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West Devon
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Council

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Dear Councillor

WEST DEVON HUB COMMITTEE - TUESDAY, 7TH JUNE, 2022

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

| Agenda No | Item |
|------------------|-------------|
|------------------|-------------|

- | | |
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| 9. | <u>Waste and Recycling Performance Update (Pages 1 - 8)</u> |
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Yours sincerely

Darryl White
Democratic Services Manager

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Report to: **Hub Committee**
Date: **7 June 2022**
Title: **Waste and Recycling Performance Update**
Portfolio Area: **Councillor Lynn Daniel – Natural Environment / Councillor Neil Jory - Leader**

Wards Affected: **All**
Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: **Steve Mullineaux** Role: **Director Customer Service Delivery**

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Recommendations:

That the Hub Committee;

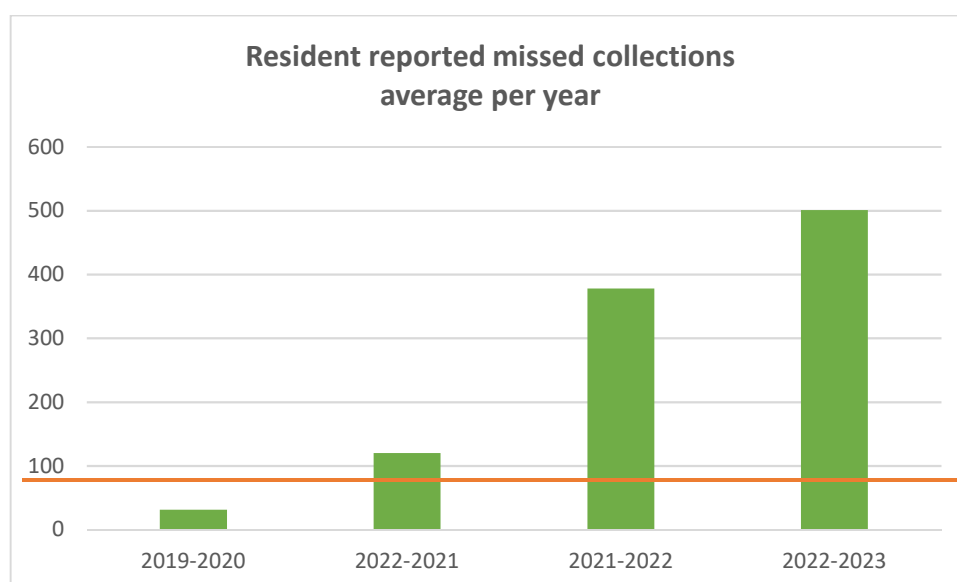
1. Notes the performance of the waste contractor, FCC Environment (FCC).
2. Continues to hold FCC to account in relation to its performance and continues to monitor FCC's resources, recruitment and operational decisions.
3. Considers all available options, including those options available under the contract, to improve the performance of the waste and recycling service.

1. Executive summary

- 1.1. Purpose of this report is to provide the Hub Committee and non-Committee Members with an update on the Council's actions to hold FCC, the Council's waste and recycling contractor, to account for the poor performance experienced by some residents over recent months.
- 1.2. To update the Hub Committee and non-Committee Members on the current contractual performance of FCC.

2. Background

- 2.1. The current contract with FCC was awarded in December 2018 and covers both South Hams and West Devon Councils with separate requirements for each. The contract is an 8-year term and has a total value of £48 million of which the West Devon value is £18 million. The contract started on 01 April 2019.
- 2.2. The key drivers for awarding the contract included driving value for money and improving service delivery.
- 2.3. The graph shown below illustrates FCC's performance in the first few years of the contract. This clearly demonstrates that waste collections were in line with the contract specification and below the contractual key performance indicator of 80 missed collections per 100,000 possible collections.



