



Transport, Environment & Climate Change Select Committee Agenda Supplement

Date: Thursday 8 September 2022

Time: 10.00 am

Venue: The Oculus, Buckinghamshire Council, Gatehouse Road, Aylesbury
HP19 8FF

Agenda Item	Time	Page No
5 Veolia Waste Contract & Round Reorganisation To receive a report on the Veolia contract including the impact and improvements following the round reorganisation.	10:15	3 - 14

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For further information please contact: Chris Ward on 01296 585807, email democracy@buckinghamshire.gov.uk.

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Report to Transport, Environment and Climate Change Select Committee.

Date: 8th September 2022

Reference number: N/A

Title: Report on the waste collection round reorganisation in the South of Buckinghamshire including preparation activities, operational deployment, crisis management and the plan to secure future improvements.

Relevant councillor(s): Gareth Williams, Deputy Leader and Cabinet Member for Environment and Climate Change

Contact officer: Martin Dickman, Service Director Neighbourhood Services

Author: Simon Anthony, Head of Southern Waste Collection and Street Scene Services

Ward(s) affected: All wards in the former Wycombe, South Bucks and Chiltern areas

Purpose of report: This paper provides a summary review of the process involved, key issues and challenges and the mitigating actions from the round reorganisation.

1. Executive Summary

- 1.1. The waste collection services in the south of the county are delivered through a contractual arrangement between the Council and Veolia ES Ltd (Veolia). The contract commenced in September 2020 for the former Chiltern and Wycombe areas and in November 2021 for the former South Bucks area. It is a large universal contract involving over 360 collection rounds and over 340,000 individual collections every week.
- 1.2. At the time of writing this report, on average 99.6% of bins are being collected successfully every day since the start of the Reorganisation. For example, during w/c 14 August 2022, of the 340,603 individual collections which took place that week, 1,264 missed bin reports were received – which is a collection success of 99.62% - slightly above the average for the reorganisation as a whole.
- 1.3. The award of the contract was made by the former District Councils and a reorganisation of the collection rounds was included as part of the agreed contractual terms. The reorganisation commenced on 9th May 2022. The reorganisation was designed to deliver a number of efficiencies that ultimately provided an improved and more consistent waste service for residents.
- 1.4. Despite a positive early start and an effective communications programme, the level of disruption has far exceeded expectations which has continued beyond all anticipated timeframes. The scale and persistence of these performance issues has caused real inconvenience and understandable frustration for affected residents and presented significant operational, communications and reputational issues for the Council.
- 1.5. A number of additional mitigation measures have been introduced by Veolia and the Council through a recovery plan, which have seen some improvement. However, the overall number of reported missed collections and overall performance still requires significant improvement from Veolia.
- 1.6. Based on the performance to date and assurances from the appointed contractor, it is anticipated that service levels will reach an acceptable level on a consistent basis from the end of September.

2. Background

The Rationale for the Reorganisation

- 2.1. As part of the original award of contract, Veolia had an agreement with the Council to undertake a reorganisation of the collection and street cleansing rounds in the South of Buckinghamshire.

- 2.2. The current rounds were inherited from the legacy waste collection and street cleansing contracts, notably the Serco contract which expired on 6th September 2020 and the Biffa contract which expired on 31st October 2021.
- 2.3. Some of the previous rounds were impractically large, which limited Veolia's ability to complete a days' collection in a time-efficient and consistent manner. For example, one refuse round was scheduled to collect from 1,737 properties in a day. For comparison, with the new refuse rounds, the maximum number of collections in a day is 1,395, with the vast majority of rounds limited to between 1,000 and 1,200 and the new arrangements are broadly consistent with the round sizes of the in-house service which is delivered in the North of the County.
- 2.4. Previous rounds reflected the old district boundaries, which meant that the collections for individual commodities occurred sporadically throughout the affected areas. This was highly impractical, as it meant that if crews required additional support, supporting crews needed to travel significant distances which increased the time taken and miles driven to complete collections.
- 2.5. The imbalanced rounds led to a challenging mobilisation period for Veolia. This was compounded by the aged and unreliable vehicle fleet inherited from the previous contractor and delays in securing the new fleet due to the manufacturing shutdown in Summer 2020 caused by the Covid pandemic. In the first 12 months of the contract, Veolia's performance for the missed container per 100,000 collections level was 116, nearly double the contractual target of less than 60 misses per 100,000 collections.
- 2.6. Performance had significantly improved prior to implementation of the round reorganisation; a strong contract management team had been established, new vehicles were procured and deployed, and policies and procedures were updated to maximise the benefits of new technologies. As a result, in the 7 months leading up to the round reorganisation, the missed container per 100,000 collection level had reduced to an average of 72, much closer to the contractual target of 60.
- 2.7. The reorganisation was originally planned take place in March 2021 but was delayed for a number of reasons, particularly due to the associated challenges arising from the Covid pandemic and the HGV driver shortage and was therefore rescheduled to commence on May 9th 2022.
- 2.8. To maximise efficiencies, a comprehensive reorganisation was planned which has impacted over 90% of residents in the areas affected with a day or commodity change to their collection.

