

WIRRAL COUNCIL

SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE

30TH JANUARY 2012

SUBJECT:	ENVIRONMENTAL STREETSCENE SERVICES CONTRACT FIFTH ANNUAL REVIEW
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF TECHNICAL SERVICES
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR BRIAN KENNY, ENVIRONMENT COUNCILLOR HARRY SMITH, STREETSCENE & TRANSPORT SERVICES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

1.1 This report informs Members on the 2011/12 performance of the Environmental Streetscene Services Contract with Biffa, and updates Members on the progress made on a number of work streams that were endorsed by Committee on 20 January 2011 (minute 104 refers). This report also highlights the pending 7-year break clause opportunity that exists within the contract and requests Members to consider their current level of satisfaction with the standards of waste collection and street cleansing services, in order to inform Cabinet over their pending deliberation of the future of this contract. This report will be supplemented by a presentation to Committee by the Biffa Management Team on the night of the 30th January.

2.0 RECOMMENDATIONS

2.1 Committee is requested to:

1. Note the Key Performance Indicator information in Section 5 of this report and the corresponding high levels of service to which they relate.
2. Note and endorse the projects highlighted for attention in 2012/13 as described in section 11.0 along with any other areas identified by Members to further improve service reliability, customer satisfaction and enhance the environmental quality of Wirral.
3. Request the Director of Technical Services to report to the next meeting of this Committee with any proposed service changes that arise as a result of the conclusion of the Price Waterhouse Cooper contract review so that the strategic implications may be scrutinised before they are presented to Cabinet in April 2012.
4. Note that based on the details of this report, the Director of Technical Services intends to recommend to Cabinet that there are no current concerns over the

Environmental Streetscene Services Contract with regards to the quality of service delivery that should prevent the continuation of this contract with Biffa beyond the 2013 break clause should Cabinet wish to consider a future savings package presented by Biffa in return for securing the contract until 2020.

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 The annual scrutiny of the Environmental Streetscene Services contractual performance and progress is part of the formal management and governance arrangements for the contract and gives Elected Members of the Committee an opportunity to engage directly with the contractor, in order to raise concerns and highlight areas of good practice. The annual review also ensures Members are well informed to make recommendations over the future delivery and management of waste and street cleansing services.
- 3.2 To ensure that proposed future projects have the full support of the Committee and are relevant to the current Corporate Goals, in particular to, *“Have high standards of environmental quality across Wirral”*, and *“Minimising waste by encouraging waste reduction and recycling”*.

4.0 BACKGROUND

4.1 Achievements

The Environmental Streetscene Services contract was awarded to Biffa Waste Services in May 2006 and came into force on 22nd August 2006. The contract runs to 2020, with a break clause option in 2013. The current value of the core contract with Biffa is £12.594m for 2010/11 consisting of £7.805m for waste collection and £4.789m for street cleansing.

Members are reminded of the notable achievements within the contract to date:

- A successful Gateway 5 Review within the first contract year;
- The borough wide rollout of the grey and green bin waste collection service to over 145,000 properties, including collections on Bank Holidays;
- The restructuring and expansion of the garden waste service to over 108,000 properties;
- The significant improvement in local environmental quality through better street cleansing and related activities resulting in achievement of the challenging Public Service Agreement (PSA) standard;
- A year on year improvement in service reliability, including response times and missed bin performance;
- Improved service quality highlighted within the last Comprehensive Area Assessment;
- Services given high acclaim in the 2010 “Living in Wirral” consultation exercise.