3. Impact of the Covid-19 pandemic

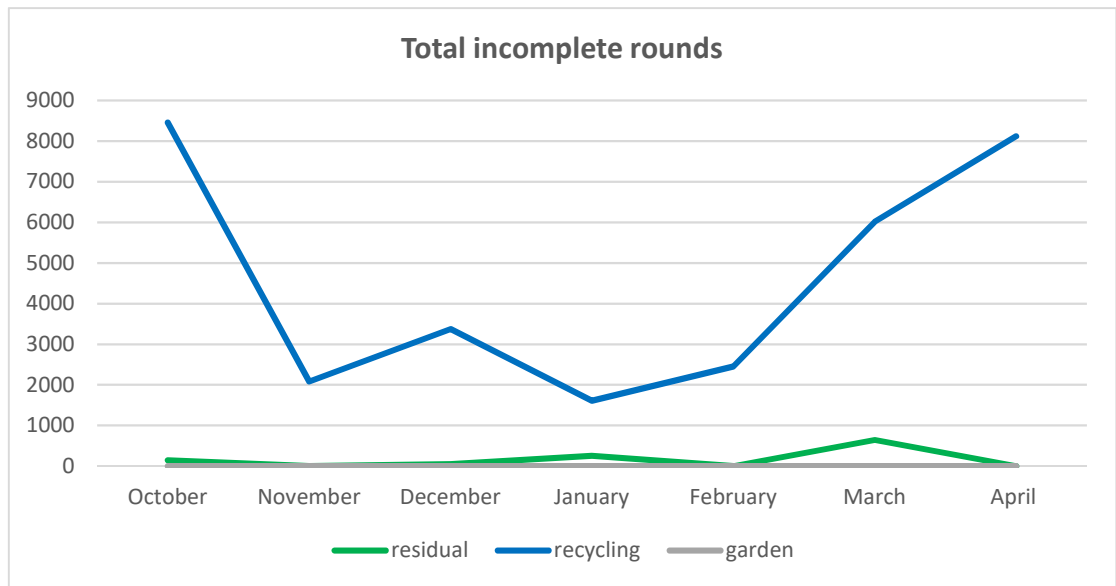
- 3.1. As lockdown came into force in late March 2020, FCC saw a 20% reduction of staff available for work due to self isolation. Despite the dual challenge of fewer staff and unlike many other areas across the country, all services were maintained with the exception of bulky waste collections which had to be suspended due to Devon County Council's decision to close the Recycling Centres.
- 3.2. As result of the impacts of Covid-19, the graph in paragraph 2.3 shows that contract operations during 2020, on the whole, remained slightly above the Key Performance Indicator (KPI).

4. Impact of the National HGV / LGV Driver shortage

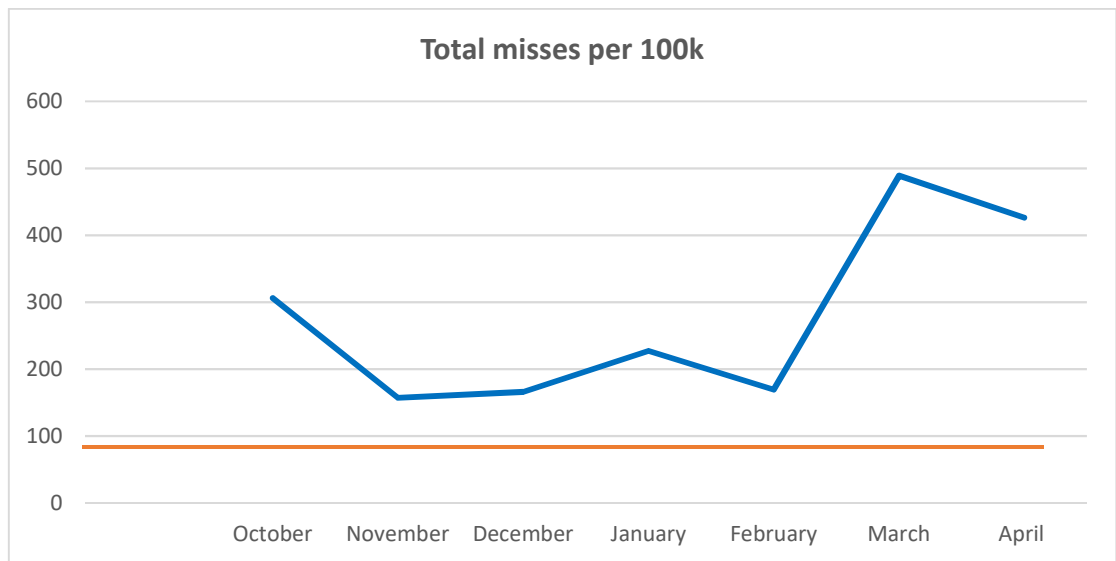
- 4.1. The widely reported National HGV/LGV driver shortage has compounded the operational issues. In July 2021, the Road Haulage Association (RHA) estimate a shortage of over 100,000 drivers.
- 4.2. This has resulted in pay rates increasing as the various industry sectors try to ensure that they retain and attract enough drivers for their businesses. The knock-on effect of this is that FCC has seen a number of drivers resign to get better pay rates, it has then struggled to attract new drivers and there is no temporary/agency capacity to backfill these roles or cover sickness absences.
- 4.3. Many Local Authorities across the country have experienced disruption in waste collection services with some having to suspend service. In Response to the driver shortage, FCC has:
 - Launched a national and local recruitment campaign.
 - Looking at the wider pay and conditions package including devising a bonus scheme that rewards performance and loyalty to retain staff
 - Introducing a driver apprenticeship scheme
 - Increasing the flexibility of employment i.e. part-time