The Preparation Phase and Project Governance

- 2.9. An extensive preparation phase considered a number of key areas including communications, IT, customer service, data and operational deployment.

- 2.10. The Council and Veolia held a weekly reorganisation Board meeting from September 2021 which included senior representation from the Council’s waste team, Veolia and an external consultant who provided project management support. The meetings focused on a number of key areas including:
- 2.10.1. **Communications** including Member briefings, letters to all impacted residents, social media activity, vehicle liveries, posters, banners etc.
 - 2.10.2. **IT** which primarily sought to ensure that the ‘Collection Day Finder’ micro-site was fully functioning and could adequately cope with the anticipated increase in traffic. This workstream also involved ensuring the web-forms worked correctly so that residents could report missed bins etc.
 - 2.10.3. **Data** which represented a significant work area dealing with over 500,000 data points and focused on:
 - 2.10.3.1. Interrogating round lengths and the geographical coverage
 - 2.10.3.2. Ensuring all properties were captured as part of the reorganisation
 - 2.10.3.3. Ensuring all properties had all waste services (ie commodities) correctly assigned
 - 2.10.4. **Operations** which focused on securing and deploying additional resource, ad-hoc collections (for residents who had a long gap in collections between old and new rounds) and the crew assessment of new rounds.
- 2.11. Veolia have completed a number of similar sized collection round reorganisations in other Local Authority areas and this experienced was used to model and inform the potential impact for Buckinghamshire’s reorganisation- particularly around planning for additional resources for the Council’s call centre and additional waste operations resource.
- 2.12. Veolia secured and deployed 30% additional staff and vehicles prior to implementation which has been retained throughout. As well as additional operatives and collection vehicles, the additional resource included extra operational managers, supervisors and data managers.

Performance to Date

- 2.13. Figure 1 shows the anticipated (blue line) and actual (orange line) volume of inbound calls into the Council’s contact centre. The anticipated volumes were derived from Veolia’s operational plan which modelled a peak in disruption in the first 2-3 weeks of the round reorganisation followed by a gradual and consistent reduction, with the service reaching contractual standard levels consistently by week 12.

2.14. Figure 2 shows the actual number of missed bin reports received each week, per 100,000 population, since the start of the reorganisation. The blue line shows the actual number of reported missed bins per 100,000 population against the standard within the contract which is shown on the orange line (note the contractual standard is to achieve less than 60 misses per 100,000 collections).

