

Decision Maker: ENVIRONMENT AND COMMUNITY SERVICES POLICY
DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Tuesday 17 March 2020

Decision Type: Non-Urgent Executive Non-Key

Title: ENVIRONMENTAL SERVICES CONTRACTS LOT 1, 2 AND 3 -
INTERIM CONTRACT PERFORMANCE

Contact Officer: Peter McCready, Assistant Director of Environment
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Chief Officer: Director of Environment and Public Protection

Ward: (All Wards);

1. Reason for report

- 1.1 On the 28 November 2018, the Executive awarded a suite of environmental services Contracts, which included Waste Disposal (Lot 1), Household Waste Collection and Recycling (Lot 2), and Street Environment (Lot 3).
 - 1.2 Lots 1 to 3 were awarded to Veolia ES UK Limited (Veolia) for an eight-year period with the potential to extend for a further eight years. Whilst managed as three distinct contracts, the Lot 1 to 3 contracts use a shared governance model.
 - 1.3 This report provides an interim annual review of the performance of the Lot 1 to 3 contracts, as required by Section 23.3 of the Council's Corporate Performance Rules (CPR) 23.3 for contracts with an annual value that exceeds £1 million.
 - 1.4 The current performance of each of the contracts is deemed to be satisfactory.
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2. **RECOMMENDATION(S)**

The Environment PDS Committee is recommended to:

- 2.1 Reviews and comments on the contents of this contract performance report.
- 2.2 Agrees to receive an update on the annual performance in September 2020.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The waste collection and street cleansing services affect all residents including vulnerable adults and children. Consideration of any additional impacts on particular groups of residents is taken when making changes to the service. To mitigate the impact of the schedule changes in September 2019, LBB worked closely with Veolia to reduce any service disruption to households receiving the assisted collection (Special Requirements List) and ensure that the service change communications are clear.
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Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council Quality Environment:
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Waste Services (Lots 1 & 2) & Street Environment (Lot 3)
 4. Total current budget for this head:
Waste Services (Lot 1 and 2): £17.9 million & Street Environment: £5.5 million
 5. Source of funding: Controllable revenue budget for 2019/20
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Personnel

1. Number of staff (current and additional): Not Applicable.
 2. If from existing staff resources, number of staff hours: Not Applicable
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Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance
 2. Call-in: Not Applicable
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Procurement

1. Summary of Procurement Implications: Not Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All borough residents (circa 330,000), local businesses and people that work and visit Bromley.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

Background

- 3.1 On the 28 November 2018, the Executive awarded the following contracts from the suite of Environment Services Contracts to Veolia ES UK Limited (Veolia):

Lot	Environmental Services Contract Details
1	Waste Disposal <ul style="list-style-type: none">• Disposal of residual waste• Management of closed landfill site
2	Waste Collection <ul style="list-style-type: none">• Management of the Household Reuse and Recycling Centres and Waste Transfer Stations• Management of recyclable materials• Collection of household and business waste• Administration functions (Trade, Bulky and Green Garden Waste Services)
3	Street Environment <ul style="list-style-type: none">• Street cleaning• Graffiti removal• Abandoned and surrendered vehicle removal• Parks security – (including Town Centres)

- 3.2 The contracts commenced on 1 April 2019 for an eight-year period with an option to extend for a further eight years. The indicative Term Contract Value of each contract is:
Lot 1 - £76,191,449
Lot 2 – £98,436,664
Lot 3 - £44,936,034
- 3.3 The mobilisation of these contracts' forms part of the Environment Services Contract Transition Project, with an anticipated completion date of the 31 March 2020. The transition between the old and new contracts was a complex operation involving the procurement of a new fleet of vehicles, the TUPE transfer of street cleansing operatives, schedule changes, and the establishment of a new governance and performance monitoring framework. To date, the transition has been achieved with minimal impact on the level of service provided.
- 3.4 In addition to financial savings, a benefit of having the same service provider for all three lots is the reduction in service interface related risks and benefits to service users from the synergies between these contracts. For example, it means that the On-Street Recycling Sites are now being managed by one Service Provider, which makes the coordination of staff to resolve flytipping and overflowing recycling containers more effective.

