

BRIDGEND COUNTY BOROUGH COUNCIL
REPORT TO OVERVIEW AND SCRUTINY COMMITTEE 3
22 NOVEMBER 2017

REPORT OF THE CORPORATE DIRECTOR - COMMUNITIES

THE COUNCIL'S NEW WASTE CONTRACT

1. Purpose of Report

- 1.1 To set out for the attention of the overview and scrutiny committee a summary of the current situation with regard to the new Waste Contract, including answers to specific questions highlighted by Members of the Committee.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The provision of an effective and efficient household waste collection service aligns with all three of the Corporate objectives:

- **Supporting a successful economy**
- **Helping people to become more self-reliant**
- **Smarter use of resources**

3. Background

- 3.1 The Council's new recycling and waste collection service came into operation on expiry of the former waste services contract, at the end of March this year. The commencement of the new contract on the 1st April and the changes that were introduced to kerbside collections and the Council's Community Recycling Centres, put into effect the Council's response to the Welsh Government's Policies and Strategies for waste in Wales. In particular the new arrangements took into account the Welsh Government's challenging targets on recycling and associated fines for failing to meet them.
- 3.2 Due to the financial value of the contract the Council were required to comply with European Union procurement rules, which set out in detail the processes and procedures to be followed when procuring services, these rules are further supported by case law where these procedures have been challenged. On completion of the competitive procurement exercise Kier were appointed as the Council's waste services Contractor for the next seven years.
- 3.3 The new 7 year contract period started on 1st April 2017 but delays in awarding the contract meant that it was agreed it was sensible to allow more time before the implementation of the most significant changes. Therefore the main changes relating to the restriction of 'residual waste' to two blue bags per household, per fortnight were implemented with effect from 5th June 2017. This allowed greater time for the changes to be promoted and communicated, including a detailed information leaflet to every household and greater time for the contractor to mobilise

for the changes and in particular for the route and collection day changes which impacted on over half of the households in the County Borough.

4. Current Situation

4.1 The following detail seeks to answer the specific questions raised by Scrutiny Committee.

4.2 In general terms the performance of the contract has improved significantly since the roll out of the main changes in June 2017. The regular updates sent out to all elected Members over recent months have demonstrated this improvement. The early weeks of the contract, subsequent to the implementation of the main changes, were characterised by an unacceptable level of missed collections, significant problems with the performance of the call centre and an unexpectedly high level of requests for new recycling equipment leading in some cases to delays. All of this understandably led to considerable frustration for many residents and elected Members, as well of course to the Cabinet Members and officers directly involved in managing and overseeing the new contract.

4.3 Over recent months performance is much improved with the level of missed collections substantially reduced, the backlog of outstanding deliveries addressed and the call centre performance now generally in line with the contractual standard set out. There remain however significant pockets of under performance, in particular issues such as recurring examples of the same streets or individual houses being missed for particular collections or failing to receive deliveries. Therefore while the evidence suggests that the vast majority of households now consistently receive the service the Council has specified, there are outstanding pockets of poor performance the Council is still seeking to improve and resolve with the contractor. These matters are discussed and actioned at the regular contract meetings between the Council and Kier. This does however have to be viewed in the context of there being over 6 million collections per year from households within the County Borough which means that even a small number of misses can translate to a relatively significant number of complaints and queries. Based on the above both the Council and Kier are aware that there remains a considerable amount of work to do to entirely satisfy the requirements of the contract on a consistent basis and both are working diligently to achieve this .

4.4 The overall good news however is that the new contract has done what it was designed to do in substantially increasing the overall level of household waste that is recycled, and while it is still early days in the new contract, current performance levels would put the Council at or near the top of all Welsh Local Authorities for recycling performance.

4.5 Why the scheme was not rolled out over a number of months?

The decision not to phase in the new kerbside collection arrangements was taken after careful consideration of the implications of different mobilisation options with the appointed Contractor. In this instance, due to the extent of the proposed changes and the complications that would have been introduced had the change been phased in, it was decided, accepting that some difficulties might arise, to opt for the option to roll the new collections out across all of the County Borough from the 5th June.

In reaching this decision a number of factors were considered, these included:

- Consideration of productivity rates; It would have been less productive for crews to be picking up a combination of old and new containers over an extended period, and therefore potentially more expensive.
- Collection routes were changed for approximately 55% of properties across the County Borough, this meant that all collection rounds had changed to one extent or another even where day changes had not occurred.
- Length of disruption period. Phased rollouts have an inevitable extended disruption period compared to the chosen approach.

The rollout of new services inevitably leads to some degree of disruption in any new contract or significant change of waste collection methodology, and while some of the difficulties which surfaced during the initial mobilisation in June 2017 were worse than expected for a period of a few weeks and of course very regrettable, every effort was made to mitigate the impact with a series of detailed 'mobilisation' meetings held between the Council and the contractor prior to the start of the contract and on an ongoing basis subsequently. This resulted, in particular, once the main problems became apparent, in the deployment of additional staffing resource both in the call centre and in the number of operatives used by the contractor on the ground.

