

ESC Performance Monitoring (2018/19)

Outcome 2: No. 9 – ES6 Waste & Recycling Collections – homes missed per 100K collections

The Chairman of the committee has requested that further commentary is provided for key performance indicators that are not achieving the desired outcomes required. Within Outcome 2, the collection services of household waste and recycling provided by our service provider, Veolia is currently not achieving the desired service delivery levels with the August 2018 outturn being 149 missed collections per 100K against the target of 120.

The client management team in partnership with the service provider has been actively pursuing the remedy to this issue which impacts our customers through a reduction in the efficiency of the service delivered. Since January, the client team has adopted a refined performance management framework that is designed to provide enhanced resource application by the service provider and improved contract management governance when identified *key service objectives* are not being achieved. This is primarily delivered through the application of a Corrective Action Plan (CAP) which requires the service provider to undertake an eight (8) stage process per service area which is not performing to required levels, which outlined in the sidebar.

The identification of the root cause which has lead to poor performance has been the reliability of the existing collection vehicles. This is primarily due to the contract period whereas the front-line vehicle fleet is reaching the end of its useful operational life and an increase in vehicle breakdowns has occurred. This places additional pressure on the completing of work according to the normal schedule and can often translate to multiple teams operating on collection rounds, with unknowledgeable staff potentially causing mistakes through omissions or failure in collections.

Through the management of the current service areas that are currently being managed through the Corrective Action Plan process, the service provider has both hired Refuse Collection Vehicles (RCVs) as well as allocating spare vehicles from alternative regional contracts to replace the most problematic and aged vehicles operating on the Bromley contract in order to improve vehicle reliability. They have also increased the vehicle workshop resources and operating hours to improve the repair of vehicles during non-operational hours to enable improved access to fleet vehicles for the operational staff. In terms of monitoring the CAP solution, the service provider has brought in additional resources to the contract to prepare enhanced business reporting tools which are utilised by the supervision and management team. The

Corrective Action Plan

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The components of the process that is required to be undertaken by the Service Provider when service delivery levels exceed agreed targets are as follows:

1. Defining the issue
2. Identification of temporary solution(s)
3. Identification of root cause
4. Establish permanent corrective action (PCA)
5. Establish resource requirements of CAP
6. Implement solution
7. Monitor the solution through the CAP period
8. Closure – reporting at monthly service operation contract meeting

outcomes of this new performance data assists the supervision of under-performing collection rounds and allows the focused use of in-field supervisors to better improve service delivery.

The main points associated with Veolia's permanent corrective action with the CAP are;

- Remaining compliant with the Operator's License - A number of vehicles that are beyond economic repair will be returned to the leasing company in addition 2 x Veolia vehicles will be scrapped, freeing space on the operating license at Central Depot
- Increasing front line reliability - We will see the number of hire vehicles used from now to the end of the contract flex depending on need from 5 hire vehicles which is the current level to 10. This represents an increased hire cost of approximately £4.2k per month per vehicle and is set against a budget position of 1 x hire vehicle.
- Veolia have identified a number of vehicles that are due to be replaced in other boroughs as part of the regular asset renewal programme, the best of these vehicles that are newer and more reliable will be brought in to service in Bromley. This has started with alternative depot vehicles and will we continue to look for other such deals.
- Better use of Support Services - We are also making better use of workshops in the London Region that have more flexible operating restrictions than those in place at Central Depot, to ensure our planned maintenance is carried out quickly and does not take front line vehicle off of the road for longer than required.
- Service Performance Visibility – Veolia to develop a weekly report from CRM information that provides managers with a statistical assessment of performance and highlights areas of potential service weakness. This report is now live and available to be shared/reviewed between Veolia and LBB

The total resource, above baseline contract costs, applied by the service provider to the process:

Resource	Start Date	Total Cost (CAP period)	
VU58 KCK - Split body RCV, acquired	09/06/2018	£	2,000.00
VU58 KCO - Split body RCV, acquired	09/06/2018	£	2,000.00
VO61 YWR - Split body RCV, acquired (3 weeks)	30/06/2018	£	1,000.00
VO61 YWU - Split body RCV, acquired (3 weeks)	30/06/2018	£	1,000.00
VO61 YYJ - Standard RCV hired	02/07/2018	£	7,200.00
VO57 ZUX - Standard RCV hired	02/07/2018	£	7,200.00
VU11 HVG - Standard RCV hired	02/07/2018	£	7,200.00
Business development manager assigned to Contract	02/07/2018	£	4,000.00
Regional Fleet Manager assigned to contract	02/07/2018	£	4,000.00
Temporary Supervisor	02/07/2018	£	2,000.00
		£	<u>37,600.00</u>

To date, the service has seen an improvement in the collection service with August achieving a missed collection per 100K rate of 149 from the high of 196 in July. The Council's client management team is still monitoring this process actively as vehicle reliability will be only fully resolved through the awarding of the new contract in April 2019 which will include the replacement of the operational fleet.