Contract Management and Governance Arrangements

- 3.5 The strategic aims for services covered by the Lot 1 to 3 contracts are set out in the Environment Portfolio Plan that is agreed annually by the Portfolio Holder for the Environment.
- 3.6 The contracts are monitored by the Neighbourhood Management team within the Environment and Public Protection Department ensuring adherence to the contract and specification using a suite of Key Service Objectives (KSOs) that were jointly agreed at the outset of the contract.
- 3.7 The Service Provider's performance is monitored through a Performance Management Framework (PMF) for these contracts comprising of 227 individual KSOs and Key Performance Indicators (KPIs). Performance data for each of the contracts is presented by Veolia at monthly Service Operation Board meetings, as the main forum for contract monitoring. This framework is complex but provides a mechanism to incentivise the Service Provider and to invest in resources to address any poor performance rather than accept a Performance Deduction.

- 3.8 Risks are managed through the monthly Service Operations Board meetings where the register is reviewed. Consideration is taken of the main operational risks and mitigation measures. For example, for Lot 1 the main operational risks include the emergency closure of waste treatment facilities and significant changes to the amount of non-recyclable refuse produced by Bromley households and businesses. Veolia have demonstrated within their Service Delivery Plan that they have sufficient capacity within their contingency facilities to manage Bromley's non-recyclable refuse.
- 3.9 A Strategic Partnership Board (SPB) comprising of senior managers from the Council and Veolia meets each quarter to oversee the strategic management of the contracts within the Council determined budget. This Board reviews performance and receives and agrees an updated Service Delivery Plan from Veolia for achievement of key service deliverables and an Annual Report, which provides an overview of contract performance. The Interim Annual Report is presented in Appendix A.
- 3.10 As part of the SPB, a Partnership Charter that sets out the principles for cooperative working has been agreed between officers and Veolia. Principles include communicating clearly, making efficient use of resources and working together to deliver high performing services. Good working relationships have been established between officers and Veolia's local management team through the monthly performance review meetings and regular, ongoing communication on service matters.
- 3.11 Relationships between Service Providers and other Council departments are governed through the Service Provider Collaboration Board, which meets every six months and comprises of representatives from the Council and relevant Service Providers.

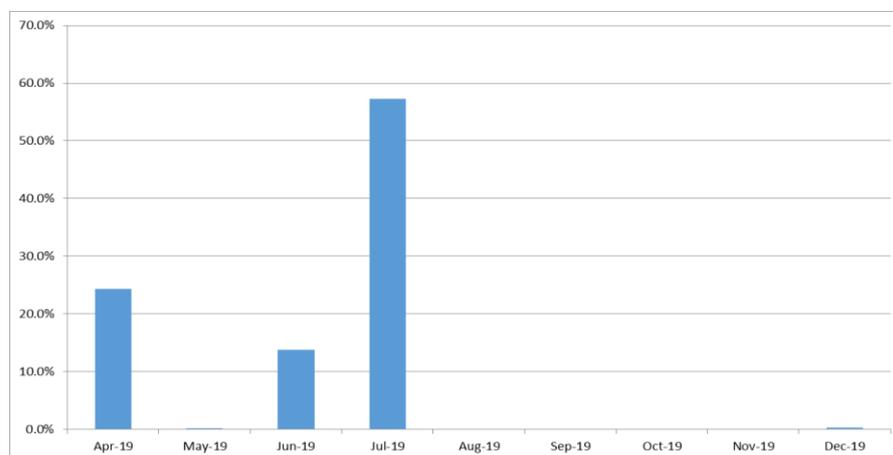
Contract Performance

- 3.12 Performance of the Lot 1 to 3 contracts is scrutinised in line with Contract Procedure Rules and the Contract Monitoring Framework with a Performance Dashboard Report reviewed at the monthly Strategic Operations Board. The information that follows covers the first nine months of the contracts, April to December 2019. Veolia's Interim Annual Report covering the same period is presented in Appendix 1. An update report will be provided at the September 2020 ECS PDS Committee to report on the annual performance data.

Lot 1 – Waste Disposal

- 3.13 The delivery of the Lot 1 contract is in accordance with the specification and contract.
- 3.14 The new waste disposal contract will enable Bromley to reach virtually zero waste to landfill with a contractual target¹ in 2019/20 to landfill just 14% of non-recyclable refuse and 2% from 2020/21 for the duration of the contract period. Veolia are on schedule to achieve the target in 2019/20 with 12.6% of residual waste sent to landfill between April and December 2019. By comparison, in 2018/19, 30% of non-recyclable refuse was sent to landfill. The graph below presents how the amount of non-recyclable refuse sent to landfill has varied across the first nine months of the contract.

