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Dear Councillor

## **SOUTH HAMS OVERVIEW AND SCRUTINY PANEL - THURSDAY, 14TH JANUARY, 2021**

I refer to the agenda for the above meeting and attach papers in connection with the following item(s).

<b>Agenda No</b>	<b>Item</b>
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- |    |                                                        |
|----|--------------------------------------------------------|
| 9. | <b><u>Waste Contract Performance</u> (Pages 1 - 6)</b> |
|----|--------------------------------------------------------|

Yours sincerely

Darryl White  
Democratic Services Manager

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Report to: **Overview & Scrutiny Panel**

Date: **14<sup>th</sup> January 2021**

Title: **Waste Contract Performance**

Portfolio Area: **Cllr Keith Baldry, Executive Lead Member for Environment**

Wards Affected: **All**

Urgent Decision: Approval and clearance obtained:

Date next steps can be taken:

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## **Recommendations:**

That the Overview & Scrutiny Panel:

1. Consider the performance of the waste and cleansing contract to date.

### **1. Executive summary**

- 1.1 The purpose of this report is to provide the Overview and Scrutiny Panel background information on the performance of FCC in implementing the round review and the impact on the future service change.
- 1.2 A report was presented to the Executive Committee on 22 October 2020, which provided evidence that the contractor, FCC, were meeting the contract's key objectives in year 1 (2019-20) with acknowledgement of opportunities for improvement in the areas of litter/dog bin and bank collections.
- 1.3 However, FCC have acknowledged problems arising from the recent round review. A report was put before the Executive Committee on 17 December 2020 proposing a change in the way the new service is introduced, based on the lessons learnt from the round changes.

## **2. Background**

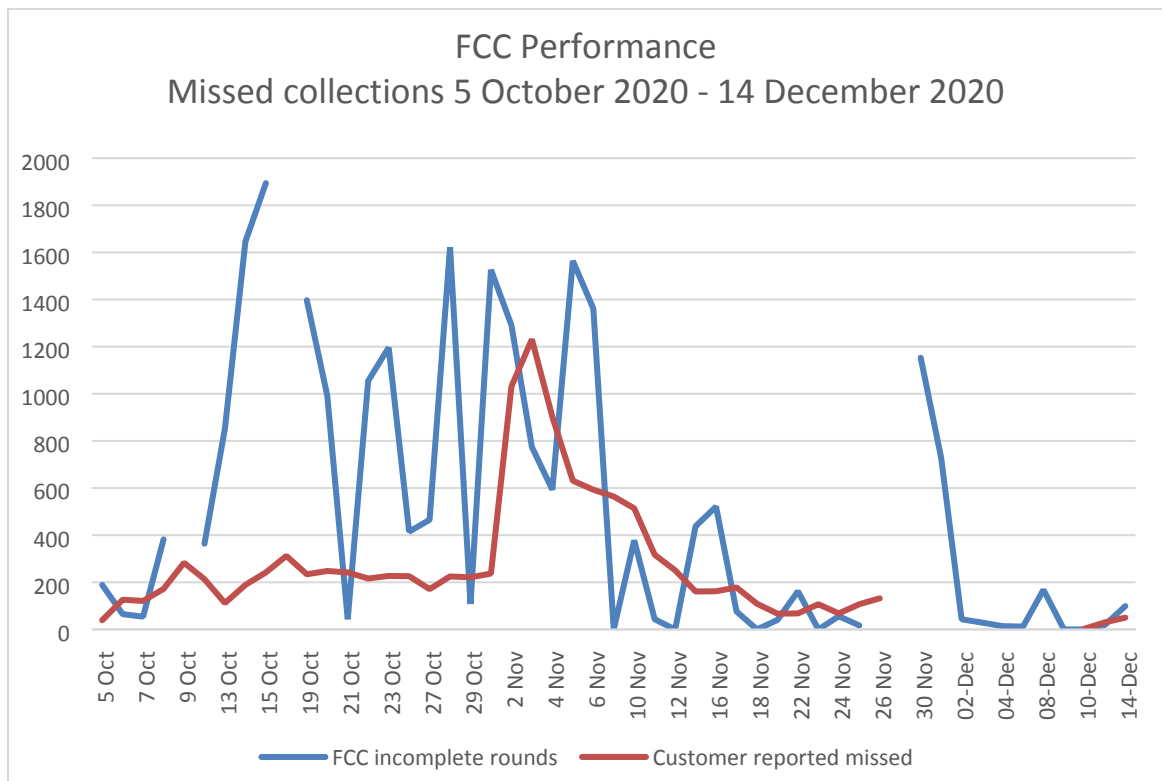
- 2.1. The contract with FCC is worth over £48 million in total over the initial period of 8 years (over £30 million in South Hams) and covers both South Hams and West Devon Councils with separate requirements for each. As such the documentation is extensive and detailed. As of April 2021 there will be 6 years remaining on the contract.
- 2.2. Key drivers for outsourcing the service included; modernisation of the service, driving value for money and improving service delivery. At the time of contract award, the financial savings were stated as follows;
- 2.3. A saving of £286,000 per annum in the first 18 months of the contract, increasing to an annual saving of £424,000 per annum over the remaining 6.5 years of the contract term (on moving to the Devon aligned service at September 2020) against the current services and equivalent future aligned service.
- 2.4. The contract is a joint contract with West Devon. The award of a shared service with West Devon resulted in additional savings for West Devon and an additional saving for South Hams of £107,000 per annum.
- 2.5. A total saving of £3.19 million over the 8 year contract term. This figure includes the shared saving.

