

Joint Waste and Recycling Committee

Date - 3 July 2020
Report of the - Lead Director, Dr Anthony Leonard
Subject - Matters Arising in Contract Year 2

Recommendation: It be **RESOLVED:** That the report be noted.

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Introduction

1. This report describes key matters arising with the Joint Waste Contract (JWC) at the beginning of the second year of the Contract with Biffa Municipal Ltd.

Financial Position 2019/20 and Forecast 2020/21

2. This report summarises 2019/20 Biffa contract core and non-core (also known as variable) expenditure. The reporting period is 29 June 2019 (start of the Biffa Contract) to 31 March 2020 (end of the Council financial year).
3. Table 1 below displays the total expenditure of each council on the core waste services provided by the JWC over nine months. Members are advised that the forecast line is based on a full year (12 months); 2020/21 quantities plus 2% inflation.

Table 1: Total core spend per partner council

Table 1: Summary of Core Spend for 2019/20 July to March and 2020/21 Forecast

Item	Total Cost (£'000)		
	HBC	RDC	WDC
Residual Waste	720	1,170	1,350
Recyclable Waste	640	800	1,220
Garden Waste	100	580	650
Bring Sites	4	10	20
Street Cleaning	-	890	760
Scheduled Clinical Waste	5	20	2
Backdated Indexation	16	40	47
Core Total Spend	1,485	3,510	4,049
2020/21 Forecast	2,010	4,753	5,829

4. Table 2 below displays the total expenditure of each council on non-core (variable) service items. Members are advised that the Joint Waste Office (JWO) does not hold sufficient information regarding intended growth and other local matters to accurately make a variable expenditure forecast for 2020/21.

Table 2: Total non-core (variable) spend per partner

Table 2 . Summary of Non core Spend for 2019/20 July to March

Item	Total Cost (£)		
	HBC	RDC	WDC
Ad hoc Clinical Waste Collection	3,731	3,986	5,505
Container Costs (delivery/repair/removal)	18,842	43,216	69,842
Bulky Waste Collection	-	38,813	29,126
Flytips	-	28,964	26,512
Flyposting	-	56	0
Graffiti	-	2,402	0
Hazardous Waste	-	82	0
Container Empty	2,228	299	1,719
Other Agreed Works	18,286	17,858	146,413
Defaults	-4,021	-5,884	-1,802
Non-core Total	39,066	129,793	277,315

5. The annual expenditure forecast for Administering Authority (AA) Costs [Joint Waste Partnership (JWP)] in 2020/21 is £220,690. This sum includes items such as external NI195 monitoring and ICT system developments.
6. Each partner council holds its own budget(s) for waste related expenditure because many cost elements are not within the scope of the JWC (e.g. the purchase of bring site containers, litter and dog bins, commercial collections from council offices and similar). The JWO understands that all JWC expenditure in 2019/20 remained within budget and sufficient budget provision has been made by each council for 2020/21.

Container Management

7. Significant efforts have been made to reduce the time residents have to wait for a new or replacement bin to be delivered to them. Stock management and control systems have improved and the service has been operating far more consistently since January 2020.
8. Efficient and transparent management of container stock is an essential contract requirement because unlike the previous JWC, Biffa directly recover the cost of new containers (and repairs to re-useable containers) through the payment mechanism. The need to maintain stock levels means that the AA pays container related invoices from Biffa prior to recovering the costs from each partner council. The JWO manage this situation so that financial risks and cashflows are appropriately managed through the year.
9. For the period 29 June 2019 to 31 March 2020, the total cost of containers ordered by Biffa and recharged to the AA was £182,747.35. The AA recharged the costs to each partner using the number of deliveries ordered and completed on Whitespace, a summary of container type and quantity can be found in Table 3: Container Analysis 2019/20. The sums recharged for this period total £161,681.87 meaning the AA provided a float of circa -£21,000, see Table 4: Container Recharges for the recharge amount per partner.