4.2 Contract Management and Governance Arrangements

The Environmental Streetscene Services Contract is managed at three levels. This enables operational and strategic decisions to be made at the appropriate hierarchy of management and presents an escalation procedure where

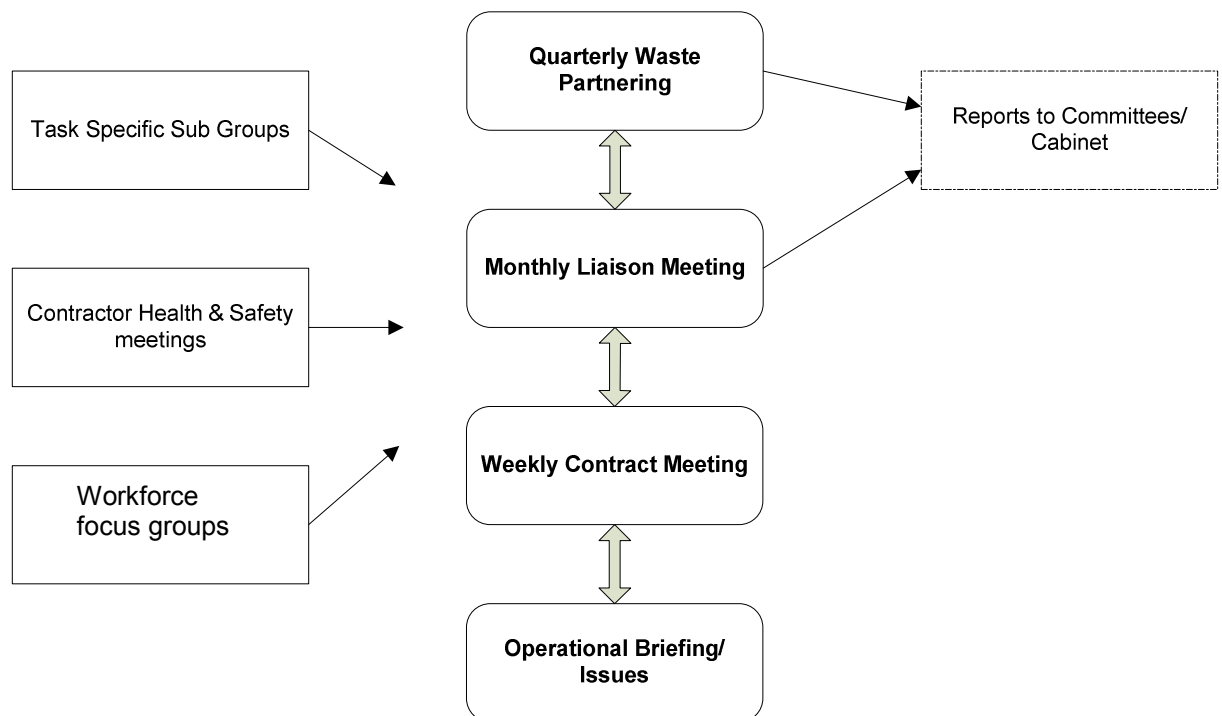
contractual matters require resolution. **Figure 1** below illustrates the management structure and how the partnering arrangement feeds into the wider Council business.

Contract meetings are held every two weeks and sometimes weekly in response to the needs of the service. Reports covering that period and any outstanding day-to-day issues are dealt with at this level.

Liaison meetings are scheduled on a monthly basis. The agenda covers the Key Performance Indicators (KPIs) monthly report, operational considerations and any unresolved matters from the contract meetings. Partnering Board meetings are held quarterly. While there is a review of the operations for the last three months, the main discussions are concerned with the overall strategic approach.

In recent meetings the subject of the approaching 7-year break clause has been discussed at length due to the fact that the Council must inform Biffa no later than August 2012 if we intend to break from the contract in order to re-tender or to take services back in-house. Through consultation with the Council at these meetings, Biffa are preparing a proposal that offers a savings package on the condition that the Council do not activate its right to break from the 14-year contract early.

Figure 1: *Environmental Streetscene Services Contract Management Framework*



5.0 KEY PERFORMANCE INDICATORS

The KPI results for the year 2011/12 to date are located in **Appendix 1**. Although a number of the KPI elements currently stand at red (within red, amber, green status) this can be attributed to many of the corresponding targets being set with