Graph 1 – Percentage of Residual Waste sent to Landfill April 2019 to December 2019



¹ The contractual target is set out in Schedule 4 Part 5 Pricing Document. However, it is worth noting that the target within the Performance Management Framework is to send no more than 24% of residual waste to landfill. This target will be adjusted to be in line with the contractual target of 2% in 2020/21.

3.15 Management of the closed landfill site in Coney Hill is satisfactory with Veolia conducting regular monitoring of site emissions and infrastructure and manage site emissions appropriately.

Lot 2 – Waste Collection

3.16 For Lot 2, the Veolia’s performance is managed through 102 KSOs and KPIs, relating to service delivery and further contractual reporting obligations that are described within the PMF. The PMF sets target values based within a RAG status band (red, amber and green) for individual KSOs and KPIs. If any particular KPI or KSO is under performing depending on the extent to which the performance is below the target either a direct Performance Deduction will be applied to the monthly invoice or it will trigger the requirement for Veolia to produce a Corrective Action Plan and the Performance Deduction will be held in abeyance until that plan has been completed. The approach as described in Paragraph 3.7 provides an incentive to improve service performance.

3.17 The primary indicators for waste collection service performance relate to missed bins and the rectification of missed bins within Service Level Agreements. These KSOs are populated by data from the missed bins reported by residents, captured through a customer facing web look-up which is linked directly to the service provider’s logistics system known as ECHO.

3.17 Data used to populate the PMF is reconciled and any erroneous reporting by residents is limited due to robust ‘gate checks’ being in place. Erroneous reporting would include the incidences where the resident has not presented waste for collection or where the recycling contains items that cannot be recycled e.g. nappies.

3.18 As described in paragraph 3.12, key service deliverables for Lot 2 align with the Environment Portfolio Plan and are tracked through the PMF. Table 1 shows the first nine months of the contract, April to December 2019 data for each of the key service deliverables.

Table 1 – LOT 2 Key Service Deliverables for first nine months of the contract

DESCRIPTION	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Missed Bins Per 100,000	107	114	90	146	118	CRM Data 1st September to 15th: 45 Echo Data 16th September to 30th: 397	336	213	165
Daily Average Unreconciled Missed Bins	127	134	188	162	141	CRM Data 1st September to 15th:76	This KPI has been superceded by improved gate checks	This KPI has been superceded by improved gate checks	This KPI has been superceded by improved gate checks
Daily Average Reconciled Missed Bins	76	80	64	103	83	CRM Data 1st September to 15th:32	191	151	88
Missed Bins Rectified within SLA	96.00%	94.00%	93.00%	98%	96%	67%	57%	78%	85%
Missed Bins Reconciled (Special Requirements List) as % of Total Validated Missed Collections	6.00%	5.00%	5.00%	4.00%	5.00%	4.00%	8.70%	7.00%	6.90%

3.19 Table 1 demonstrates that between April and Mid-September, the key service deliverables were being met by Veolia. At only 45 bins missed per 100,000 collections, performance was at its highest level in the first two weeks of September. However, performance declined in all of the key service deliverables from Mid-September onwards.

- 3.20 A key element of the mobilisation of Lot 2 was the household waste and recycling collection schedule changes to improve service efficiency and reliability. These changes were implemented on 16th September 2019 and involved:
- The introduction of a new collection fleet
 - Collection day changes for 75% of the households
 - Expansion of the recycling service to around 1,000 narrow access properties alongside an every other week collection of non-recyclable refuse
 - A new kerbside collection service for textiles, household batteries and small waste electrical and electronic items for houses
 - Introduction of a new real time online system for real time reporting and in-cab/vehicle real time data recording devices for collection crews
- 3.21 It is likely since the decline in service performance began at the same time as the schedule changes were introduced that service disruption during the changes caused this decline. As described in the report about the waste collection schedule changes that was presented to the ECS PDS Committee in June 2019, the following actions were taken to reduce the impact of the service change by the Council and Veolia:
- Operational teams assisted in the design of new collection rounds
 - New vehicles were fully tested by crews before the service change
 - Training was provided for all crews and for the Council's Customer Contact Centre
 - Additional temporary resources were provided in the Customer Contact Centre and the Neighbourhood Management Team during the service rollout
 - Additional management and frontline resources were temporarily provided by Veolia
 - A comprehensive communication campaign was conducted
- 3.22 Service performance has improved significantly between October and December 2019, however, the December 2019 performance was still lower than the contract target.
- 3.23 Indications from performance data gathered in the first few weeks of 2020, is that performance across all key deliverables is continuing to improve and the expectation by both the Council and Veolia is that by February 2020, the performance will be satisfactory.

