

Interim Annual Report: January 2020

1. Introduction

- 1.1 Veolia started work in April 2019 on the Council's new Environmental Services Contracts (Lots 1 to 3). The services provided to the Council under these Contracts include waste disposal, waste and recycling collection, street cleansing, and (from April 2020) parks security. In mid-September, as planned, major changes were introduced in service delivery and ICT systems for waste and recycling collections and for street cleansing.
- 1.2 The Council's specifications and performance management systems for the Environmental Services Contracts are radically different from the specifications and systems in force before April 2019. Consequently, even though Veolia was the previous service provider for waste disposal and collection, this first year of the new Contracts has involved a significant effort coming to terms with and delivering the Council's revised expectations for those services.
- 1.3 Veolia's success in winning the Lot 3 Contract for street cleansing opened up an opportunity for the integrated management of all Bromley's waste, recycling, and cleansing services. The company has restructured its local management team to ensure the realisation of synergies between these different services. From April 2020 Lot 3 will include the provision of parks security and enforcement services. Veolia has sub-contracted these to the Council's current provider - Wards Security - and preparations are being made for the integration of Wards' services into the new specification and performance management framework.
- 1.4 The Council's officers and Veolia have met regularly within the governance framework specified for all three Lots. Monthly reports are provided to officers by Veolia on a very extensive range of performance indicators covering service quality, conformity with strategic objectives, asset and financial management, and safety systems. This interim Annual Report draws on these monthly reports to assist officers in providing Members with an update on Veolia's performance against the new specifications in the period April to December 2019. It focuses on a selection of the service issues most likely to be of interest to Members and residents, and for waste and recycling collections and for street cleansing services the report puts particular emphasis on progress in delivering the service changes introduced in September.

2. Lot 1: waste disposal

- 2.1 The Council's **Key Service Objective 1 (KSO1)** requires that Veolia shall deliver no more than a maximum of 24% of Contract Waste (residual waste) to final disposal at landfill sites.

This KSO was delivered by a wide margin in the period April to December 2019, with only 12.6% of residual (i.e. non-recyclable) waste being landfilled.

- 2.2 **Key Performance Indicator (KPI) OD1** requires that Veolia shall undertake daily route assessments to ensure that access and egress to the Waste Transfer Site complies with traffic plans and travel route plans; this is with a view to minimising the impact of operations on residents' amenity. Veolia has lodged with the Council a comprehensive set of travel route plans, which have been followed consistently with only one exception (in June) that was notified and justified to officers.

3. **Lot 2: waste and recycling collection**

- 3.1 A number of KPIs relate to missed waste and recycling collections expressed as the number missed per 100,000 collections (**WSC 1 to 7**). It is accepted that performance since the service change in September 2019 has fallen short of target and as a consequence financial deductions have been made against the sums that would otherwise have been due to Veolia. Stabilising and improving performance on these KPIs is a very high priority for Veolia, and the company is confident that with the implementation of remedial action plans the Council's targets will start to be hit before the beginning of Year 2 of the Contract.
- 3.2 In December 2019, the number of missed residual waste collections from kerbside properties fell just short of target, although within the Council's 'green' RAG range. This result continued the trend of improved performance on this indicator over the last quarter of 2019. The number of missed residual waste collections from flats was actually lower than the Council's target in December, again reflecting a trend of improving performance. The number of missed commercial waste collections in December was only fractionally short of the 100% target.
- 3.3 However performance on recycling collections (paper, dry mixed recyclables, and food) still needs to improve before the Council's targets are met. Additional supervision and continuing adjustments to the ICT systems supporting collections, together with the crews' ever-increasing familiarity with their rounds, should get performance back on target.
- 3.4 Some of the causes of a shortfall against target earlier in 2019 include:
- the time taken to commission and build a new vehicle fleet meant that old and increasingly unreliable vehicles were still in use for several months after contract commencement
 - the new contract required a comprehensive re-routing exercise designed eventually to optimise service efficiency, but in the short-term the disruption and lack of familiarity with their new routes meant that crews were missing an unacceptably high number of collections
 - the introduction of new ICT systems was a critical feature of Veolia's plans to improve efficiency. However delays in optimising the features of the in-cab ICT systems (e.g. driver alerts where bins had previously been missed) meant that the benefits of the new technology did not start to be realised until towards the very end of the calendar year

- up until November 2019, protracted repairs to one of the weighbridges at Waldo Road led to a long period during which there were significant delays for the collection crews in tipping their loads, which in turn badly disrupted the crews' finishing times

- 3.5 **KPI OD14** requires that Veolia must provide sufficient and suitable equipment and response to manage flytips within one business day for non-urgent jobs and within five hours of the report being received for urgent jobs. There have been no breaches of this requirement since contract commencement in April 2019.
- 3.6 **KPIs OD30 to 36** require that Veolia shall manage and reprocess collected recyclables in an environmentally sustainable manner, utilising the best technical, financial and environmentally sustainable methods. Performance has been consistently satisfactory against these indicators during 2019, with only occasional and minor shortfalls against target.
- 3.7 The Household Waste and Recycling Centres (HWRCs) nominally fall within Contract Lot 2, but their management has now been integrated with the Lot 1 waste disposal and haulage services. The main issue to report is the termination in December 2019 of the services provided by established sub-contractor. Veolia now plans to manage directly all HWRC services, and improve both customer satisfaction and materials separation and recycling. Veolia will recruit a Recycling Supervisor to be responsible on both HWRC sites to promote re-use and recycling by motivating sub-contractors and staff to sort and retrieve as much material as possible before it is discarded for disposal. The Supervisor will also look for best outlets for trading materials to maximise financial and environmental benefits for both Veolia and Bromley.
- 3.8 A number of service improvements were introduced in this first year of the new contract, notably the introduction of supplementary recycling of waste electronic and electrical equipment, textiles, and batteries. Also, the food waste collection service was made available to 1,000 new residents.
- 3.9 The customer survey that Veolia completed in September indicated a very high level of net satisfaction among residents with their recycling services - 86% of respondents said they were satisfied; only 5% were dissatisfied.