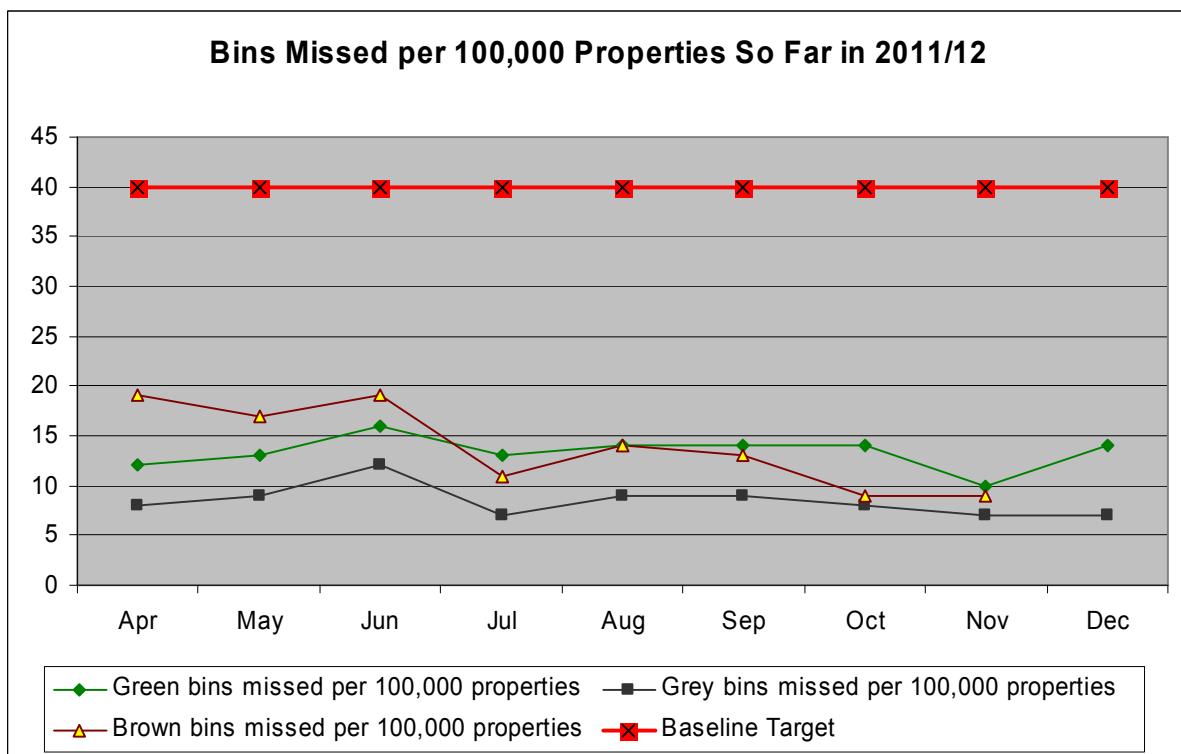
a non-existent tolerance level. For example many of the targets are either 100% or Nil failure.

A comprehensive review of the original KPIs was carried out by Council officers in conjunction with Biffa. This led to a number of new KPIs being produced and implemented from December 2011. A detailed list of these KPIs can be found in **Appendix 2**.

5.1 'WR1' Bins Missed Per 100,000 Properties

Chart 1 shows the number of bins missed per 100,000 properties in the 2011/12 financial year to date.

Chart 1



Appendix 3 details the progress made on reducing the number of bins missed per 100,000 since the beginning of the Biffa contract. Significant improvements have been achieved throughout the duration of the contract to date and missed bin figures are now consistently well below the 40/100,000 target specified in the contract, at no point in the last six months have more than 15 missed bins per 100,000 properties.

5.2 'SC1' Street Cleansing Inspections

As part of the work streams contained in the Technical Services Delivery Plan "Have high standards of environmental quality across Wirral" (TS2), a review was carried out on the process used to assess the cleanliness of various land classes across Wirral. The new approach commenced in June 2011, the results so far are contained in **Chart 2 below**. Despite achieving high standards of cleanliness and exceeding the Corporate target of no more than 8% of streets to fall below an

acceptable level of cleanse, this chart demonstrates that Biffa have continued to improve standards over the last 6 months. Only 3% of streets have fallen below an acceptable level of cleanse in October and November 2011.