Table 3: Container Analysis 2019/20

Total Containers delivered 29 June 2019 to 31 March 2020	Wealden	Hastings	Rother
DW 1100	11	0	5
DW 120	0	0	0
DW 1280	0	15	0
DW 140	0	0	0
DW 180	1,338	303	638
DW 240	111	41	185
DW 360	10	0	0
DW 660	10	0	1
DW Sack	0	1	0
DW Seagull-proof Sack	0	672	38
GW 140	73	0	5
GW 240	2,252	386	1,561
RY 1280	3	4	5
RY 1100	0	0	0
RY 140	22	0	1
RY 180	0	3	3
RY 240	1,732	445	888
RY Sack	0	144,393	7,778
RY 360	0	0	0

Table 4: Container Recharges 2019/20

	Jul – Dec 2019	Jan – Mar 2020	Grand Total
HBC	£15,074.15	£9,768.90	£24,843.05
RDC	£31,271.97	£18,869.55	£50,141.52
WDC	£56,266.16	£30,431.14	£86,697.30
Total	£102,612.28	£59,069.59	£161,681.87

Round / Route Changes

10. A series of operational changes have been made at the Amberstone and Bellbrook depots (Wealden area) since October 2019 which have increased productivity and allowed the collection rounds to operate more efficiently. The changes have been made with minimal impact to customers (i.e. collection days have remained the same for all but c400 households).

11. It is anticipated that the final stage of this work in Wealden will involve changes to collection rounds for a further 3,000 households and may require collection day changes for approximately 1,000 of those households. The scale of these changes make them subject to a specified series of communications with customers. Biffa intended to submit further round change proposals for approval in March so that implementation could take place by the start of the second contract year (from 1 July 2020). However, the COVID-19 pandemic has suspended this work until further notice.
12. Based on the successful approach taken in Wealden, the Rother and Hastings operations are being analysed so that small scale efficiencies can be implemented. This work has started and will be progressed over the summer 2020 period. The service specification describes how service changes which affect customers are to planned and implemented.

Health and Safety: Annual Client Audit

13. The East Sussex Waste Collection Partnership is responsible for ensuring that Biffa staff, vehicles and equipment have an appropriate level of supervision and that regular checks take place. The daily operation of the Biffa vehicle fleet presents a variety of hazards that should be controlled through a system of checklists, defect records and the management of vehicle servicing and repairs as well as driver licensing and staff training.
14. Biffa Municipal Ltd are certified as part of the ISO Management system and most recently conducted an internal East Sussex Fleet Management and Operator Licence Audit 18-21 Nov 2019.
15. In January 2020, the Partnership Manager completed a client safety audit which focused on matters pertaining to the safe operation of the vehicles. The audit included vehicle inspections to verify the daily vehicle checks made by Biffa drivers, vehicle servicing records and driver licensing and certification checks. The audit concluded that Biffa has successfully embedded good standards of health and safety awareness and procedures in their operations. The audit made two (minor) recommendations to:
 - i) standardise the use of colour copies at the depots; and
 - ii) clarify the role of managers, administrators and supervisors with regard to overweight vehicle infringements.

Both of these recommendations have been implemented.

16. The Supervising officers and Biffa Operations Managers continue to manage safety related matters locally with records of the matters identified and actions taken to resolve them made in the local meeting notes. The Contract management group (all parties to the Contract) also consider health and safety trends and major issues at the monthly contract meeting.
17. The Partnership Board specifically considered health and safety management and concluded that the councils should take advantage of Biffa expertise with regard to health and safety. It is proposed that the client group engage with Biffa Safety, Health, Environmental and Quality

(SHEQ) management to review and refresh the client approach to Joint Waste Health and Safety in 2020/21.