Lot 3 – Street Environment

- 3.24 Veolia delivers the routine street cleaning operations through a combination of mechanical and manual work, supported by seasonal staff for removal of autumn leaf fall (e.g. between October and December) and operating a weed control programme (e.g. typically during the months of March, July and September). Veolia's schedule for routine cleaning aims to avoid contributing to traffic congestion or parking, with certain activities programmed at night-time (e.g. road sweeping the boroughs main arterial roads) and weekends for areas heavily parked with commuter traffic.
- 3.25 All public roads are subject to a routine, frequency-based schedule of cleaning to achieve the required standard. Cleaning standards are based on a system which uses street and land use to identify the frequency of cleaning that is needed to provide an acceptable level of cleanliness. This is reviewed annually through the Service Provider's Service Delivery Plan.
- 3.26 Veolia does not receive payment for additional visits to clean streets in between routine scheduled cleaning following service requests made by the public where the cleanliness does not meet the required standard e.g. overflowing litter bins, dumped waste bags or accumulations of litter. Therefore, residents are encouraged to report any issues as it supports the Council in improving the street environment and allows targeted deployment of resources.
- 3.27 There are two key performance areas measuring the standards and effectiveness of the street cleansing contract, as laid out in the Environment Portfolio Plan:
- Monitoring the performance of the contractor following routine scheduled street cleaning operations
 - Measuring public satisfaction with street cleanliness
- 3.28 The Street Cleansing contract has 3700 footway assets and 2900 carriageway assets that are scheduled for cleansing. During the annual period of 2019/20, these will be serviced 340,000 times (subject to their respective cleaning frequencies) and the Neighbourhood Management Team

undertakes a minimum of 23,200 condition assessments to provide 90% confidence that the cleaning tasks undertaken are to the standards required. The Street Environment Contract Manager undertakes a bi-monthly evaluation to ensure that inspections are being made to sufficient levels to meet monthly objectives.

- 3.29 The Neighbourhood Management Team has completed 19,230 inspections between April and December 2019 to verify the standards delivered by the service provider. It is projected that 25,500 inspections will be undertaken by the end of 2019/20. From these inspections, the KSO for the 'Percentage of Streets Meeting the Acceptable Cleanliness Standard' can be derived as a percentage of inspections that have been graded as either an 'A' or a 'B', in accordance with the Defra Code of Practice on Litter and Refuse. If an asset is graded as a 'C' or 'D', this is a failure of the acceptable standard. Additional information about how street cleanliness is graded is provided in the Street Grading Standards Manual within Appendix 2.
- 3.30 Table 2 outlines the interim contract monitoring performance data between April and December 2019. The levels of cleanliness were within acceptable defined standards indicating the contractor's performance is satisfactory.

Table 2: Key Performance Results April to December 2019 – Client Monitoring Inspections

April 2019 to December 2019					
Month	Inspections	B- Grades*	Defects	% Streets meeting the acceptable cleanliness standards	Fail
April	2,248	162	38	91%	9%
May	2,242	86	20	95%	5%
June	2,244	77	37	95%	5%
Q1	6,734	325	95	95%	5%
July	2,039		85	96%	4%
August	2,019		55	97%	3%
September	1,961		71	96%	4%
Q2	6,019	0	211	96%	4%
October	2,259		130	94%	6%
November	2,346		99	96%	4%
December	1,962		49	98%	2%
Q3	6,567	0	278	96%	4%
Total for year to date	19,320	325	584	96%	4%

*B minus previously counted as a fail grade, but this grading was removed in July 2019.

- 3.31 To date, 96% of streets inspected achieved the acceptable cleanliness standard. There is a trend towards the cleanliness improving, moving from an average of 94% in quarter one to 96% in quarter three.
- 3.32 Street cleansing schedule changes took place alongside the waste collection schedule changes in September 2019. These changes meant that 70% of streets had a new scheduled day of cleanse. Whilst there was an initial reduction in performance in October, it is worth noting that this also correlates to the heaviest part of the leafing season. Veolia performed well and achieved KSO targets despite the challenges that a significant service change and the leafing season present.
- 3.33 The independent annual public satisfaction survey is a requirement of the contract and is one of the primary instruments used to assess overall resident satisfaction of the services provided. Further information about the survey is provided Paragraphs 3.45-3.49.