Chart 2

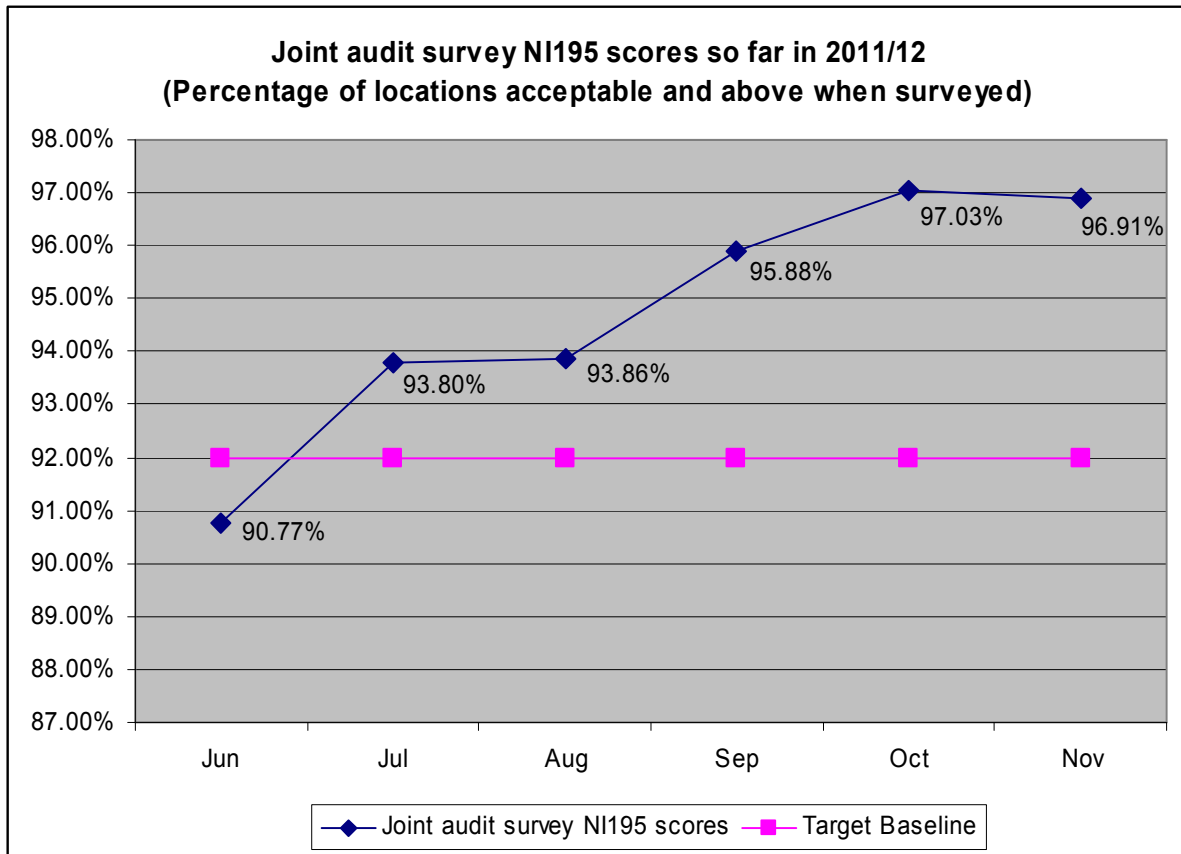
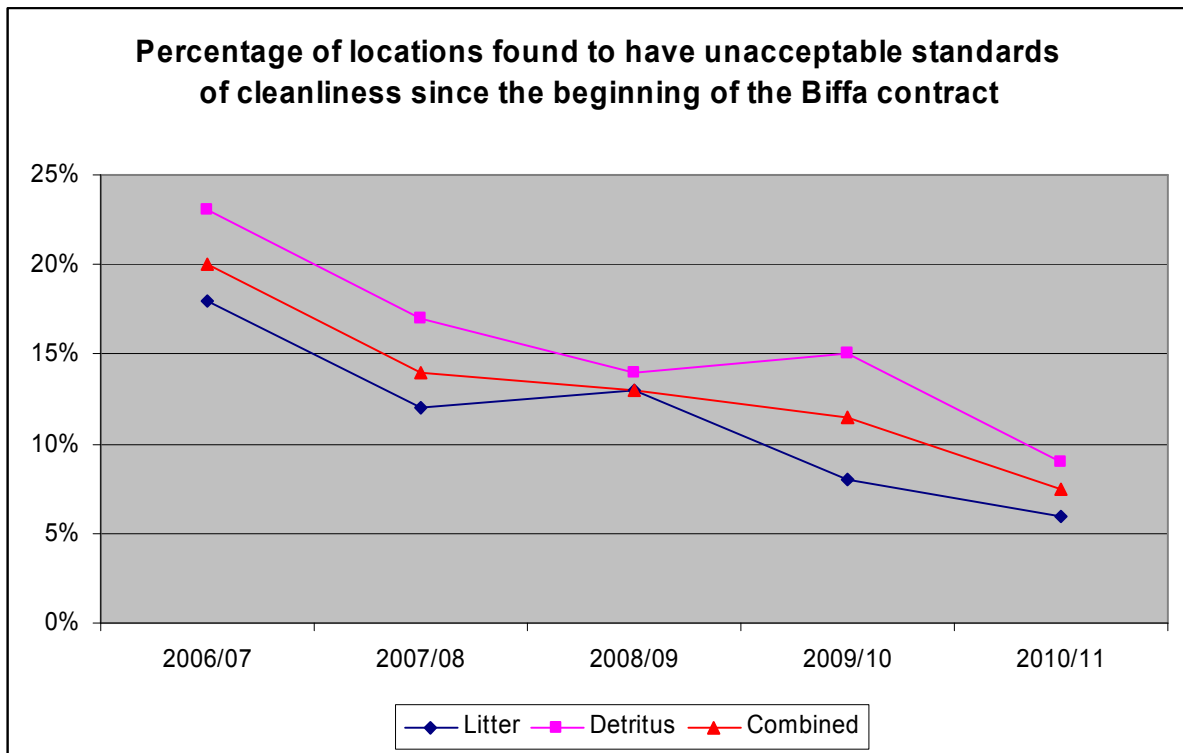