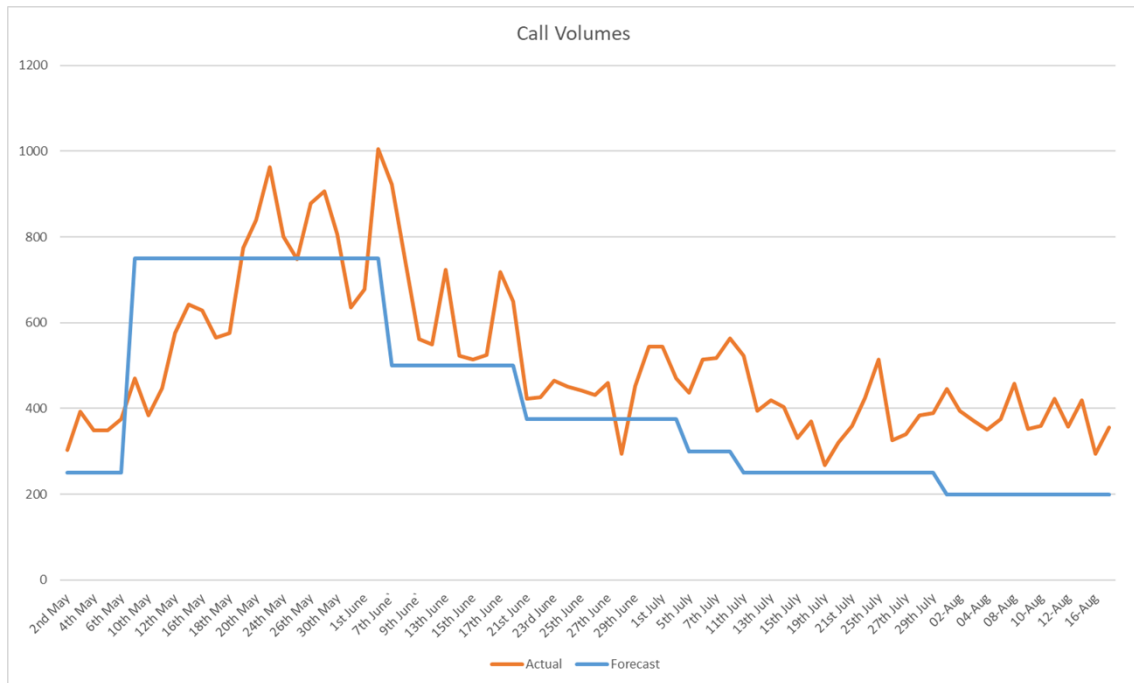


Figure 1. Call Volumes throughout the Reorganisation

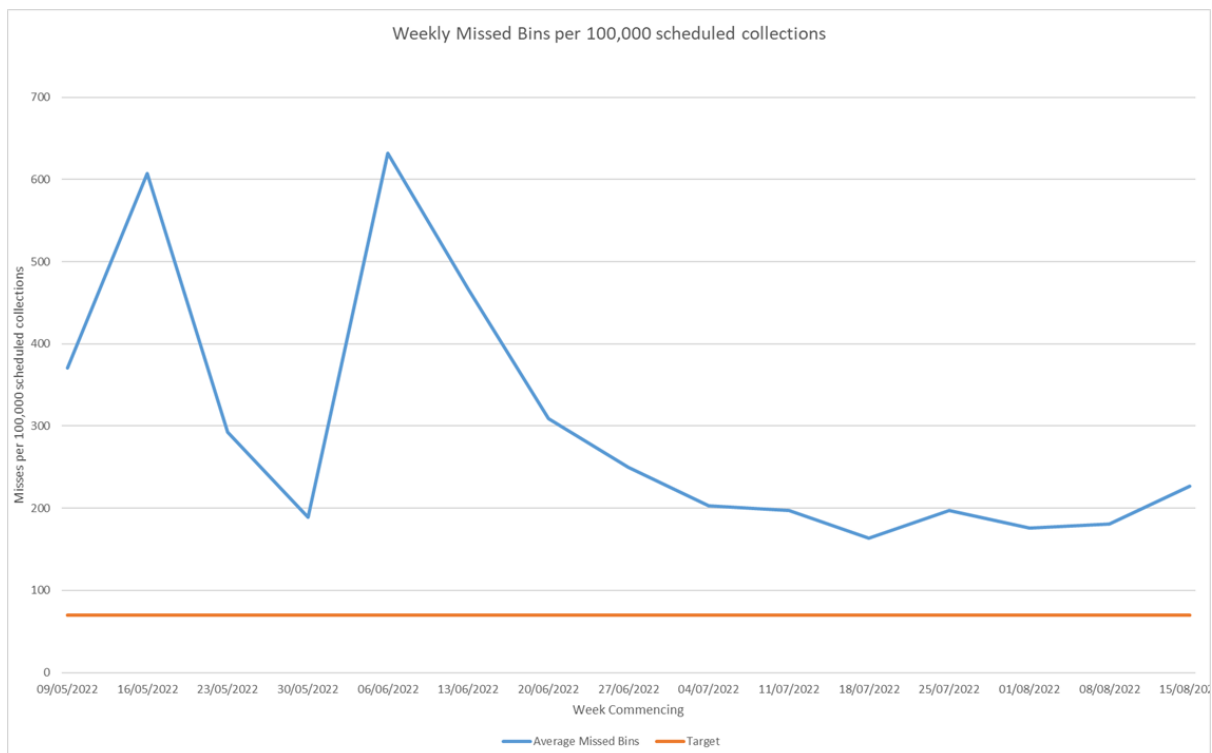


Figure 2. Missed Bins reports throughout the re-organisation

- 2.15. As shown in Figures 1 and 2, the commencement of the reorganisation was reasonably positive with calls into the call centre below the level forecast and a relatively low level of missed bin reports.
- 2.16. However, contact into the call centre significantly increased, above the level anticipated and remained high for the next three weeks before slowly reducing. Overall, whilst relatively high, contact volumes into the Council's call centre remain at a manageable level. Conversely, the number of missed bin reports, assisted missed collections and repeatedly missed collections has remained persistently high and far in excess of the contractual thresholds.

Phase 1. 9-27 May 9 (the first 2 weeks)

- 2.17. As noted, the initial period of the reorganisation was relatively successful. Member briefings, resident letters, social media activity were all deployed to plan and to good effect. The successful communication activity was reflected by the vast majority of residents presenting waste on the correct collection day.
- 2.18. Similarly, the key IT activities were deployed well with the micro-site having 100% 'up-time' and managing all traffic without crashing. At this point 'Gate Checks' were not in place. A Gate Check is an IT process which limits a residents' ability to report a missed bin if any of the following criteria are met:
- 2.18.1. Reported outside a 24-hour window
 - 2.18.2. Bin was not presented
 - 2.18.3. Bin was 'contaminated' with unsuitable waste
 - 2.18.4. Report made on an incorrect collection day
 - 2.18.5. Reported before 5pm on the day of collection, or before a crew had visited the respective address
 - 2.18.6. Access issue (e.g. road works) which prevented a collection being made
- 2.19. The un-restricted Gate Check had a significant impact in week 2 which resulted in an increase in reported missed bins.

Phase 2. 30 May – 24 June – (Weeks 3-6)