4.6 What is being done to address dignity issues for users of the Council's Absorbent Hygiene Products (AHP) service?

The Council made a pro-active and conscious choice to provide an additional fortnightly Absorbent Hygiene Product [AHP] Service following a public consultation exercise that showed strong support for this option. This additional service is not provided by most local authorities in Wales or the UK even where there are similar restrictions on the amount of 'residual waste' that can be presented at kerbside. It was implemented in recognition of the additional waste that households with young children and with residents with incontinence problems would produce and the greater difficulties some householders might therefore face with the introduction of a two bag per fortnight limit for residual or 'blue bag' waste. In the previous contract all AHP waste would have been disposed of in the residual waste stream. The advantage of the separate collection is that it allows this waste to be separated and to be recycled, thereby contributing to the Council's overall percentage of waste recycled. To be clear however those that do not wish to register for the separate collection do not have to do so and can continue, if they prefer, to place their AHP waste in their fortnightly collection of blue bags provided that they stay within the limits set out.

The specific rationale for the provision of the service was that information from the Welsh Government and some other Welsh Councils revealed that AHP products had recently become more easily recyclable, where they are collected separately to other waste materials. In seeking to maximise the Council's recycling performance, the new contract made provision for the separate collection and recycling of the materials, in a uniquely identifiable sack that enables the collection crews to identify the materials for collection and onward transport to the recycling facility. As far as the Council is aware all AHP household collection services require the presentation of a differently coloured sack at kerbside and all bidders for the contract offered a

similar solution, the service in Bridgend is virtually identical to the one successfully implemented in Rhondda Cynon Taf, including the nature and the colour of the bag. Cross contamination of the waste with other materials, would likely result in the load being rejected and sent to land fill if separate bags were not used.

Under the new contract, these materials are sent to Natural UK, Capel Hendre Industrial Estate, Ammanford, for recycling, where 82% of the material is recovered for reuse in the fibre board industry.

It is currently anticipated that up to 8500 households could eventually register for the scheme; currently 7720 households have come forward to receive the service. An average of approximately 100 requests a week for the service are still being received so at this stage the collection rounds are still changing each week causing some ongoing difficulties. An annual registration is required for the service to ensure it remains accurate and up to date.

In recognition that disposal of such materials for some adults in particular is a sensitive issue, where possible discreet collection points can be agreed with the Contractor. The dignity issues are taken very seriously by the Council and the Contractor and are dealt with on a case by case basis. The assessment methodology for this follows the same principles as assisted collections; a supervisor will visit the householder and agree where the AHP can be placed for collection. In order for a discreet collection to be made this process must be followed. AHP's sacks 'hidden' in the householder's garden, for example, will not be collected without the discreet collection being registered with the Contractor.

Additionally it should be noted that all householders receiving the AHP collection service can 'double bag' their waste to prevent the contents being visible through the translucent bags.

The Council is committed to ensuring that its waste collection services are delivered in such a way that, in so far as is reasonable, no individual or groups who fall under the provisions of the Equalities Act 2010 (or other hard to reach or socially excluded group) are negatively impacted. The Council provides advice and information in suitable formats, accessible by the blind and / or visually impaired. Where considered appropriate, upon request officers will visit properties to discuss householders' concerns and where possible make appropriate special arrangements which address those concerns. In reality this means that additionally, in very exceptional cases, special additional dispensations can be allowed by the Council to certain householders if they are unable to comply with the normal rules and limitations.

4.7 What is being done about streets and residences that the waste trucks aren't able to access?

The Contractor currently deploys a specialist restricted access vehicle on both residual waste collections and recycling collections. Some households in narrow lanes and streets, even under the previous contract, have never had their waste collected from outside their homes because it is not possible to safely do so.

With the recent changes to collection days the restricted access streets have become concentrated to certain days of the week, this has led to some round

revisions which the Contractor has addressed. There remain isolated examples, as there were in the previous contract, where for health and safety reasons it is not possible for a vehicle to access a narrow street or lane [sometimes unadopted] and in these circumstances the contractor continues to liaise with residents to find a mutually agreeable solution, but in some cases waste has to be presented communally at the bottom of a street or lane. In these circumstances the Contractor and/or the Council's waste education officers will communicate with the relevant households to ensure they are familiar with the correct arrangements.

4.8 What assistance and advice have residential homes been provided with to comply with the new waste collection service? How have the Education and Enforcement Officers engaged with the public? Where have they visited, have they visited any homes? How many officers are there? When is enforcement going to start?

Officers have engaged extensively with residential homes and also communal collection areas, such as in Wildmill, to assist residents in finding sustainable solutions to their recycling and refuse collection difficulties. For example in Wildmill additional collection points have been identified in agreement with the contractor and local elected Members. While it has not been possible to fully address all of the issues raised to date, officers continue to work to resolve any new and outstanding problems and liaise regularly with representatives from care homes and registered social landlords to improve the service.