Chart 3 also details the survey results since the beginning of the Biffa contract. Significant progress has been made in reducing the numbers of locations found to have unacceptable levels of cleanliness. In 2006/7 20% of Wirral streets failed to meet cleanliness standards. This has fallen to just 6% so far in 2011/12.

Chart 3



6.0 PROGRESS ON KEY WORK STREAMS 2011/12

At the Committee of 20 January 2011 (minute 104 refers), five key work stream areas were approved that would aim to drive improvements in all aspects of service delivery. The work stream progress is monitored formally at quarterly Board meetings and challenges arising from the work streams are discussed at Liaison meeting level.

6.1 Street Cleansing: Improving environmental quality with particular focus on litter and detritus and the leaf fall removal programme.

This work stream was originally developed in response to the Public Service Agreement 8, which stipulates the cleansing standards Wirral had to achieve to secure the associated reward grant totalling £818k. Members will be aware that the standards were achieved in 2008/09 and the grant was awarded.

The work stream has been continued in order to drive continuous improvements and ensure that all aspects of the contract management support the delivery of Wirral's Corporate Goals.

2011 achievements from this work stream have therefore been reported in detail to this Committee as part of the Technical Services Delivery Plan update for the Corporate Goal, "Have high standards of environmental quality across Wirral". They are summarised below:

- NI195 new method:
Following an internal audit in January 2011 a recommendation was made to review the criteria for monitoring street cleansing standards giving consideration to the development of a more structured and equitable monitoring system.
- Leaf fall programme:
Wirral Council's waste and street cleansing contract management team worked closely with Biffa to agree a new approach to dealing with the seasonal issue of leaf removal.
- Cleansing database review:
Biffa street cleansing database updated to include previously omitted locations.
- Street cleansing operative forums:
Quarterly forums are held to gain an insight into the cleansing issues faced by Biffa's frontline. This initiative provides an excellent opportunity for two-way dialogue to resolve any issues raised.