Benefits and Innovation

- 3.34 The Lot 1 to 3 contracts are designed to encourage the Service Provider to think innovatively and continually look for ways to develop and improve the service. The SPB provides an opportunity for innovative proposals to be explored.
- 3.35 One of the key innovations for the Lot 2 and 3 contracts during year one was the introduction of ECHO, Veolia's logistics and real time data reporting system. It provides the waste collection and street cleansing teams with their scheduled work for the day and acts as a 'communication log' to capturing essential data such as the time of collection, and, cleansing and vehicle tracking information.
- 3.36 For the waste collection service, data collected in ECHO is automatically presented in real time on a customer facing website, which is linked to the Council's website. This customer facing website is the main source of information for customers enquiring as to the date of their next waste collection and which waste type (e.g. green box, non-recyclable refuse) should be presented for collection.
- 3.37 Since 16th September 2019, waste collection crews have the ability to record their progress through an in-cab computerised data recording device. When the collection of a specific waste type is completed on individual roads, the website is updated to show that collections are completed. Where there are any issues that prevent waste collection at a specific address i.e. waste not presented or contaminated recycling, the crew will log this information and it will be displayed on the website against the specific address. This information is then available to residents using the web site and for the Customer Contact Centre.
- 3.38 Some of the benefits of ECHO have not been fully realised to date as a result of system implementation issues and a complicated service change being rolled out at the same time that ECHO was implemented. The introduction of the ECHO logistics system will improve the information that can be provided to residents and deliver efficiencies in the way in which the waste collection and street cleansing services can be operated. For example, missed bins and missed street cleansing are now automatically rather than manually added to the Service Provider's crews daily scheduled work, and assigned with the target service level agreed time limit.
- 3.39 Other benefits and innovations that have been delivered in the first year of the contract include:
- Introduction of a recycling collection service for small electrical items, batteries and textiles
 - A dedicated communications resource to promote waste and street environment services
 - Development of an integrated back office team for waste collection and street environment
 - Appointment of Recycling Supervisor to focus on increasing reuse and recycling of materials at the Council's Reuse and Recycling Centres
 - Shared and collective responsibility for spillages left after refuse/recycling collections
 - Better synergy between household waste collections and street cleansing schedules
 - Improved management of satellite recycling sites
- 3.40 In 2020/21, the contract will look to deliver the following benefits:
- Virtually zero waste to landfill

- An integrated IT system for garden waste, commercial waste and street environment
- Digital marketing campaign to promote the garden waste service
- Integration of the parks security service provider (Ward Security) into the street environment contract

Service User Satisfaction

Lot 2 – Waste Collection

- 3.41 A quarterly survey is undertaken by Veolia to provide an indication of residents' satisfaction with Lot 2 recycling and waste services. 100 residents are surveyed at both Waldo Road and Churchfields Reuse and Recycling Centres, with a total of 200 surveys completed each quarter. Development of the survey and methodology took place in quarter one of 2019/20 with the first survey taking place in quarter two. To date, two quarterly surveys have been undertaken in 2019/20. The results of these surveys are provided in Appendix 3. Table 3 presents the average satisfaction of survey respondents from quarter two and three in five elements of Bromley's recycling and waste services.

Table 3 – Average Percentage of Q2 and Q3 Survey Respondents Satisfied with Lot 2 services

Question	Average % Respondents Satisfied
Non-recyclable refuse collections	78
Recycling collections	85
Street cleanliness after waste collection	75
Cleanliness of the Reuse and Recycling Centres	90
Reuse and Recycling Centres	91

- 3.42 Table 3 indicates that the majority of residents are satisfied with Bromley's recycling and waste services. The quarter two and three surveys results are relatively similar despite a significant service change (change of collection day) having taken place after the quarter two survey took place.
- 3.43 Residents comments made during the surveys highlighted some areas in which improvements could be made including further promotion of the food waste collection scheme and further work with waste operatives on leaving streets clean.
- 3.44 The quarterly surveys have several limitations in terms of measuring resident satisfaction including the limited sample size, the survey location and the lack of independence. However, they do provide an indication of residents' views on the services provided outside of the Council's day-to-day feedback mechanisms.