- 2.20. As shown in Figures 1 and 2, inbound telephone calls and the volume of missed bin reports increased during this period which resulted in significant pressures in the Council's call centre. In order to mitigate the significant increase in volume, additional call handlers were deployed, some in bound lines were reprioritised and the '24 hour gate check' was removed for 10 days and then replaced with a '48-hour gate check' arrangement which provided residents with more time to report a missed collection on line.

- 2.21. A particular challenge arose with assisted, rural, or otherwise ‘hard to find’ properties. These form the majority of the missed properties reported and many were repeatedly missed each week. The reasons behind the continued misses in this area were due to a combination of factors including:
- 2.21.1. Moving to a new zonal collection arrangement meant that all crews needed to learn new rounds.
 - 2.21.2. Lack of effective and embedded crew knowledge transfer on implementation.
 - 2.21.3. Inconsistent use of IT, particular the in-cab technology as assisted collections have a proximity alarm.
 - 2.21.4. An inconsistent approach to operational changes requested by crews- for example a lack of prompt action when a crew reported that certain roads needed to be completed by a smaller vehicle.
 - 2.21.5. Lack of consistent effective supervision of crews on some rounds.
 - 2.21.6. Some of the new rounds were too large so properties at the end of larger rounds were often missed and transferred to the following day.

Phase 3. 4 July – present day (Week 7 – 16)

- 2.22. This phase started with a gradual week on week improvement, but performance has plateaued and the number of missed bin reports remains at an unacceptably high level.
- 2.23. Operational arrangements continue to rely on weekend working to address the accumulated number of missed bin reports generated through the week and crews are not able to manage the volume of misses through the planned business as usual arrangements (which anticipate that the crew responsible for a missed collection will address the reported issue within 24 hours of the report being made).
- 2.24. Originally it was planned that a subscription charge for garden waste would be introduced for residents in the Wycombe area from July in order to ensure consistency with the arrangements for garden waste collection for residents in all other areas of the County. However, in view of the significant operational issues and performance levels, it was decided to delay this change until 26th September 2022.