4. Lot 3: street cleansing

- 4.1 **KPI SQ1** requires that Veolia should achieve the cleanliness standards as specified for street cleansing - i.e. 100% of streets should be 'acceptable' when measured against the criteria in the national Code of Practice for Litter and Refuse. The Council's officers conduct many hundreds of street inspections every month, and Veolia's performance against target is measured and reported monthly. Since the launch of the revised service in September, Veolia's performance against target was 94% of streets 'acceptable' in October, 96% in November, and 98% in December. All these numbers fall within the Council's 'green' RAG range, and indicate a steadily improving performance as the new systems bed in.
- 4.2 **KPI SQ2** requires Veolia to produce and implement programmes of seasonal street cleansing activities, including autumn leafing, winter operations and weed control.

Updates on the satisfactory delivery of these programmes have been provided to the Council's Service Operations Board.

- 4.3 Public satisfaction surveys were conducted during 2019 to meet the requirements of **KPIs SQ4(a) to (c)**. The results showed only minor shortfalls against target - all results were within the 'green' RAG range. 73% of residents reported they were satisfied with local street cleanliness standards against a target of 75%; 87% were satisfied with neighbourhood cleanliness against a target of 88%; and 89% were satisfied with town centre cleanliness against a target of 91%.
- 4.4 **KPI OD6** requires Veolia to manage and maintain litter bins within the specified service standards and timescales. In October performance was in the 'amber' RAG range, but in November and December the Council's target of 100% compliance was achieved.

5. All Lots

- 5.1 The Council's contract sets high standards of health and safety, and this is the first item dealt with in each meeting of the Service Operations Board. Veolia's training programme has focused on ensuring safe working under the new conditions and methodology of the contract. No omissions or failures have been recorded on any of the **HSP** series of health and safety indicators in all three Lots.
- 5.2 **KPIs HSP10 in Lot 1 and HSP13 in Lot 2** require that all vehicles of more than 3.5 tonnes comply with the London Safer Lorry Scheme, the Road Traffic Act and the requirements of the London Low Emission Zone including any future requirements of the London Ultra Low Emission Zone. Veolia is in compliance with this requirement, and has submitted to the Council its 'Bronze' accreditation under the Fleet Operator Recognition Scheme.
- 5.3 In December 12 new electric vehicles were delivered for use by Veolia's management team.
- 5.4 **Communications.** A feature of the new Contracts with the Council is Veolia's investment in improved communications. A dedicated Communications, Education and Outreach Manager is now employed within the local contract management team. Her achievements this year include the production of well-received online and hardcopy publicity materials - all with new branding - to help residents use the recycling service; heavy promotion of the garden waste collection scheme - we celebrated Bromley's 30,000th customer this year; and the production of the Winter edition of Environment Matters, which included information about collections over Christmas and about the recycling of Christmas trees.
- 5.5 One indicator of the success of the communications campaign around the introduction of the new collection service in September was residents' early take up of the opportunity to recycle electrical goods, textiles, and batteries. The crews collected 1,680kg of these materials in the first week of the new service alone.
- 5.6 The draft Communications Plan for 2020 includes further proposals for improving recycling services for people living in flats above shops, increased take-up of a rescheduled garden waste service, improvement in the quality of materials collected, with less contamination of recyclables, and the achievement of 'zero waste to landfill'.

5.7 **Community engagement.** Veolia's Recycling Fund for Communities supports grassroots projects in Bromley that protect the environment and encourage people to do the right thing with their waste. In 2019, Veolia Bromley pledged £2,275 to support local projects, including:

- Giving Perry Hall Primary School a Ridan Composter. All food waste produced at school will be recycled into compost, helping to grow vegetables, to be used in sustainable cooking lessons
- Sponsoring Crystal Palace's *Library of Things* repair workshops and mend-meet-ups, where electronic items are repaired to be used again
- Supporting a local group, *Greener and Cleaner Bromley (And Beyond)*, with an Eco Ideas Swap event

5.8 **Performance Management Framework.** Another feature of the new Contracts is the Council's comprehensive Performance Management Framework (PMF), which requires Veolia to report on its performance and progress monthly, quarterly, bi-annually, or annually as appropriate against indicators governing all aspects of the services provided. As the local contract managers have come to terms with the new PMF during 2019, it is emerging as a powerful tool driving quality and service improvement. The PMF leaves nowhere for any contractor to hide; deficient performance is exposed promptly, and the system prioritises the production of corrective action plans to remedy shortfalls, on pain of financial defaults if the corrective action fails to push performance back to acceptable levels.

END