The above initiatives have resulted in further improvement in cleansing performance, which is illustrated in the contract key performance indicators outlined within Section 5.2 of this report.

6.2 Compaction & Contamination of Collected Co-mingled Recycling – Risk Reduction

This work stream was developed in 2009 with the aim of reducing contamination 'at the kerbside' by residents and ensuring that loads of co-mingled recyclates are not compacted by Biffa prior to the delivery to the Materials Recovery Facility (MRF) at Bidston. This is because over compacted waste results in loss of recyclate during the waste segregation process, as well as affecting MRF productivity. DEFRA are currently reviewing their policies and definitions in relation to co-mingled recycling. This is likely to result in stricter targets being imposed on quality thresholds, meaning it is more important than ever to ensure our recycling is as free from contaminants as possible.

It is therefore proposed this work stream is continued in order to drive continuous improvement and ensure that all aspects of the contract management support the delivery of Wirral's Corporate Goals to recycle more.

2011 achievements from this work stream are being reported in detail to this Committee on 30 January 2012 as part of the Technical Services Delivery Plan update for the Corporate Goal "Minimising waste by encouraging waste reduction and recycling". They are summarised below:

- Working with the now permanent Assistant Recycling Officers to target over 22,000 properties and working alongside waste collection crews to educate on contamination procedures.

- Working at management level to produce an action plan to reduce contamination resulting in a 30% reduction in contamination from Quarter 1 to Quarter 2.
- Sharing data provided by the Merseyside Recycling and Waste Authority (MRWA) to report and monitor incidences of compaction. Resulting in a zero incidence rate for this year.
- Analysis of load sampling data supplied through the MRWA to identify and target rounds with high contamination.
- Re-issuing instructional information to all households on what waste Wirral Council can accept in the grey bins.

6.3 CRM Springboard Integration

PDA's (hand held computers) are now on board all waste collection and street cleaning vehicles and are used to provide real time data on most operational aspects of the contract. This data is available to front of office staff and is invaluable in helping to manage calls from the public. Missed bin reports (the highest call volume area for this contract) have been fully integrated into CRM so that the enquiries are automatically closed down via the PDA system. This efficient way of working gives the Council instantaneous access to information, reducing the need for resource intensive monitoring. Considerable administrative support is also reduced within Biffa as the manual closing of tasks is no longer required.

It was the aim in 2011 to integrate a wider range of services including bin deliveries, fly tipping, street cleansing and bulky waste collection jobs. The bin delivery project is almost complete. Biffa have devised an alternative solution that goes some way to improving the efficiency and responsiveness of their PDA system. It is therefore recommended that this work stream be discontinued at this current time.

6.4 Review of the Severe Weather Contingency Plan

The severe weather events that were experienced early in 2010 and over the Christmas period in 2010/11 has reinforced the need to have a robust and flexible plan in place to minimise the disruption to the delivery of the Council's environmental services during such periods. On 20th January 2011 this Committee specifically requested that the "Bad Weather Contingency Plan" be improved to reduce the risk of future missed bin reports and ensure that the service kept running wherever possible.

During 2011 the Contingency Plan was extensively reviewed as a 'lessons learned exercise' and has resulted in the following adaptations:

- Trial of snow tyres to four waste collection vehicles.
- Better use of the Council web-site and other communication outlets, to ensure that the best information, on the likely disruption and the contingency plans in place to maintain services, is provided in a timely manner to residents within Wirral, to include the confirmed use of temporary waste collection sites. This includes proactive press releases to inform residents of what to do with their bins if it does snow.
- Arrangements in place to ensure the Biffa depot is gritted in order to mobilise fleet.
- Personal Protective Equipment (PPE) review of the Biffa workforce to include the provision of “snow cleats” for use in icy conditions.
- Contingencies put in place to ensure communication outlets can be updated on bank holidays.