Lot 3 – Street Environment

- 3.45 Understanding people's perceptions is a very important factor in maintaining public spaces. Therefore, identifying residents' priorities is a key element when determining and redirecting resources as required. Annually, the Service Provider is responsible for commissioning an independent company to undertake satisfaction survey. The 2019 survey was designed to be comparable to the satisfaction surveys undertaken by the previous street environment contract between 2015 and 2018. The results of the annual satisfaction survey, including trend analysis, are identified and used to focus service resources to make improvements.
- 3.46 The survey is undertaken in two primary methods: surveys sent to a statistically representative sample of homes within the borough (results given in Street and Local Area); and through face-to-face surveys undertaken (results given in Town Centre). The response rate to the 2019 postal survey was 20%.
- 3.47 The full results of the survey are provided in Appendix 4 with Table 4 on the following page providing a summary. The survey indicates that the majority of residents are satisfied with the cleanliness of Bromley with:
- 73% report being satisfied with their Street.
 - 87% report being satisfied with their Local Area (Neighbourhood).
 - 89% report being satisfied with their local Town Centre.

Table 4 – Satisfaction Survey Results Summary 2015-19

	2015	2016	2017	2018	2019	% change from 2018-19
Respondents Satisfied in Cleanliness of Street	69	71	74	72	73	+1%
Respondents Satisfied in Cleanliness of Local Area	79	86	79	79	87	+10%
Respondents Satisfied in Cleanliness of Town Centre	87	90	85	88	89	+1%

3.48 Key points from the survey are:

- All but one metric (satisfaction with cleanliness of Town Centres which remained constant at 88%) increased from 2018 to 2019.
- There has been a significant increase in satisfaction by 35% for Chewing Gum in Town Centres and 28% for Cigarette Litter in Town Centres. Importantly, both of these items were identified in the 2018 survey report as ‘potential areas of focus for improvement’.
- 76% describe their street as clean (74% postal and 80% on-street).
- 86% describe their local area as clean (88% postal and 83% on-street).
- 88% describe their town centres as clean.
- Graffiti removal stands at 98% satisfaction in residential streets and 94% for Town Centres.
- The lowest satisfaction in 2019 recorded for residential streets was for autumn leaves at 61%. However, this is a 15% increase year on 2018.
- The highest increases were for chewing gum and cigarette litter in town centres, which saw 35% and 28% increases year on year respectively.

3.49 Leaf clearance will be the focus for 2020/21 service improvements to improve the overall perception of and satisfaction with cleanliness in the borough. 1,800 tonnes of leaf related detritus were removed during the autumn leaf clearance in 2019, which represents an increase of 18% in the volume removed in comparison to 2018. Improvements that led to this increased volume will continue next season.

4. SUSTAINABILITY / IMPACT ASSESSMENTS

Economic

4.1 In the delivery of the Lot 1 to 3 contracts, Veolia support the local economy in Bromley through the purchase of goods and services from local companies, where practical and cost effective to do so. Between April and December 2019, Veolia spent approximately £194,200 with local small to medium-sized enterprises (SMEs) in Bromley. All of Veolia’s suppliers used to deliver services in Bromley are required to demonstrate that they have policies for managing their environmental and socio-economic impacts, in line with the importance the Council place on environmental sustainability and in accordance with Veolia’s Sustainable Procurement Policy.

Social

4.2 Local employment is central to Veolia’s working practise, with 129 of their workforce also residing in Bromley. As a company Veolia are committed to employing 10% of staff from marginalised groups including ex-offenders, ex-service personnel and long term unemployed. Currently, Bromley has one apprentice working on the Bromley contract and is working towards increasing this in the future.

- 4.3 Two Bromley Schools have received funding from Veolia's Environmental Trust fund at a total value of £4,700.
- 4.4 Under the Lot 3 contract, Veolia has responsibility for the management and upkeep of the Street Friends Network where it was previously Bromley Council's responsibility. This change allows for a quicker response to enquiries, better fulfilment of community requests as arrangements can be made directly with the service provider, synergy between the routine work they undertake and any community-led events, and an incentive-based approach to signing up and encouraging new volunteers. At present there are just over 1,500 Street Friends, which is positively higher than the Lot 3 Performance Management Framework target value of 1,350 members.