Central to this work, are the Education and Enforcement Officers who are frequently deployed into such areas to work alongside the communities to improve their understanding of the service and to report back on issues which need to be resolved. Initially four temporary Education and Enforcement Officers were recruited to support the roll out of the new service. Recently this number was reduced to three to ensure that the available resource is spread and targeted effectively throughout the financial year within the available budget. To date they have:

- Visited several residential homes to advise on collection systems i.e. Llys Faen, Cwrt Gwalia, Brook Court etc.
- Worked with housing associations to provide advice and support
- Undertaken leaflet drops / door knocking
- Delivered presentations and attended community meetings
- Supported the Contractor by undertaking dispensation assessments
- Reviewed communal bin locations for suitability and capacity
- Addressed individual recurring problems - It should be noted that there has always been a problem with issues such as 'contamination' in communal waste collection areas. It is difficult to wholly resolve this as identifying which households are failing to recycle appropriately is not an easy task, but the measures identified above are intended to improve the situation.
- Investigated residual waste fly tipping – There has been a small increase in overall reported instances of fly tipping since the start of the new contract as was anticipated, but at this stage it is too early to assess any longer term trend. In particular many of the reported instances in the early part of the new contract were in fact missed collections and the data does not allow these occurrences to be separated. A more meaningful assessment will be

possible at the end of the financial year when the new contract is fully established.

The Council has always regarded enforcement action as a last resort reserved for when there is clear, obvious and wilful non-compliance with the Council's agreed waste policies. In the first instance it is far better that the education officers are deployed to speak to householders where, for example, there is non-compliance with the two blue bags per fortnight rule or there is regular contamination of recycling presented. In the first instance therefore the Council has taken the approach of allowing the system to become embedded in this way and importantly Kier have anecdotally reported very high levels of compliance with the new system, despite considerable scaremongering prior to its implementation that it would not or could not work. That is demonstrated by the significantly higher overall level of recycling and the corresponding reduction in waste destined for landfill. The overall position comparing recycling levels for this year compared to last is set out in **Appendix A**. It is likely however that the level of compliance will slip unless the Council and contractor over the next few months moves to a stricter interpretation of the waste policy and more closely address instances of non-compliance.

The Council recognises moving forward that it will, in the most serious cases, need the 'stick' of enforcement where necessary, to back up the work of the Education Officers, otherwise levels of compliance with the systems will slowly drop and have a consequential effect on recycling percentages.

It is therefore envisaged that in the new year the Council and contractor will move to stricter enforcement, following the pattern of initially 'sticker' additional bags presented at kerb side and giving appropriate warnings, providing assistance and help, before moving to any potential fines or enforcement action.

The process of enforcement is however challenging requiring a consistent approach and sufficient legal support to follow up any action that is taken. It is not envisaged therefore that wholesale enforcement action will be undertaken or necessary.

Notwithstanding this, as previously approved by Cabinet, work is currently underway to identify measures to strengthen the Council's street scene enforcement activity; these measures include the possible appointment of external support and or collaboration with other Councils. The option to expand the Council's in-house resources will also be considered as part of this review. It is likely that this process will be concluded to have a solution in place for the new financial year in April 2018.

4.9 To explore the possibility of co-ordinating the issues being raised through Member referrals.

A Member protocol in regards to reporting waste contract complaints has been issued to all Members. Unfortunately however this has had limited success as multiple recipients are often still being included in Member complaint e-mails, probably as a legacy of initial problems where elected Members felt compelled to escalate many issues to Senior Managers and to Cabinet Members. This does though lead to duplication of action to address matters or sometimes lack of action due to clarity issues around complaint ownership. A second protocol in relation to waste reporting will be issued to try and address the issue of "scatter gun" complaint

reporting and the associated problems and attempt to remove the escalation of matters as a 'norm'. It is important that this part of the service is 'normalised' as soon as possible because there is insufficient resource available to allow operational matters to be escalated as a matter of course. Understandably however better sustained and consistent performance will be required by the contractor for this to be realistically achieved, and it is clear that overall performance has improved significantly over recent months.

After significant initial problems the performance of the call centre is now ordinarily within the acceptable contractual range but the nature of the service means that the contract still generates a few hundred calls, queries and complaints per week. This is however consistent with the last contract where an average of 190 calls were received daily on waste issues by the Council's call centre but of course these were largely under the radar as very few were escalated or copied around as issues are currently.

