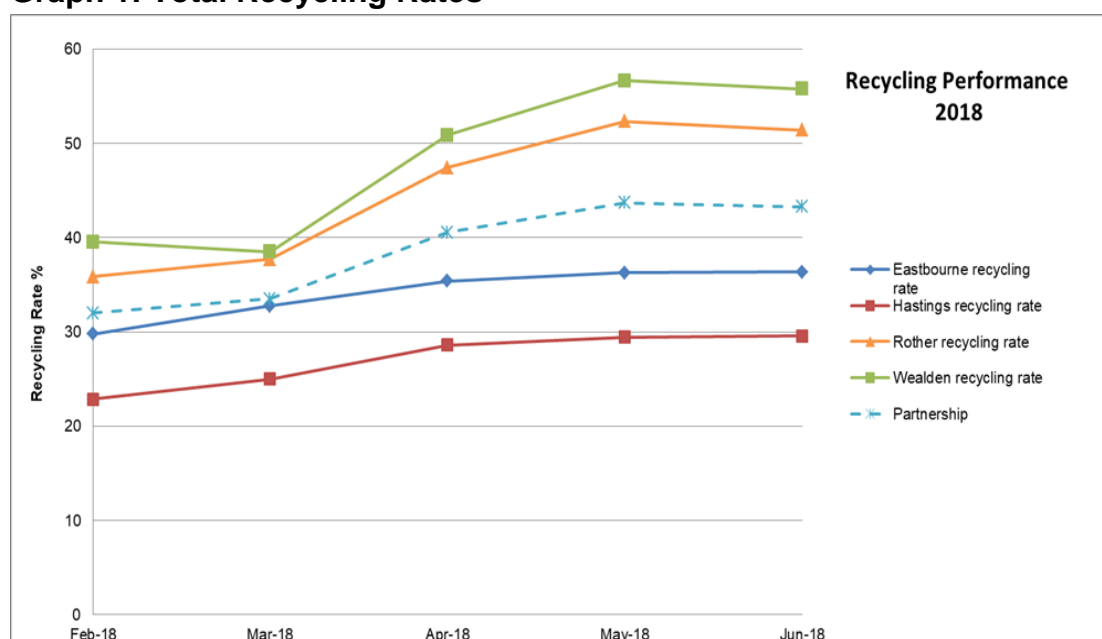
30. A social media campaign to promote recycling is being planned by the Partnership to commence in July for a period of six months, with the support of East Sussex County Council's (ESCC) Communications team. This is a low cost campaign which will involve a series of paid-for Facebook adverts. The advantage of a social media campaign is that the Partnership can deliver a range of different messages using different approaches to appeal to a broad range of residents.
31. The Litter Innovation Fund (LIF) is funded by the Department for Environment, Food and Rural Affairs (DEFRA) and the Ministry of Housing, Communities & Local Government (MHCLG). The programme is soon expected to release the second round of funding with an emphasis on reducing marine litter (although the funding criteria, timescales and priorities are yet to be confirmed). The county-wide East Sussex Waste Resource Strategy Group has considered the likelihood of making a successful application and

concluded that currently planned workloads for 2018/19 means staff resources are not available to undertake the level of work required.