6.5 Biffa Environmental Policy / Sustainability Plan

Biffa have conducted a full carbon emissions modelling exercise using the Waste and Resources Assessment Tool for the Environment (WRATE) model, which has been developed by DEFRA as a tool for modelling carbon emissions. The project has identified improvements that can be realistically made to minimise environmental impact of service delivery. The project was reported to the Partnering Board on 10 May 2011 and demonstrated that the Council have reduced carbon emissions of our Waste Collection functions by around 31,000 tonnes per year since the introduction of the Biffa contract. Further carbon reduction opportunities will be available from August 2013 from the replacement of all fleet, where latest model refuse collection vehicles (Euro 6) and lighter street cleansing vehicles will be purchased to reduce fuel usage. A Biffa press release that was run in several trade magazines this year can be viewed in **Appendix 4**.

7.0 CONTRACT REVIEW

7.1 Price Waterhouse Cooper (PWC) Contract Review Update

PWC are currently undertaking a review of four major contracts let by the Council, including the Environmental Streetscene Services Contract, in an attempt to identify areas for financial savings. Through consultation with both the Waste and Environment Team and Biffa, they are examining all aspects of the contractual arrangements in order to identify opportunities to save Council money. Their findings are expected to be reported back to the Partnering Board by March 2012 and it is proposed will be the subject of a further Cabinet report in April 2012.

The contract review is being led by the Director of Finance.

7.2 Seven Year Break Clause Opportunity

The Environmental Streetscene Contract is a 14-year contract (i.e. to August 2020) with a 7-year Break Clause (effective at August 2013) and an option to extend the contract for a further 7 years (to August 2027). This presents the Council with the following options:

- Biffa “buy back” the 7-year break clause and continue with Biffa Waste Services until August 2020 (with an opportunity to extend until 2027)
- Re-tender waste collection and street cleansing services
- Bring the waste collection and/or street cleansing services in-house.

Biffa wish to secure the longer-term contract in advance in return for reducing the contract price. Whilst this option will realise financial savings without any reduction to services, it is important to note that pursuing this option would prevent the Council from testing the market in the next two years. Even so, it is important to note this does not preclude the Council taking action against the contractor in the event of poor contractual performance. Biffa’s satisfactory performance to date and the co-operative partnering arrangement we have nurtured gives the Director of Technical Services no reason to doubt their ability or dedication to this contract both now and in the future.

8.0 RELEVANT RISKS

- 8.1 Risks to the quality of delivery of the contract are identified and managed through the contract management and governance procedures as detailed in section 4.2.
- 8.2 Risks associated with the successful delivery of the Corporate Goal Delivery Plans that this contract is inextricably linked to are managed through the Technical Services Departmental Risk Register. Currently, contamination is flagged as a risk around the delivery of the Corporate Goal to Increase Recycling and is being managed accordingly.

9.0 OTHER OPTIONS CONSIDERED

- 9.1 Members are invited to submit further suggestions for 2012/13 work streams in addition to those proposed in Section 11 of this report.

10.0 CONSULTATION

- 10.1 All projects and work streams detailed in the associated plan show the key partners involved.

11.0 FUTURE CONSIDERATIONS: PROPOSED WORK STREAMS FOR 2012/13

Officers seek Members’ endorsement for the following proposed work streams for 2012/13:

11.1 Street Cleansing: Improving Environmental Quality with Particular Focus on Reducing Levels of Dog Fouling

Wirral's Environmental Streetscene Services Contract Management Team will be working closely with Biffa to ensure existing methodology for the removal of dog fouling is reviewed. This will ensure that contracted operatives are carrying out their work as efficiently and effectively as possible. Research into new developments in apparatus will also be carried out and the excellent education and awareness work carried out by the Community Safety Team will be complimented by both the operational and Eco Schools work carried out within Technical Services.

Other areas of focus will include the conclusion of the review of the street cleansing database that may provide opportunities to add areas of land to the contract with no additional revenue implications (For Example, Wirral's off-road cycle paths).

11.2 Contamination of Collected Co-mingled Recycling – Risk Reduction

Officers propose to continue this element of the 2011/12 work stream as contamination is still a widespread issue despite the improvements seen through the application of a number of successful strategies. The 2012/13 programme of work will include a trial of the distribution of re-useable storage bags to householders who are recorded by the crews as presenting good recycling, but trapped in plastic bags, which is classified as contamination.