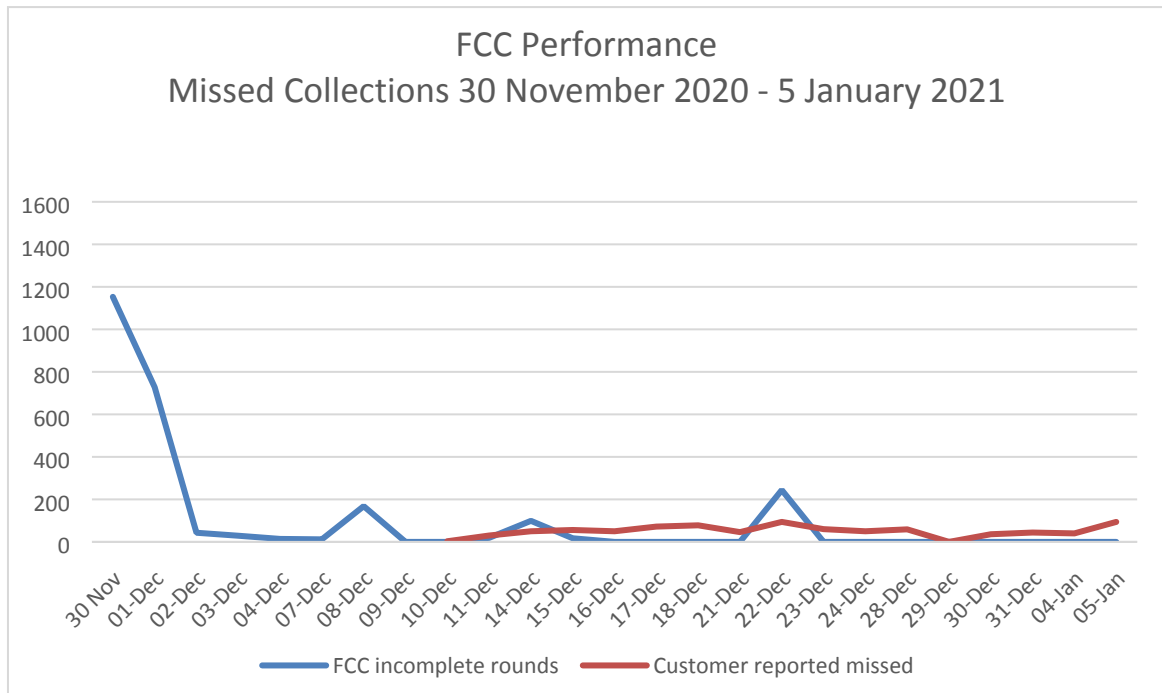
## **3. Implementation of Round Changes**