Recycling Performance

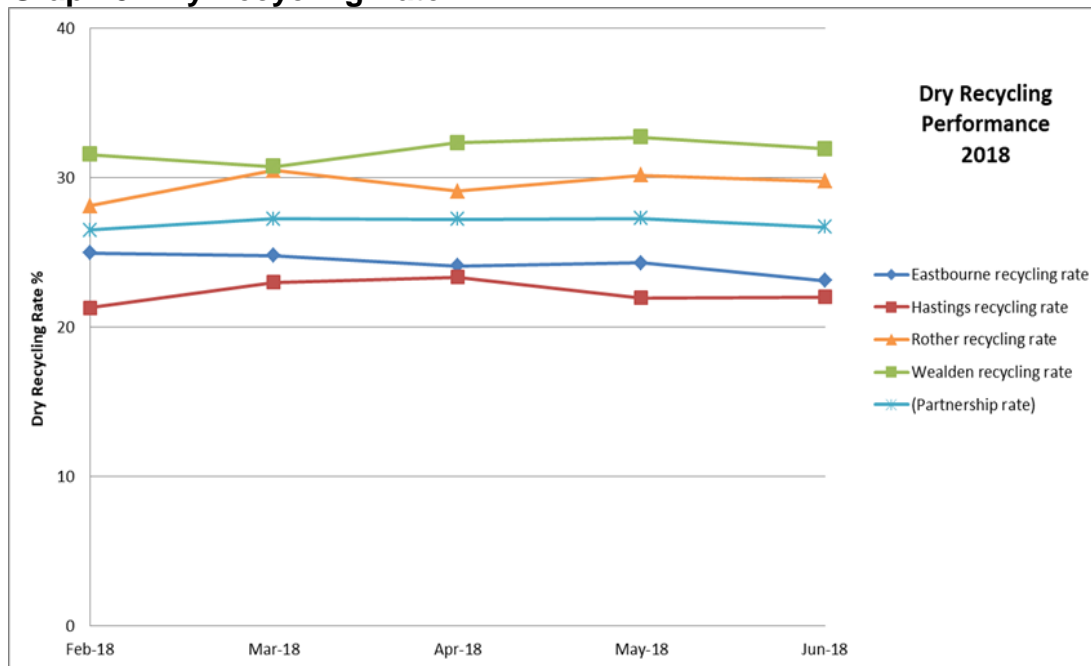
32. Graph 1 below displays the monthly total recycling rates for each authority for the Spring 2018 period. The total recycling rate is expressed as a percentage of total waste (including garden waste). This data is the latest available from the kerbside collection service so remains subject to adjustment following final verification of total household waste and recycling by ESCC.
33. The data used makes allowance for the level of contamination found in the recycling. Kier advise that while contamination of dry recycling has reduced in the past 12 months the level remains significantly high at 5.63%. It is noted that this contamination is residual waste rather than glass which is occasionally collected mixed into other dry recycling.

Graph 1: Total Recycling Rates



34. Graph 2 below displays the monthly dry recycling rates for each Council for the Spring 2018 period. This dry recycling rate is expressed as a percentage of total waste less garden waste, so that the seasonal impact of garden waste is excluded.

Graph 3: Dry Recycling Rate



Health and Safety Audit

35. A Health and Safety Audit has been commissioned by the Joint Waste Office with external consultants, to review the client side function and responsibilities and the contractor's responsibilities. The audit commenced in July and comprises a desk top review of documentation including policies, procedures and risk assessments, followed by interviews with the Supervising Officers and Authorised Officer. The final part of the audit consists of an inspection of all four depots, and interviews with agency and street cleaning staff. Outcomes and recommendations will be reported to the JWC at the next scheduled meeting, and where applicable, will be taken into account for the new Contract.

Local Council Performance

Eastbourne Borough Council (EBC)

36. Performance in general in Eastbourne has remained consistent over the past few months for all waste services provided by Kier.
37. Areas of concern include:
- a) Weed control (see para 24 above).
 - b) EBC introduced a subscription charge for garden waste collections which involved considerable operational input from both Kier and EBC. This incurred a significant operational issue in the first fortnight of the service as Kier removed 1 of the 2 GWS fleet from service without notice. This had a significant impact on service delivery, which in turn compromised EBCs reputation (including with politicians who had been assured of a seamless transition) and resources (impact on EBC Customer Advisory team as noted on the previous bullet point, where EBC had to extend the timeframe of agency support), all of which has had a time and financial cost to the contract, above and beyond the planned service budget.
38. Areas of positive note:

- a) The Garden Waste service has had an excellent uptake with over 12,000 bins now being serviced.
 - b) The local relationship between EBC and Kier is generally positive and focused on a continuation of the service to contract end.
 - c) Kier has formally assured EBC that the Garden Waste Service will continue to be resourced to accommodate any increases in resident take up.
 - d) The local relationship with Kier's operational team is excellent, with all routine issues being dealt with swiftly through the active attention of local contract supervisors.
39. Overall, EBC's expectation of Kier is to continue to support and deliver the operational services and associated performance indicators as already documented. Performance in Eastbourne has remained consistently high over the past few months for collection services. All other local issues are being dealt with swiftly with the support of local contract supervisors.