The new protocol is likely to recommend the Member referral system as the single contact point for elected Member queries [members of the public should firstly still use the e-mail addresses provided for normal queries and requests], and this will then allow better coordination and analysis of the issues being raised, rather than the multiple channels that are currently being used. The one caveat with using the Member referral system as the main source of raising issues and complaints is that it is by its very nature an administratively burdensome and relatively slow and expensive (because of the number of officers who 'handle' the referral and the written process that is required to respond and close the referral] method of raising issues. The system allows 10 working days as a matter of course to respond and sometimes longer when investigation is required. If therefore a resolution is required more quickly it may not always be a particularly effective way of raising concerns and getting them resolved, especially because within that 10 day period it is possible that a number of other collections may have already been made in that same location or street, for example. In view of this while obviously attempts will be made to deal with the more urgent queries as quickly as possible the system will be monitored and reviewed on an ongoing basis and improved, where possible, as necessary. It is hoped though that as the overall waste contract performs more consistently to a high standard that the necessity for member referrals will drop considerably.

4.10 **To receive details on how other Welsh Local Councils provide their waste collection services.**

Details of the collection arrangements of Welsh Councils are provided in **Appendix B** (Welsh Local Council Collection Arrangements). This data was made available by the Welsh Local Government Association (WLGA). From the list it can be seen that 11 of the 22 Welsh Councils, including Bridgend, are considered to be Welsh Government Blue Print Compliant and offer separate collection of paper, card, plastics and cans, utilising a range of container solutions. Welsh Government argue that this methodology is more efficient and cost effective and leads to less contamination of recycle. Some other Welsh Authorities would however dispute this.

In addition the Council offers a 'paid for' garden waste service for those who register and the AHP service covered earlier in the report.

Residual waste collection frequencies for Welsh Councils are either fortnightly or three weekly with 17 of the 22 Councils offering fortnightly collections in line with Bridgend. Conwy are currently trialling 4 weekly collections of residual waste in some areas. Containment of the waste varies between bags and wheeled bins or a combination of both. With regard to disposal capacity 15 of the 22 Councils offer waste disposal capacities of 80lts or less per household, Bridgend is consistent with this group offering 60lts per household/week.

All Welsh Local Authorities restrict the presentation of household domestic residual or 'black bag' waste in some way or another. It is anticipated that most Authorities will have to make further changes to their collection arrangements over the course of the next few years in order to continue to meet challenging Welsh Government statutory recycling targets, or else face substantial fines. The contractual arrangements in Bridgend whereby a 7 year contract is procured with an external company means that the majority of change happens in one go every seven years. Other Authorities, most of whom continue to run services in-house, will have the ability to make more gradual changes over a longer period if that suits them. The effect of this in recycling percentage terms tends to be that Bridgend improves its overall recycling percentage significantly at the start of the 7 year contract and moves to the top or near the top performance level of all Welsh Councils, but then tends to slip partially down that performance table towards the end of that 7 year cycle as other Authorities improve their relative performance. Unfortunately it is not realistic with an outsourced contract to devise and procure it in a way where significant change is made every year or two years. The procurement of the waste contract in Bridgend therefore has to future proof what will be required for that whole 7 year period.

4.11 To receive details on how the Contractor plans the waste collection routes.

Routes are planned by the contractor using local input and specialist routing software called webaspx.

To arrive at collection routes, the following data is utilised:

- Payload capacity of vehicle by material stream
- Tonnages to be collected per day per material stream
- Properties collected per day
- Route size per day
- Mileage per day
- Travelling times from depot to first collection and to tip point
- A prediction of traffic related lost time
- Tip turnaround times per day
- Crew lunch breaks
- Performance benchmarking against comparable contracts (e.g. properties per day)

This approach is consistent with other Council's methodology and is considered at this time to be industry best practice for refuse round design. However, like all modelling, once implemented some tweaking of rounds may be necessary if there is imbalance between rounds. When Kier introduce their new fleet of recycling vehicles towards the end of this calendar year, bespoke designed for the Bridgend contract, some changes to existing rounds will be required as the total number of

rounds will reduce because the overall capacity of the recycling vehicles will increase. However, the Council will ensure that the proposed changes are properly planned and communicated and appropriately evidenced before implementation to ensure they will work effectively with the correct resource levels, to minimise any further disruption to the public.

4.12 To receive details on the location of the Contractor's customer service centre staff?

Kier's customer contact centre for its waste contracts for English speakers is based in Torquay, Devon. The Welsh speaking contact centre is based at the Kier Tondu depot. The 'Welsh speaking' resource at Tondu is used less frequently and so the officer is also used as necessary for other administrative and performance monitoring tasks as we understand it.

4.13 On what basis was the three months expected disruption time at the commencement of the Contract accepted by the Council?

To be clear 'disruption time' was not written into the contract. However, when drafting the contract specification, it was considered appropriate and in line with understood waste sector experience, and specialist advice, to make proper provision for mobilising changes to the kerbside recycling and refuse services. Accordingly, provisions were included in the specification to suspend the application of a number of the performance standards for a period of 12 weeks from the Contractor's initial rerouting date. This decision was taken to allow sufficient time to implement and deal with any issues arising from rerouting. Equally however while the contract bedded in for that same 12 week period, the contractor agreed that they would not make any financial claim against the Council for collecting waste that is incorrectly presented, sorted or where too many bags are left out.