3. Overall performance and key issues

- 3.1. Whilst an average 99.6% of collections have been successfully achieved on the scheduled collection day, it is very clear that there have been a number of significant and persistent performance issues and failings.
- 3.2. The key performance issues include the volume of:
 - 3.2.1. **missed bin reports** which has remained extremely high and well in excess of contractual thresholds
 - 3.2.2. **repeat missed bin reports** which highlight a lack of operational rigour and learning
 - 3.2.3. **assisted collection missed bin reports** which have particularly impacted residents with mobility issues or other specific needs
 - 3.2.4. **reports from residents disputing that a missed bin has been collected** which of course are particularly frustrating for the resident involved and present reputational issues for the Council
 - 3.2.5. **data related issues** which have resulted in some residents being unable to correctly report a missed collection or service issue online
 - 3.2.6. **crew behaviour and learning** was and is not being tackled consistently and quickly enough to ensure that repeat missed bins and new missed bins were reduced. There is also evidence that crew suggestions on route issues were not acted upon quickly by supervisors and management.

4. The Recovery Plan and Crisis Management

- 4.1. Given the scale and persistent nature of the performance issues, a crisis management approach was instigated from June and included:
 - 4.1.1. Initiating a Crisis Response Management Team (CRMT) meeting Chaired by the Council's Chief Executive to review the key issues, agree mitigations and deploy additional resources
 - 4.1.2. Daily operational meetings with the Cabinet and Deputy Cabinet Member, the Council's waste service, customer contact centre and communications teams chaired by the Council's Corporate Director Communities
 - 4.1.3. Daily meetings between the Council and Veolia closely review operational performance and agree operational changes
 - 4.1.4. A daily internal situation report to ensure full visibility of performance and to highlight key issues to address
 - 4.1.5. Escalating the Council's serious concerns with senior representative at Veolia including meetings with the Council's Leader, Cabinet Member, Chief Executive and Corporate Director and Veolia's Senior Director and CEO.

4.2. A recovery plan was agreed and implemented which included a particular focus on operational resources, embedding the learning of the new rounds for crews, addressing customer reporting issues and communications. The key activities from the recovery plan are summarised below:

4.2.1. **Operational resourcing**

- ensuring the increase in collection crew resource remains in place until the position stabilises
- increasing the number of additional 'catch up crews' to ensure reported misses are addressed within the 24-hour Service Level Agreement timeframe
- deploying weekend working to address any outstanding missed bin reports and extended working hours for management
- 'Rebalancing' some collection rounds and introducing new collections and additional vehicles where rounds were not consistently completing to schedule

4.2.2. **Crew Behaviour and operational learning**

- Where at all possible, scheduling the crews to action reported misses from their round the following day in order to promote accountability and crew learning
- Deploying additional Supervisors and Management to improve monitoring and performance on the ground
- Deploying a dedicated team of Council Officers to investigate and address reports of repeat missed bins
- Increasing crew resource including assigning crews from neighbouring Veolia contracts and assigning of cleansing crews during peak periods. It should be noted that recruitment and retention of operational staff has remained a particular issue throughout this period
- Deploying supervisor and management resource from the in house North team to focus on areas of repeat failings

4.2.3. **Customer Reporting and Communications**

- Further increasing the number of call handlers and providing extended weekend opening hours in the Customer Service Centre
- Extending the online reporting period for a missed bin collection from 24 to 48 hours to provide residents more time to make reports
- Establishing a single mailbox for Members to make missed bin reports, particularly to escalate reports of repeat failures
- Member briefings – to provide regular updates on current performance and actions being taken

4.2.4. **Data Issues**

- Instigating a dedicated data working group between relevant Council and Veolia teams to identify and resolve any underlying system issues