Hastings Borough Council (HBC)

40. The number of missed collections within Hastings continues to fluctuate from month to month with garden waste presenting a considerable challenge in recent weeks resulting in a high number of escalated complaints. Generally these missed collections are completed by the end of the working week.
41. Despite, admirable and ongoing efforts of the local contract team, street cleansing remains a serious concern with high profile areas such as the beach consistently failing to reach the minimum standard under the Contract, and litter bins left overflowing thus exacerbating the issue. This situation was highlighted by the latest NI195 results which showed considerable failings under each subcategory. In recent weeks, the low standard of cleansing has reached the attention of both the local MP as well as the local press. In addition to the aforementioned, the removal of weeds remains an issue across the town.
42. HBC continues to work with Kier to address these issues both in terms of cleansing and to target the root causes of litter through education and enforcement.

Rother District Council (RDC)

43. RDC has continued to experience changes in Kier Operations management as the Business Unit Manager who started in March 2018 has moved on to another role, and one Operations Manager has been covering the Contract across Hastings, Rother and Wealden, when there should be at least two. This has led to some delays in decision making, lack of action and slow response times. Kier has now appointed a new Operations Manager to cover Hastings and Rother so performance improvement on all aspects of the management of services is expected.
44. Waste collection performance levels continue to lack consistency, with most weeks having one collection running one day behind schedule due to vehicle breakdowns, lack of vehicle capacity or shortage of drivers. However the rounds have generally recovered more quickly resulting in agreed service levels being met, and a resulting lower level of defaults applied.

45. Initially Kier was slow to react to the seasonal increase in garden waste capacity despite it being discussed in weekly operations from early 2018 onwards. With the warmer, wet weather in early May, garden waste tonnages increased, resulting in garden waste rounds falling behind on a regular basis during May and June due to vehicle capacity issues. Kier has now implemented an additional round on two afternoons each week which has helped reduce the number of missed bins and allowed a quicker return to rectify when missed. Continued service improvement is anticipated.
46. One of the most difficult issues to resolve is inconsiderate legally/illegally parked cars blocking access to certain roads thus preventing Kier from completing waste collections. RDC continues to work with Kier, the residents living along these roads and the Police to find ways to address these issues.
47. The harsh winter and high levels of rainfall in early spring has inevitably taken its toll on the district's road surfaces, including private / unadopted roads, resulting in large numbers of potholes that require prompt attention. RDC has worked closely with Kier to complete joint site visits to those private / unadopted roads that have been highlighted as needing remedial works to the road surface in the near future. Where necessary, the Council has written to the residents of these roads to alert them to the need to maintain their road surfaces, and also where relevant to cut back overhanging hedges/trees, so that waste collections can continue unheeded. These joint site visits are ongoing throughout the summer in order to facilitate waste collection services during the coming winter season, and information regarding the maintenance of private roads has been added to RDC's website to which residents can refer.
48. RDC's service operations have been impacted during the last few months due to a lack of containers for garden waste, partly due to the slow return of residents' unwanted containers from Eastbourne. RDC has a significant number of customers awaiting delivery of replacement garden waste containers, generating an increased volume of calls to our contact centre and complaints. The Council is hopeful that this shortage is now resolved and that RDC will receive a small quantity of containers next week, with more to follow shortly. Priority will be given to customers who have been on the waiting list the longest.
49. Several bring sites, including Gibbets Marsh, Battle Market car park, and Ticehurst have suffered with irregular collections leading to containers overflowing on numerous occasions and increasing the amount of street cleansing required to address spillages. Kier did indicate that these bring site collections may be transferred to their commercial department and be completed on a minimum basis of twice weekly, but as yet this has not been actioned and the collection of bring sites remains under review.