11.3 Increasing Recycling (to Support the Council Notice of Motion passed on 12 December 2011).

The following actions will be monitored under this work stream to maximise recycling tonnage diverted from landfill:

- Continuation of the green (residual) bin take back project – This project tackles the widespread problem of households who are not recycling enough because they are using more green bins than what they are entitled. In some areas waste collection crews have reported up to one in five households to be presenting two or more green bins. Upon receiving a survey conducted by Biffa, every household is consulted to ascertain their correct entitlement and the Council records updated accordingly. The Biffa PDA's are then updated to record where crews can empty more than one green legitimately. Households who subsequently present more than one bin when they are only entitled to present one bin will not have additional bins emptied. In some cases, where repeat issues occur, bins may even be removed. Officers will also make sure these households have all the support they need to use the grey bin scheme effectively. Early indications show that recycling performance on rounds where this intensive work is carried out has increased significantly.

- Determination of recycling performance at round level for all households, in order to target intervention strategies more effectively and drive up recycling rates.
- Review and pilot of collection frequency changes and/or container type on lowest performing rounds (usually in high density housing areas such as terraced housing) with consultation with all effected residents.
- Introduction of Waste Electrical and Electronic Equipment (WEEE) to the kerbside service (subject to the successful trails in three other Local Authorities where Biffa operate).
- Expansion of the Garden Waste Kerbside Scheme to 3300 properties in April 2012.

11.4 Contract Review and Associated Benefits Realisation

As stated, Price Waterhouse Cooper and Council Officers are in the process of carrying out a full review of the Environmental Streetscene Services Contract. It is likely that there will be a range of recommendations from the review that will need to be implemented and this work stream will monitor the progress of this important piece of work. It is also recommended that should the Council decide to continue with the Biffa contract until 2020, that a new Benefits Realisation document be agreed by the Partnership in order to drive continuous improvement. All Benefits identified in the initial Benefits Realisation document (**Appendix 5**) have now been realised and officers believe this document needs to be updated to reflect known challenges that lie ahead. Such challenges include ensuring the Contract can continuously demonstrate it is achieving value for money through benchmarking and on going identification of savings opportunities, and ensuring the Contract is capable of maximising the efficiency of all its recycling services to help the Council to reach a 50% recycling target 2020 at the latest and ensuring the Contract delivers services in such a way as to minimise carbon emissions.

12.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

12.1 There are no specific implications under this heading.

13.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

13.1 All work carried out to deliver the work streams is done so within existing resources and staffing provisions. No additional resources are required at this time for the delivery of all future work streams proposed in Section 11.

14.1 LEGAL IMPLICATIONS

14.1 The Biffa Contract Review must be concluded in time for the Council to make a decision over the continuation of the contract beyond August 2013. The Council are contractually required to notify Biffa in writing no later than 26th August 2012 if they wish to terminate the contract at the break clause point.

15.1 EQUALITIES IMPLICATIONS

15.1 There are no specific implications under this heading. Equality Impact Assessments have been carried out for services delivered by the Environmental Streetscene Services Contract and are subject to annual reviews. Any new initiatives arising from the proposed 2012/13 work streams will be assessed before they are launched.

16.1 CARBON REDUCTION IMPLICATIONS

16.1 There are no specific implications under this heading. The Environmental Streetscene Services Contract has assisted the Council to reduce the carbon emissions of the Borough's waste collection services by around 31,000 tonnes per annum.

17.1 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

17.1 There are no specific implications under this heading.

REPORT AUTHOR:

Tara Dumas

Waste and Environment Manager

telephone: (0151) 606 2453

email: taradumas@wirral.gov.uk

APPENDICES

1. 2011/12 KPIs
2. New KPI Suite (December 2011 onwards)
3. Missed Bins Performance since 2006/7
4. Biffa Press Release on Carbon savings
5. Benefits Realisation 2011/12

REFERENCE MATERIAL

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE: Third Annual Review Streetscene Environmental Contract	20 January 2010
SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE: Environmental Streetscene Services Contract Fourth Annual Review	20 January 2011
SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE: Biffa Presentation – Winter Working	7 June 2011