- A temporary increase in Veolia data managers resource to support the service

5. Summary and Next Steps

- 5.1. As noted, whilst the vast majority of collections are being made to schedule, the number of reported missed bins, repeat missed collections and reports of residents disputing that a missed collection has been addressed satisfactorily remain at an unacceptably high level and far in excess of what was anticipated.
- 5.2. Given the significant and persistent operational failings experienced since the commencement of the round reorganisation, an audit of the process, governance arrangements, operational decision making and performance management has been commissioned which is being undertaken by an external and independent auditor. Their report including key findings and areas of improvement and learning is expected to be provided in September 2022 and will inform an action plan on wider 'lessons learned' which, to date, include the following issues:
 - 5.2.1. The scale and impact of change was underestimated by both Veolia and the Council and a more robust and proactive scenario plan was required to identify and agree the potential mitigations and resources which may have been required, in advance of implementation.
 - 5.2.2. Similarly, although the crisis management phase has worked reasonably well when established, the lack of a clear continuity plan limited Veolia's or the Council's ability to manage the 'rising tide' of performance issues.
 - 5.2.3. Management of data has clearly been an issue and as noted earlier in the report, has resulted in performance issues and instances of residents not being able to effectively report issues. Greater rigour on managing data reconciliation and clearer accountability on data management was required.
- 5.3. The lessons learned process will develop over the coming weeks with recommendations implemented into any further service changes.
- 5.4. Clearly it remains imperative that improvement in performance standards is secured and that service levels achieve an acceptable standard on a consistent basis as soon as possible. The key actions being undertaken to achieve this are summarised below:
 - 5.4.1. **Recovery Plan Resources and Agreed Mitigations.** Veolia have agreed that all of the mitigations and additional resources in place as part of the recovery plan (summarised in 4.2 of this report) will remain until service standards achieve an acceptable level consistently. This will include the additional crew capacity, additional management support and supervision and weekend working.

- 5.4.2. **Operational Oversight.** Securing improvement remains an absolute priority for all teams involved and to that extent the Council Officer teams are working in collaboration with Veolia to support managerial and operational oversight and support is also being provided by senior management colleagues from the councils' In-House waste service.
- 5.4.3. **Crew Learning.** There is a real focus on crew learning in order to embed the new round routes and any site specific issues in some of the harder to access locations. This is being supported by the Council's teams, particularly for locations that have reported a repeated missed collection.
- 5.4.4. **Rebalancing of Rounds.** A round rebalance is a key component of any reorganisation and makes minor adjustments to rounds when a bedding in period has been completed. Typically, a rebalance will move roads from heavy to lighter rounds, and re-assign narrow roads to narrow access vehicles where needed. This re-balance should have started in week 4 or 6 but was delayed until week 14. Part of the delay was due to the reliance on additional vehicles to complete the business as usual work which did not allow for an accurate assessment of each round to be made. Veolia are currently implementing this round rebalancing work and the impact is being continually assessed to inform whether further changes are required.
- 5.4.5. **Repeat Misses.** There is a significant and continued focus reports of repeat misses including site visits to the affected location/ properties to assess the situation and address any underlying issues (e.g. access, embedding crew knowledge of any particular location issues etc).
- 5.4.6. **Contract Penalties.**
- 5.4.6.1. Officers are ensuring that all the relevant mechanisms within the contract which seek to promote performance/ improvement are being applied and this includes the relevant financial penalties aligned with the key performance indicators (KPIs) that form part of the contract.
- 5.4.6.2. The contract has clear and agreed KPIs to measure performance, particularly for Missed Collections, Missed Assisted Collections, Repeated Missed Collections and Failed Container Deliveries. KPI deductions are levied when a reported missed bin is not cleared by 12noon on the following day of it being reported. During the period of the round reorganisation the level of missed bins has clearly been far higher than expected, with the majority not being dealt with within the relevant timeframe.
- 5.4.6.3. Although throughout the round reorganisation the number of missed bins generated has been far too high and well above the expected BAU levels of performance, overall it has not been at a level which could trigger

the Service Breakdown clauses in the contract. The definition of Breakdown is set out the table below:

Service Breakdown means the following occur within a period of 1 week	
a	3000 of Missed Collections
b	1500 of Missed Collections Not Rectified
c	400 of Repeat Missed Collections
d	100 of Repeat Missed Collections Not Rectified
E	300 of Missed Assisted Collection; or
F	100 of Repeat Missed Assisted Collection.

- 5.5. All parties involved recognise the significant level of inconvenience, frustration and, often, distress caused to affected residents as a result of the operational performance issues following the implementation of the reorganisation. Both Veolia and the relevant Council teams will continue to prioritise resources to address these issues until an acceptable level of service is achieved consistently.
- 5.6. The Council also intends on extending the subscription period for residents who pay for their garden waste to be collected and have experienced service issues in order to recognise the service failings and compensate those affected residents. Details of this particular arrangement will be provided in the coming weeks.
- 5.7. Given current performance levels and progress to date, it is anticipated that performance levels for the service will achieve an acceptable level by the end of September 2022.