Wealden District Council (WDC)

50. Missed bins have been gradually increasing but more recently took a dramatic upward turn and are currently at worryingly high levels. Rounds are not operating and/or working a day or more behind schedule resulting in over 3,000 missed bins per day, attracting local and regional media enquiries as well as high levels of demand from customers. Kier has deployed resources to work on Saturdays to catch up but this has failed to prove sufficient to entirely clear weekly backlogs leading to problems carrying over into

subsequent weeks. Additional resources have been brought in to bolster the Council's waste management and customer service teams to deal with the additional customer demand.

51. Collections from recycling bring sites have been equally affected resulting in overflowing bins and material accumulating on the floor. During week commencing 9 July, with reluctance, the Council resorted to the issue of a Step-In notice advising that we would bring in a third party to clear bring sites. After taking this step, Kier subsequently managed to find resources to clear sites themselves and the sites were cleared by 12 July.
52. Driver shortages have been cited by Kier as the main reason for the current position. Levels of resourcing for crews, supervisors and vehicles also continue to be a concern and lead to reduced resilience and increased workload pressures. An action plan has been developed by Kier to try and ensure sufficient resources are available to deliver and maintain scheduled collections. WDC will closely monitor implementation of this plan.
53. There is a significant backlog of container deliveries amounting to in excess of 1,000 containers and customers waiting up to 10 weeks for bins to arrive. Additional resources to tackle this have been promised but to date have not yet been deployed. This position seems to be being exacerbated as a result of Kier's commercial waste service using the same resource to deliver containers for their customers across the Partnership area.
54. With regard to street cleansing, high levels of detritus remain a concern. Faults on the three mechanical sweepers resulted in none being operational for in excess of a week at one stage in June. This issue was eventually addressed but took some time to resolve. Current deployment of street cleansing resources appears to be inefficient and does not deliver adequate standards. Council officers are continuing to work with Kier supervisors to help schedule the work more effectively.
55. Performance for fly-tip clearance, bulky and clinical waste collections remained consistently good.

Kier Position

56. Kier's position on key matters arising within the Contract is provided in a separate agenda item (Kier presentation).

Joint Waste Risks and Actions

57. The Joint Waste Partnership Risk Register is maintained as a current document by the Partnership Manager and is available upon request.
58. There are currently five high risk scores which are:
 - a. Management of performance – this risk focuses on the personnel, plans and systems being used to manage performance. The risk has been escalated due to the significant number of missed collections in Wealden during May to July. Wealden District Council are issuing a substantial number of defaults and along with the Joint Waste Office are continuing to work with Kier to address these issues.

- b. Kier Contract Manager role – the turnover of personnel in this role with limited opportunity for handover means that different approaches have been taken to the practicalities of working within the MEA and to how knowledge is acquired with regard to the Contract provisions and how they are interpreted.
 - c. Street cleansing performance – this risk is maintained as high due to the NI195 survey outcomes.
 - d. Extensive use of agency staff – this risk has increased due to continued reliance on agency staff and indications that HGV driver availability will continue to be a key issue.
 - e. Collection service disruption – this risk focuses on actual collection performance in each area. This risk has increased due to poor daily collections performance in Wealden (c3,000+ missed collections per week).
59. As reported to the JWC in April, further changes in Kier's management personnel might be expected to incur short-medium term service disruption. This position still stands as further changes are occurring in the local contract management roles. The Partnership continues to use the performance management provisions in the Contract and support Kier management endeavours to achieve consistently acceptable levels of performance on both collections and cleansing work.

Dr Anthony Leonard
Lead Director

Risk Assessment Statement

Service performance incurs reputation risks for Kier and the Councils. Performance has a direct impact on customer service capacity as well as Kier administrative and management capacity.

A number of legal and operational risks are currently being actively managed.