- 3.1 Problems with supply chains forced the decision to delay the introduction of the new service. This in turn led FCC to propose splitting the round changes from the new service introduction to reduce risk by allowing contingency for any further Covid-19 related interruptions. This change and accompanying timings were relayed to Members at Informal All Member Briefing on 10<sup>th</sup> September 2020.
- 3.2 FCC have acknowledged problems arising from the recent round review, and in particular concerns raised by the Council and residents regarding incomplete rounds, missed bins and repeat misses.
- 3.3 After a round change it is usual for disruption to last between 6 – 8 weeks as crews get used to new rounds. As each fortnightly collection is completed, the number of missed collections should fall. The changes started on 5<sup>th</sup> October and officers met FCC local managers on a daily basis to monitor missed bin numbers and resolve issues. Weekend crews were brought in to support the collection of the missed waste. The Partnership Board met during

week 2 and it was reported that figures for missed collections were broadly in line with expectations.

- 3.4 In weeks 3-4 it became evident that performance was not showing any sign of improvement. The Council escalated to senior management at FCC including the UK Operations Manager. An additional vehicle was brought in with the aim of ensuring collections were completed on scheduled collection days and the new Area Manager became involved in the daily and supplementary meetings.
- 3.5 Within a few days, it was clear that a single vehicle was not resolving the issue, and FCC responded quickly to the Council by re-examining the data and skimming properties from the worst performing rounds and putting them onto new rounds involving further additional vehicles and crews which were deployed in mid-November.
- 3.6 Once the additional resources were put in as reported in 3.5, performance over missed collections improved significantly as the two contrasting graphs below illustrate:





Please note information from FCC was not available on 27<sup>th</sup> November as local management were dealing with a Covid-19 event detailed in 4.3.2. below. The ability for customers to report missed collections was suspended between 2-16 December whilst crews were isolating and agency staff were collecting. During this period, any potential missed collections were advised that side waste would be collected on the next scheduled collection day.

- 3.7 On 27 November, FCC reported a positive case of Covid-19 which resulted in the self-isolation of 27 members of FCC staff, including local management and a high proportion of drivers. At very short notice, FCC recruited replacement/agency drivers and crews and all rounds were able to operate by the following working day, 30 November. This was not the case in a neighbouring Authority who have also been affected by a local outbreak of the virus and where collections were temporarily suspended.
- 3.8 There were no incidents of rounds not being completed over the Christmas holiday, despite traditionally more waste than usual being presented over this period.
- 3.9 There are still some properties that are experiencing inconsistent collections, as of 6<sup>th</sup> January around 0.4% (~190 households).

#### **4 Proposed way forward**

4.1 In light of the lessons learnt from round review, and in anticipation of the new recycling service (Devon Aligned Service) introduction in March, FCC need to demonstrate that they:

- Have a robust deliverable plan that will deliver the new service with the absolute minimum disruption to residents.
- Have sufficient management and supervision on the contract.
- Ensure sufficient staff training and commitment.
- Have appropriate contingency in place.

4.2 FCC have committed to produce a detailed implementation plan for the service change. This is due on 15<sup>th</sup> January 2021.

## 5 Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council has a duty to arrange for the collection of household waste within its area. The arrangements must include the collection of at least two types of recyclable waste. Performance monitoring is undertaken in accordance with the terms of the contract.
Financial implications to include reference to value for money	N	
Risk	Y	FCC's proposal looks to mitigate the risks of service disruption and further reputational harm to the Council by adopting a phased approach.
Supporting Corporate Strategy	Y	Moving to Devon aligned service recycling model
Climate Change - Carbon / Biodiversity Impact	Y	Improved recycling and a reduction in residual waste.
Comprehensive Impact Assessment Implications		
Equality and Diversity		Non as a direct impact of this report
Safeguarding		None as a direct impact of this report

Community Safety, Crime and Disorder		None as a direct impact of the report
Health, Safety and Wellbeing		None as a direct impact of the report
Other implications		None

### **Supporting Information**

**Appendices: None**

**Background Papers:   Executive report 22 October 2020  
                                  Executive report 17 December 2020**

### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed/sign off	<b>Yes</b>
SLT Rep briefed/sign off	<b>Yes</b>
Relevant Heads of Practice sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
Accessibility checked	<b>Yes</b>