It is important when specifying contract conditions to consider the transfer of risk between the parties and how any Contractor might take account of this in his bid. It is highly likely, had the emphasis been placed on the contractor to perform fully from the initial rerouting date that he would have allowed for this in his financial bid, thereby increasing the cost to the Council. In circumstances where a bidding contractor considers the transfer of risk to be too great the Council was advised that they will elect to remove themselves from the process completely. With a limited number of companies currently providing waste services, this possibility was always to the fore when compiling the procurement documents and therefore it was sensible to take an approach that is regarded as normal in the industry in these circumstances. There are however also many other contractual provisions that were not subject to this suspension of contract performance standards. **Appendix C** concerning the contract performance covers how the contract is monitored and managed in response to specific questions posed by the Scrutiny Committee.

4.14 Do we have sufficient vehicles for the waste and recycling service? What vehicles are used for AHP collection, what rationale is there for the use of these vehicles?

It is important to note that the Council does not own any waste collection vehicles. The contract is an agreement to collect waste and recycling from the kerbside. The type of vehicle used is a matter for the contractor. Currently the requirements of

the service are being met with a mix of new and older vehicles from the previous waste services contract. Moving forward over the next few months the programme of vehicle replacement will continue, with the introduction of the new kerbside recycling vehicles. These vehicles have been built to the specific requirements of the service and have a greater carrying capacity than the current vehicles and will be phased in to use, to seek to minimise disruption.

The AHP service currently utilises two 3.5 tonne enclosed panel vans, with a third vehicle being introduced shortly for the service. Following high levels of registration for the AHP scheme at the start of the contract, registrations for the service continue to be received at a rate of approximately 100 properties per week. While this growth continues, it is difficult for the contractor to establish a base line of properties and to plan a long term solution, as this is dependent on collection weights of AHP and the number of properties registered to receive the collection. It is envisaged that the service numbers will settle early in the new year, at which point the Contractor will finalise his resource and vehicle plans for the AHP service.

4.15 How has the change in contract impacted on the Community Recycling Centres (CRC's)? Has there been a significant increase in waiting times at the sites reported? Has the contractor increased resources at the sites? Are the public generally complying with the new way in which the centres work? I.e. separating and sorting their waste.

Overall there has been a positive impact at the CRC's with waste reducing and recycling increasing. Details of the tonnages during June, July and August are presented for Scrutiny in **Appendix D** (Community Recycling Centres Performance).

Over this period there has been approximately a 11% reduction in tonnages received at the sites, with a 957 tonne reduction in non-recyclable (residual and bulky) waste tonnages going to the MREC for disposal. In the same period the figures reveal that recycling has increased by 254 tonnes.

The majority of residents are complying with the Council's Policy and are willingly separating their recyclable and non-recyclable waste for disposal either prior to arrival at the sites (preferable) or at the sites. Similar systems work effectively in other neighbouring local authorities including Swansea and Rhondda Cynon Taf [RCT]. Regrettably, there are a small number of householders who object to the scheme and who look to express their views more forcibly to the operatives. The Council is currently working with the Contractor to overcome these instances and a range of possible measures to deal with such situations is under consideration, including the provision of on person camera recorders of the type used by the Civil Parking Enforcement Officers.

It is difficult to provide an accurate assessment of whether waiting times have increased at the CRC sites since June but anecdotally the contractor believes they have not. At peak times it may still be necessary to wait for a short while but this is again not unusual and similar issues are reported by other local authorities in South Wales at some of their popular sites, including Caerphilly and Cardiff.

In the medium term the Council still has plans to replace its CRC site at Tythegston with a new modern facility. The lease at Tythegston has been extended, initially for

a further 2 years, while site investigations at potential new locations continue. The key to ensuring that the CRC sites are fit for purpose moving forward will be investment to create more modern, larger and efficient sites.

4.16 How are the areas where communal waste is collected being managed? How are they complying with the new restrictions? Are they generally compliant? What problems are being reported particularly in the Wildmill area?

Communal areas are currently provided with a set of five 240ltr wheeled bins for the separate collection of food waste, paper and cardboard, glass and mixed plastic and cans. Refuse collections may be provided using either a wheeled bin collection or refuse sacks dependent on the location. For the majority of areas recycling is collected at least weekly and refuse fortnightly.

The Education and Enforcement Officers are currently involved in carrying out an audit of communal areas across the County Borough, including for example Wildmill which is recognised as an unusual situation but is not new as similar issues were present in the previous contract. The results of the audit will confirm:

- The current bin provision in communal areas for recycling and refuse
- Compliant and non-compliant areas
- If support through education, will improve recycling
- If the provision already provided is insufficient

There are a number of communal recycling areas located around Wildmill. For refuse, the blocks of flats receive a wheeled bin collection service; all other areas have refuse sacks collected from various communal collection points.