Current Local Performance (June 2020): Wealden

18. Collection performance continues to improve with positive work between Biffa and client officers at a local level resolving day-to-day issues. Some concern remains with the level of missed assisted customers which, although not excessive, requires improvement.
19. Biffa's response and resilience during the coronavirus pandemic has been good with efficient implementation of virus transmission control measures in-line with latest industry health and safety guidance. The situation has however highlighted the amount of staff on long term sick from Wealden depots that requires further management. Reinstatement of the suspended services under the Business Continuity Plan (BCP) were organised and well managed. There was a short term increase in missed garden waste bins immediately after service resumed due to the high volumes being presented for collection exceeding the capacity to collect on a small number of occasions; however, recovery collections were usually made the following day minimising inconvenience to customers. Biffa also coped well with higher than normal volumes of residual waste and recycling being generated as a result of lockdown.
20. A backlog for container deliveries has arisen over the last 10 weeks. This is partly a result of limited staff resources due to sickness and self-isolation but in the large part due to high numbers of request involving garden waste containers due to this being the annual period in Wealden when customers re-subscribe to the service. Biffa has reacted with plans to bring more garden waste bins into stock and deploy additional delivery resources.
21. Progress on street cleansing is positive with much improved coordination with the highways authorities. The preliminary street cleansing schedules are being adjusted where necessary and final schedules are anticipated soon. Progress has been made to tackle litter picking on faster roads with further work scheduled throughout the remainder of the year.
22. Performance for fly-tip clearance remains good despite challenges with increased incidents at local recycling bring sites, likely in part as a result of the temporary closure of the Household Waste Recycling Sites.
23. Clinical waste collections have generally been reliable although there has been occasional disruption resulting from Biffa staffing issues.
24. Bulky waste collections performance remains good.

Current Local Performance (June 2020): Hastings

25. Over the past year, Hastings has experienced a number of challenging situations that have negatively impacted on the level of service provided to the public – of particular note includes the emptying of on-street containers, repeat missed or messy collections, and various crew behavioural issues that perpetuate and exacerbate the aforementioned situations.

26. In the majority of cases, mission critical service failures (e.g. the collection of on-street containers) have been addressed and resolved comprehensively and with great professionalism by Biffa management and the JWP office. However, the lack of a consistent Operations Manager at the St Leonards depot has meant that some of the underlying issues have not been addressed. To this end, Hastings still has concerns about the level of supervision provided, and the impact that this will have on the contract moving forward if not addressed.
27. That said, service standards in Hastings have seen an improvement in recent months owing to a mixture of operational refinements and increased management involvement aiming to resolve some of the perennial issues. Of particular note is the arrival of a new Operations Manager at the St Leonards depot. So far, the responses received to escalated problems has been positive and we are looking forward to working together to improve the service as a whole, and reduce the number of repeat issues.

Current Local Performance (June 2020): Rother

28. Rother collection and street cleansing services were impacted from late March 2020 onwards by Government restrictions in response to the COVID-19 pandemic. Services continued from the beginning of the COVID-19 lockdown period in line with the partnership BCP. Bulky waste collections were suspended, along with garden waste collection services, and Rother, unlike Hastings and Wealden, took the decision to continue to suspend garden waste collections until 4 May 2020 from when they were reinstated.
29. During the initial period of lock down, with no garden waste rounds going out and minimal traffic on the roads, waste collection service levels improved with a general reduction in missed bins and complaints.
30. 'Bring sites' standards also improved in this period with a significant reduction in abuse and contamination.
31. In response to COVID-19, the Salvation Army stopped emptying clothing bank sites from end of March 2020. Despite social media messages and notices placed on the clothing banks this resulted in mountains of bagged clothing being left at certain bring sites, thereby increasing the amount and cost of fly tipping. It is hoped that the Salvation Army will return to making collections in July.
32. Street cleansing continued as planned in most areas across the district. Advantage was taken of reduced traffic to increase cleansing of fast roads, traffic islands, car parks, where possible.
33. Less visitors to Camber Sands meant the seasonal Camber Sands Task Force, recruited by Biffa to cleanse the beaches and sand dunes of litter during the summer season, turned their hand to clearing the accumulation of winter sand from the car parks and surrounding areas, ready for use when the lockdown was lifted.
34. Since the easing of lockdown, services have returned to normal operations. Garden waste rounds experienced high volumes in the first few weeks of

May making it more difficult than usual to complete rounds on the scheduled day. In addition, Biffa has had no other alternative but to support the level of resources both during the lockdown period and since, by the use of increased numbers of agency staff. They are now recruiting permanent staff who are having to learn the waste collection rounds. This is having short term impact on increasing the number of missed bins as drivers learn the routes.