Environmental

- 4.5 As an environmental service provider environmental sustainability is a key part of Veolia's business model and they are committed to assisting the Council in reducing carbon emissions associated with the management of waste.
- 4.6 268,454 tonnes of carbon dioxide were produced from the haulage and disposal of non-recyclable refuse in the first 9 months of the contract. To reduce carbon emissions next year, Veolia have committed to diverting 98% of non-recyclable refuse from landfill and to support the Council in maximising recycling and reducing waste. All of the primary non-recyclable refuse facilities are located in London, reducing the fuel used to transport waste. The South East London Combined Heat and Power facility, where over 50% of Bromley non-recyclable refuse is treated, not only creates electricity for the national grid but also generates heating for local housing.
- 4.7 Veolia has a circular economy approach to managing waste. Through the communications resource, Veolia supports the Council in encouraging residents to waste less and recycle more. Veolia works to ensure that the outlets for all of Bromley's recyclable materials are secure and, go to socially and environmentally sustainable outlets. Wherever possible, these markets will be within the UK facilities and will enable closed loop recycling.
- 4.8 With a large vehicle fleet that includes Heavy and Light Goods Vehicles, and mobile plant to undertake waste collections and haulage, street cleaning and graffiti removal, the Council is working with Veolia to ensure that the emissions the environment service fleet produces are minimised. Actions that are being undertaken include:
- Maximising direct delivery of all Contract Waste to their proposed treatment facilities to reduce fuel consumption
 - Use of route optimisation software increasing efficiency and reducing emissions
 - Electric bin lifts installed on new waste collection fleet
 - Introduction of electric vans for supervisory staff preventing 66 tonnes of CO₂ emissions each year
 - Vehicles being fitted with the 'Driving Efficiently and Safely' system, which tracks and assists in ensuring that vehicles are driven using the most fuel efficient and environmentally techniques e.g. not idling
- 4.9 This Section captures the key actions that Veolia are taking to ensure that the waste disposal, collection and street environment contracts are sustainable. Further information can be found in Veolia's sustainability report within Appendix 5.

5. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 5.1 The waste collection and street cleansing services affect all residents including vulnerable adults and children. Consideration of any additional impacts on particular groups of residents is taken when making changes to these services.
- 5.2 During the September 2019 service change the following actions were taken to minimise the impact to households with vulnerable adults and children:
- Ensuring the details on assisted collection held in the Special Requirements List was up to date
 - Communicating clear messages through a variety of communications channels and using pictures wherever possible

6. POLICY IMPLICATIONS

- 6.1 The activities and performance delivered through the Lot 1 to 3 contracts contributes to achieving the Council's policies as set out in the Building a Better Bromley 2016-18 and Environment and Community Services Portfolio Plan 2019/20.
- 6.2 The "Building a Better Bromley" objective of being an Excellent Council refers to the Council's intention to provide efficient and effective services and value for money to our residents. For the objective of maintaining a 'Quality Environment', the implementation of these services helps to 'sustain a clean, green and tidy environment through value-for-money services provided to a consistently high standard'.

7. FINANCIAL IMPLICATIONS

- 7.1 The contract costs for Waste Disposal (Lot 1) and Waste Collection (Lot 2) are within the Waste Services revenue budget for 2019/20 of £17.861m. Latest budget monitoring for Quarter 3 reported elsewhere on the agenda includes the following relevant variations:
- Landfill Tax is forecast to underspend by £382k as the amount of waste taken to landfill has dropped significantly as the contractor is meeting future year targets early; and
 - Waste collection costs are projected to be £167k higher due to several factors including the impact of a full review of property numbers has been undertaken as part of the new contract arrangements.
- 7.2 The contract cost for Lot 3 is included within the Street Environment revenue budget for 2019/20 of £5.545m. No relevant variations are currently projected in monitoring.

8. LEGAL IMPLICATIONS

- 8.1 The Lot 1, 2 & 3 contracts were awarded to Veolia and commenced on 1 April 2019. Each individual contract includes performance reporting requirements as detailed in this report. This report is provided in accordance with the Council's Contract Procedure Rules.

9. PROCUREMENT IMPLICATIONS

- 9.1 In line with 23.3 of the Council's Contract Procedure Rules, an annual report must be submitted to the Executive for all contracts with a value higher than £1m.

Non-Applicable Sections:	Personnel implications
Background Documents: (Access via Contact Officer)	Not Applicable