The main issues being reported for Wildmill are:

- Non-collection of some recycling and / or refuse bins / sacks
- Waste dumped around communal collection points
- Fly-tipped refuse sacks
- Contamination of recyclates

Addressing issues at Wildmill requires a joint approach between the Council, Kier and the housing association, Valleys 2 Coast.

With regard to compliance with the Council's refuse and recycling policy in areas where there are communal collections, there is a mixed picture ranging from areas with high levels of compliance, to particular areas or estates where unfortunately there is much less compliance which leads to the contamination of the recycling. Generally the Council based on its experience of the previous contract, has found that it is more difficult to achieve levels of recycling in communal areas at a level comparable to that of the other households in the County Borough. It is understood that this is a pattern consistently found at a UK level.

The companies that eventually recycle the waste, place very tight controls over the levels of contamination that are present in the materials supplied to them, with any contaminated loads being sent to incineration, where the heat is used to generate power or to landfill.

What this means in practice, is where communal bins are not used correctly and the contents become contaminated with other waste materials the contents end up being diverted to the Materials and Recovery Energy Centre (MREC) for disposal rather than being recycled.

Notwithstanding efforts in the past and currently to achieve levels of compliance which do not lead to materials being rejected, discussions continue with regard to such locations to try and bring about a more effective and sustainable solution. It is not possible to provide a firm timeline or specific plan at this stage for further changes to the arrangements in Wildmill because this will be formulated following further liaison with local members based on feedback from residents and in particular with Valleys To Coast Housing Association.

- 4.17 A number of additional and very specific questions posed by members regarding the contractor's activities are better answered by the Contractor's representatives who have been invited to attend the meeting. These include, the number of staff employed and the basis of their employment, details of the training provided to staff, the processes for following up resident's requests and complaints, cover arrangements for holiday periods and various other issues relating to performance.

5. Effect upon Policy Framework and Procedure Rules

- 5.1 There are no effects on the Policy Framework and Procedure Rules.

6. Equality Impact Assessment

- 6.1 There is no impact on specific equality groups as a consequence of this report.

7. Financial Implications

- 7.1 There are no specific financial implications arising as a result this report.

8. Recommendation

- 8.1 Overview and Scrutiny Committee are asked to note the contents of the report and, if appropriate, comment on the outcomes to date.

Mark Shephard
CORPORATE DIRECTOR - COMMUNITIES

Contact Officer: Andrew Hobbs, Group Manager Street Works
Telephone No: 01656 643416
E-mail: Andrew.Hobbs@bridgend.gov.uk

Background Documents: None

Appendix A - Recycling percentages from reported Waste Data Flow statistics

Reported Quarter	Recycled BCBC %	Reported Quarter	Recycled BCBC %
April - June 2016	57.33 %	April - June 2017	63.81 %
July - September 2016	57.08 %	July - September 2017	73.45 %

Appendix B - Welsh Local Council Collection Arrangements

Council	Category	Collection Type	Dry Recycling		Residual		
			Collection Frequency	Receptacle(s)	Collection Frequency	Receptacle	Disposal Capacity (Its)/Week
Anglesey	Rural	Blueprint	Weekly	Trollibocs/ stackable boxes	3 weekly	240l Wheelie Bin	80
Blaenau Gwent	Valley	Blueprint	Weekly	Trollibocs/ stackable boxes	3 weekly	240l bin	80
Bridgend	Valley	Blueprint	Weekly	3 Recycling sacks & Glass caddy	Fortnightly	2 bags per fortnight	60
Caerphilly	Valley	Single Stream	Weekly	Wheelie bin or Recycling Box	Fortnightly	240l wheelie bin or own bags	120
Cardiff	Urban	Single Stream	Weekly	Green bags	Fortnightly	140l Wheelie bin	70
Carmarthenshire	Rural	Single Stream	Fortnightly	Blue bags	Fortnightly	90l bag	45

Council	Category	Collection Type	Dry Recycling		Residual		
			Collection Frequency	Receptacle(s)	Collection Frequency	Receptacle	Disposal Capacity (Its)/Week
Ceredigion	Rural	Single Stream	Weekly	Clear bags	Fortnightly	240l Wheelie bin	120
Conwy	Rural	Blueprint	Weekly	Trollibocs/ stackable boxes	3 Weekly with 4 weekly trial 10k properties	240l wheelie bin	80
Denbighshire	Rural	Single Stream	Fortnightly	Blue wheelie bin/ bag	Fortnightly	180l bin/ pink sack	90
Flintshire	Urban	Blueprint	Weekly	1 box 3 bags	Fortnightly	140l bin	70
Gwynedd	Rural	Blueprint	Weekly	Trollibocs/ stackable boxes	3 weekly	240l or 3 black bags	80
Merthyr Tydfil	Valley	Blueprint	Weekly	Recycling box and sack	Fortnightly	140l bin	70

