

Annual Report 2019-20

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, the first year of the new Contracts 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 Wards' services have been successfully integrated 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 Annual Report draws on these monthly reports to assist officers in providing Members with an update on Veolia's performance against the new specifications during the year 2019-20. It focuses on a selection of the service issues most likely to be of interest to Members and residents. 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.
- 1.5 Towards the end of the year covered by this Annual Report the COVID-19 pandemic radically disrupted the provision of the services covered by the Contracts, and led to the temporary suspension of the Performance Management Framework. The impact of the pandemic on 2019-20 performance data was not great enough to justify treating the pre-pandemic period separately, and so the results set out in this Report are for the full year. A

different treatment of performance data may be appropriate for the Annual Report in 2020-21.

2. Lot 1: waste disposal

- 2.1 The Council's **Key Service Objective 1 (KSO1)** required that Veolia should 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 year 2019-20, with only 9.3% of residual (i.e. non-recyclable) waste being landfilled. Veolia's target for 2020-21 is to landfill no more than 2% of residual waste (some wastes, such as asbestos, are not currently amenable to any other form of disposal).
- 2.2 **Key Performance Indicator (KPI) OD4** 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, generally 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 has been a very high priority for Veolia, and results for the three full months before lockdown showed a significant improvement over the results for September and October 2019.
- 3.2 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
- 3.3 In February 2020 the number of missed residual waste collections from kerbside properties fell just short of target, although within the Council's 'green' RAG range. The number of

missed residual waste collections from flats was consistently lower than the Council's target between December 2019 and February 2020, again reflecting a trend of improving performance. The number of missed commercial waste collections since September 2019 has consistently been only fractionally short of the 100% target.

- 3.4 However performance on recycling collections (paper, dry mixed recyclables, and food) continues to fall short of the Council's targets. Additional supervision and continuing adjustments to the ICT systems supporting collections, together with the crews' ever-increasing familiarity with their rounds, have undoubtedly improved performance. But Veolia considers it is now approaching the limit on what realistically can be delivered and has invited the Council to review the consistency and achievability of the original targets for missed collections of these recyclates.
- 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 2019-20, 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 the established sub-contractor. From that date on Veolia has managed directly all HWRC services, aiming to improve both customer satisfaction and materials separation and recycling. Veolia has recruited 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, 98% in December and January, and 99% in February 2020. 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. In January and February performance was 95% and 98% respectively.

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 However the COVID pandemic had a significant impact on the health of many Veolia employees. Collection crews are key workers but are necessarily unable to maintain 2m physical distancing at all times. 40 cases were reported to Veolia's management in March 2020 from among the collection crews alone. A further 6 cases were reported among street cleansing employees, who are more able to maintain physical distancing, and 6 cases were reported in March among Transfer Station, HWRC, and haulage employees. These infections had a serious impact, but prompt joint action by Veolia and the Council ensured the continuity and rapid recovery of the essential elements in the service.
- 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 included further proposals for improving recycling services for people living in flats above shops, increased take-up of a re-scheduled garden waste service, improvement in the quality of materials collected, with less contamination of recyclables, and the achievement of 'zero waste to landfill'. However, the COVID pandemic forced a thorough revision of the Communications Plan for 2020, with several initiatives put on hold, or re-scheduled to the summer.
- 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 2019-20, 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 2019-20, 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. However practical experience in using the PMF has shown that there are questions about the achievability and realism of a very small number of targets, and Veolia seeks a discussion with the Council about this in 2020/21.

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