35. 'Bring sites' have struggled to keep pace with volume of recycling brought about by the increase of packaging through people internet shopping whilst shops are closed.
36. The volumes of litter has increased as visitors return to the beaches, parks and open spaces in far greater numbers than usual at this time of year due to a combination of fine, warm weather, school closure, and many people on 'furlough'. Added to this, many restaurants have adapted to providing take-away food, thereby creating more litter.
37. Rother is in the process of completing the renewal of garden waste subscriptions for the year 15 July 2020 to 14 July 2021. Renewing customers benefited from a reduced rate of £35 per bin in recognition of the few weeks of missed collections. To date we have an estimated 19,725 subscribers for the year 15 July 2020 to 15 July 2021, compared to 19,432 at the end of March 2020.

Risk Register

38. The Joint Waste Partnership Risk Register monitors service risks from a client perspective. The scope of the Risk Register is limited to matters affecting the joint waste team and the "whole" contract or Partnership. Identifying risks together with assessment of impact and likelihood is the responsibility of the Joint Waste Partnership Manager. All managers and officers involved with the services in any capacity (finance, customer services, legal, operational) share responsibility to ensure that awareness of risk is maintained and action taken as/when necessary. Supervising Officers, Biffa managers and other responsible officers connected with the services (e.g. Customer Service and ICT Managers) are responsible for the local actions required to control or mitigate risks. The Risk Register is maintained as an active file available on request from the JWO but with risks monitored and updated by the Partnership Manager at least monthly.
39. Members are advised that Biffa and council officers are currently managing one Very High (red) Risk:
 - i) The financial reconciliation of payments made against services received during the COVID-19 pandemic. The commercial impact of Public Procurement Notice (PPN 02/20) and the relief provisions of the JWC have both been considered and, agreement reached with regard to how the parties will handle the financial implications of the pandemic. A Variation to the JWC has been drafted and this risk will be reduced upon completion of that Variation.
40. Members are advised that four High (amber) Risks have been assessed as follows:

- i) Biffa cease (or reduce) operations with minimal notice (due to COVID-19 pandemic) incurring major disruption to collection and cleansing services. Planned staff absence (holidays) has been carefully managed and unplanned staff absence (sickness) is tracked daily against the agreed business continuity trigger point. Daily absence has consistently been at 17%-18% since the end of April. Biffa are considering recent experiences managing the COVID-19 BCP so the plan can be refreshed prior to the likelihood of the pandemic escalating and staff absence increasing to 20%+ once again.
- ii) Loss / Reduction of trained (client) monitoring staff (due to COVID-19 pandemic). Some officers with contract monitoring responsibilities have been unable to perform their duties during the lockdown period. Each council is currently very dependent on customer reports and service data to assess Biffa performance (rather than waste management staff monitoring). The Partnership Manager continues to coordinate officer availability across the partnership to ensure that the essential aspects of the authorised officer and supervising officer roles are fulfilled. As lockdown is released and staff return to work more normally, this risk will be reduced.
- iii) Extensive Use of Agency Staff. Biffa are necessarily operating with higher than desirable levels of agency staff to cover shielded and isolated members of permanent staff. Biffa continue to recruit permanent staff and the situation is subject to ongoing review with longer term decisions deferred until the future working requirements for waste services can be fully assessed.
- iv) The Health and Safety of client officers and Biffa supervisory staff. The COVID-19 pandemic presents new hazards with regard to visiting depots, council offices and residents' homes. Working practices, personal protection equipment and procedures are being reviewed as government guidance is developed and issued. This risk will be reduced when the extent of long term changes are fully understood.

Dr Anthony Leonard
Lead Director

Risk Assessment Statement

Good working relationships have been established between Biffa managers and council officers during the first year of the JWC and the primary requirements are being delivered as specified. Some activities and procedures are not yet being delivered exactly as described by the Contract but full implementation is planned during contract year 2.