Council	Category	Collection Type	Dry Recycling		Residual		
			Collection Frequency	Receptacle(s)	Collection Frequency	Receptacle	Disposal Capacity (Its)/Week
Monmouthshire	Rural	Twin Stream	Weekly	red and purple recycling box +separate glass trial	Fortnightly	2 black bags per fortnight	
NPT	Valley	Blueprint	Weekly	Recycling box and separate clear bags	Fortnightly	140l bin	70
Newport	Urban	Blueprint	Weekly	2 recycling boxes and sack	Fortnightly	140l bin	70
Pembrokeshire	Rural	Twin Stream	Weekly	orange bag and box for glass	Fortnightly	140l black bags	70
Powys	Rural	Blueprint	Weekly	3 separate boxes	3 weekly	180l bin	60
RCT	Valley	Twin Stream	Weekly	separate clear bags	Fortnightly	120l bin	60

Council	Category	Collection Type	Dry Recycling		Residual		
			Collection Frequency	Receptacle(s)	Collection Frequency	Receptacle	Disposal Capacity (Its)/Week
Swansea	Urban	Multi Stream	Weekly	Green and pink bags alternate weeks	Fortnightly	x3 70l bags per fortnight	105
Torfaen	Valley	Non Blueprint Kerbside Sort	Weekly	Black box and blue sack	Fortnightly	140l bin	70
VoG	Rural	Single Stream	Weekly	Green box or blue sack	Fortnightly	black bags	
Wrexham	Urban	Blueprint	Weekly	2 recycling boxes and blue bag	Fortnightly	240l bin	120

Appendix C - Performance Management and Administration

The following questions relating to the Performance Management and Administration of the Council's new waste services contract have been raised by the Overview and Scrutiny Committee.

- a) How is the Kier contract managed and monitored?
- b) How is due diligence achieved?
- c) How are lessons learned and fed back into the process?
- d) What is the Chief Executive's role and influence?

a) How is the Kier contract managed and monitored?

The new waste services contract set out to, where appropriate, transferring responsibility for providing performance monitoring information to the Contractor, who is required to provide through reports to the Council a series of daily, weekly monthly etc. reports, which capture a host of performance and management detail. These reports cover a wide range of issues but include matters such as missed collections, outstanding deliveries, crew complaints etc.

In drafting the contract in this manner the Council was recognising the limited capacity within the service to carry out some tasks and instead designed the contract so that it should ordinarily, when the contract is running 'normally', be able to manage the performance of the service by exception; requiring less management capacity and resource in the process.

In general terms the Council has to now monitor and manage a lot of its contracts with external providers in this way (for example the HALO contract for Leisure Services and the AWEN contract for Cultural Services) where it seeks to avoid incurring significant expense by employing large contract management and monitoring teams in view of budgetary restrictions and the need to be as efficient as possible.

Directly linked to these reports provided by the contractor are contract defaults and penalties which, depending on how the Contractor has performed, accumulate, and on reaching defined trigger points give rise under the contract payment terms to financial deductions. This approach is common practice across public and private sector procurements of this sort. Clearly it relies however on regular and accurate reporting from the contractor which allows key issues to be identified and then, for example, education and enforcement resource to be targeted effectively, or appropriate improvement plans to be agreed with the contractor.

Notwithstanding the detail provided above the Communities Directorate has recognised over recent months that in view of the more complex nature of the new contract, giving rise for the potential for more significant non-compliance issues, a dedicated management resource within the Directorate would be

extremely helpful moving forward to maintain sufficient resources against the management and administrative requirements of the contract. This is particularly the case because the initial issues that emerged in the new contract have resulted in a greater requirement to assess, provide and report information than was originally envisaged. Accordingly, the Directorate is currently in the process of identifying a budget to support an additional resource in this area, to ensure ongoing effective contract monitoring and management and appropriate coordination and administration of contractual matters.

During the mobilisation phase of the new waste contract and moving forward regular formal and informal contract monitoring meetings at both operational and at senior management level have and will be held to discuss the delivery of the contract. In addition day to day discussions take place on a host of operational matters with the Contractor's senior and operational managers. These meetings and dialogue form a cornerstone for communications between the Council and contractor and are part of the contract monitoring requirements detailed in the contract documents.

At a more practical level the Council currently employs two cleaner streets officers, whose functions cover a range of activities and duties, including an element of waste contract monitoring on the ground. The two officers regularly undertake checks on the Contractor's performance helping to validate information that is being supplied by the Contractor. These officers are in addition to the specific education and enforcement officers employed by the Council around the contract as part of the agreed 'mobilisation' for which an additional one year budget was provided corporately.

In addition to this work the Cleaner Streets Officers will also respond to householders' complaints and deal directly with the public's concerns or requests for service. Though, as for other Council services, the functions undertaken by these two officers are many and varied and the available resource is limited.