5. Performance to date

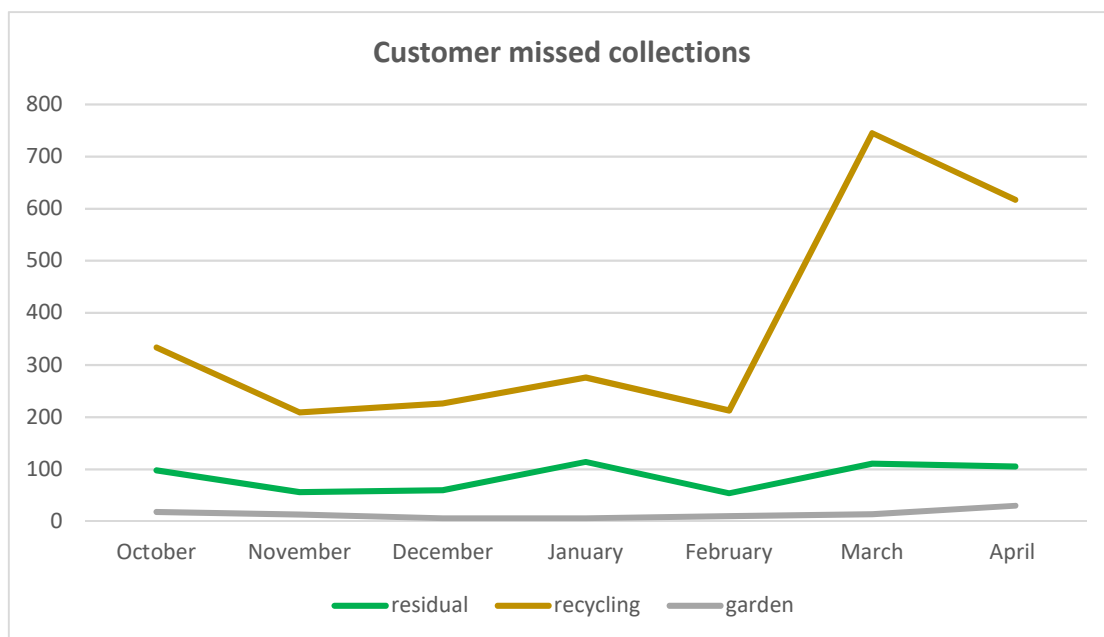
- 5.1. The following graphs illustrate FCC's performance in recent months which clearly shows a decline in service delivery.
- 5.2. The graph on the next page shows the incomplete collections by waste streams reported by FCC since October 2021 to April this year. An incomplete collection is where FCC have been unable to visit a property to make a collection on the scheduled day. It clearly shows high levels of rounds not being completed when the national driver shortage initially became apparent which stabilised throughout the winter months but has subsequently increased back to levels reported in October.



5.3. The following graph shows the number of missed bins per 100k possible collections. This is a national waste indicator that is set within the contract at 80 (the red line shows this). This graph shows that FCC have repeatedly breached the threshold of 80 since October of last year with March being approx. 6 times that the contract standard.



5.4. The graph on the next page shows the number of residents reporting missed collections across all waste streams and illustrates that as a result of FCC having minimal resources to recover missed collections, the number of missed reports increased across waste and recycling with the exception of Garden waste which has had no reports.



6. Action taken to date

- 6.1. The Council continues to monitor FCC's contractual performance and is applying contractual remedies (deductions) as in accordance with the performance mechanisms agreed within the contract.
- 6.2. Officers continue to robustly monitor FCC's Performance with daily calls taking place every morning with FCC's operational management and the Council's officer team. The calls review the previous day's performance, operational issues that have occurred and any issues that are materialising on the day.
- 6.3. The Chief Executive and Director of Customer Service Delivery have been and continue to consult with
 - The Local Government Association
 - Other Devon Local Authorities
 - Other third parties with significant experience in the operation of successful Council waste collection contracts.
 - Independent Technical Experts

7. Next Steps

- 7.1. FCC need to continue to deliver further significant and sustained improvements across all waste streams to reduce the number of missed collections to within the contracted service levels.
- 7.2. Officers and FCC are now focusing on the complex and repeat missed collection issues, as well as key priorities such as assisted collections.

7.3. The Hub Committee considers all available options, including those options available under the contract, to improve the performance of the waste and recycling service.

8. Implications

| Implications | Relevant to proposals | Details and proposed measures to address |
|--|-----------------------|--|
| Legal/Governance | Y | The Council has a statutory duty to arrange for the collection of household waste in its area and to arrange for the separate collection of waste paper, metal, plastic and glass from households, (unless it is not necessary to ensure that waste undergoes recovery operations; and is not technically, environmentally and economically practicable). The collection of certain types of household waste can be subject to a charge being paid; garden waste is one such type. |
| Financial implications to include reference to value for money | Y | The Council continues to monitor FCC's contractual performance and is applying contractual remedies as per Schedule 5 of the Contract. |
| Risk | N | |
| Supporting Corporate Strategy | Y | Council Resources Natural Environment |
| Climate Change - Carbon / Biodiversity Impact | N | |
| Comprehensive Impact Assessment Implications | | |
| Equality and Diversity | None | |
| Safeguarding | None | |
| Community Safety, Crime and Disorder | None | |
| Health, Safety and Wellbeing | None | |

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|--------------------|------|--|
| Other implications | None | |
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Supporting Information

Appendices: N/A

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 |
| Need for a Communications Plan? | Yes |
| Accessibility checked | Yes |

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