The original contract submission included a number of 'method statements' which set out in detail how the contractor intended responding to various operational requirements and their operational plan for operating the 7 year contract. Obviously to an extent these plans may vary based on circumstance but they set out the basis for how the contractor will manage the contract locally. Waste contracts of this sort are the biggest and during the implementation of change, the most complex contract that the Council will procure. The contract includes for in excess of 6 million separate collections from households annually including fortnightly residual waste collections, weekly recycling collections and additional AHP and garden waste collections. It only requires a very small number of those collections to not be carried out as planned for complaints to be generated and for the contract to be perceived negatively. The Council's role is to ensure that the contract is delivered consistently to the required level and to work with the contractor to improve any part of the service that fails to meet the contractual standards, and if necessary apply sanctions to penalise the contractor if improvement fails to materialise. Broadly however a partnership approach is recognised as a better way of making sure the 7 year contract runs effectively rather than a confrontational approach.

b) How is due diligence achieved?

The approach outlined in a) which the Council has followed for monitoring and managing the operation of the waste services contract is not without its risks and the Council is required to undertake regular checks and audits on the data being supplied by the contractor using the resources available to it.

Separately, of course there was a process of due diligence carried out as part of the initial procurement process to ensure all of the short listed contractors could adequately fulfil the requirements of the specified contract, including issues such as financial security etc.

Internal audit will also play a key part in the due diligence attached to the management and administration of the contract. The Communities Directorate will, through its annual Audit Plan, be able to target specific parts of the Contract to provide the transparency and financial probity required of high value public sector service procurements. For example, ensuring the payment made for AHP collections matches the numbers of AHP collections registered with the contractor.

As with all contracts the waste contract contains provisions for and provides remedies to the Council where the Contractor's performance is considered to have fallen short of the service levels specified in the contract. This takes the form of cumulative penalty points which when certain levels are triggered result in financial penalties being applied. The contract also makes provision for dispute resolution and contract termination. It must be stressed that both routes should be considered extremely carefully before invoking the terms of the Contract in these areas.

c) How are lessons learned fed back into the process?

This is a challenging area for long duration public sector service procurements. These often detailed and challenging procurements that span several years and will often see those people who have been directly involved with the procurement move onto new roles or organisations. The political governance of the contracts, as well as the political makeup of the Council, can also change over the period. Generally at the start of the previous waste contracts the Council has experienced some degree of opposition and turbulence but that is normally overcome within the first year of any new arrangement or policy. This contract is the first time that residual waste has been restricted in the way that this contract dictates (2 bags per fortnight) and so some of the problems have been more acute. However anecdotal evidence from neighbouring Authorities demonstrates that even when a waste service is run in-house there is usually a level of initial disruption and some service failure despite on most occasions changes to rounds and collection methodologies often being introduced more gradually.

At a National Government level the legislative framework both directly relating to the area and consequentially through changes in policy associated with the delivery of local government services, can all impact on the decision making process. More specifically in the case of waste services the Welsh Government has placed a great deal of focus on this area and looks set to continue to do so,

affecting both the local and broader strategies for the provision of waste services.

Due to the high value and complexity of the waste services contract, any measurable change in the delivery model, would require a significant lead in time to plan and to secure a successful outcome.

The current contract has introduced a number of changes which are both new and unfamiliar to the Council. The customer contact centre service for waste calls has been transferred from the Council to the Contractor, with a view to improving efficiency by putting the Contractor directly in contact with the member of public making the service request, as opposed to the Council acting in a third party capacity. As detailed above the reporting requirements and contract non-performance deductions have been reviewed and changed. From the householders' perspective the more noticeable and obvious changes are to the Council's collection policy for residual waste and the changes to the containerisation of recyclable materials.

It will take some time after the contract has settled to fully understand the pros and cons of this approach, which will need to be fully reviewed prior to and as part of the decisions which will need to be taken prior to the end of the current seven year contract for the longer term delivery of waste services in Bridgend.

d) What is the Chief Executive's role and influence?

The Chief Executive (CE) has both a direct and indirect role in managing and administering the provisions of the contract. Dealing firstly with the direct responsibilities, the CE can be called on as part of the first stage in the dispute resolution process detailed in the contract, where the Supervising Officer and the Contract Manager for Kier are unable to reach a resolution to any specific matter. The CE and Managing Director (MD) of the Contractor are called on to review the details of the matter concerned and to try and reach a negotiated position. Of course where this fails the matter would be escalated further under the dispute resolution provisions of the contract.

Indirectly the CE has recently and more informally been in discussions with the MD of Kier to convey the concerns of the Council arising from the well-publicised difficulties during the initial mobilisation period. These discussions have been productive and the service is now much improved, however, ultimately the extent to which any influence can be brought to bear on the matter is governed by the provisions contained in the Contract.

Appendix D - Community Recycling Centres Performance

Material Stream	Month	Year 2016	Year 2017	Increase in Tonnage	Decrease In Tonnage
Non-Recyclable	June	700.98	460.54		240.44
	July	625.54	334.74		290.8
	August	810.7	384.38		426.32
Recycled	June	1462.51	1542.76	80.25	
	July	1415.21	1498.67	83.46	
	August	1550.77	1641.07	90.3	