

Scrutiny Committee Report

Report of Head of Corporate Strategy

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To: SCRUTINY COMMITTEE

DATE: 23 April 2013

Performance review of Biffa Municipal Limited

Recommendation

That the committee considers Biffa Municipal Limited's (Biffa) performance in delivering the household waste collection, street cleansing and ancillary services contract for the period 1 January 2012 to 31 December 2012 and makes any recommendations to the Cabinet Member for waste to enable him to make a final assessment on performance.

Purpose of Report

1. The report considers the performance of Biffa in providing the household waste collection, street cleansing and ancillary services in South Oxfordshire for the period 1 January 2012 to 31 December 2012.

Strategic Objectives

2. The service contributes to the council's corporate objective of excellent delivery of key services with particular emphasis on achieving excellent levels of recycling, keeping streets and public spaces clean and attractive.

Background

3. Managing contractor performance is essential for delivering the council's objectives and targets. Since a high proportion of the council's services are outsourced (approximately half the revenue budget is spent on seven main contractors), the council cannot deliver high quality services to its residents unless its contractors are performing well. Working jointly with contractors to review performance regularly is therefore essential.

4. The council's process for managing contractor performance focuses on continuous improvement and action planning. The council realises that the success of the framework depends on contractors and the council working together to set and review realistic, jointly agreed and measurable targets.
5. The overall framework is designed to be
 - a way for the council to consistently measure contractor performance, to help highlight and resolve operational issues.
 - flexible enough to suit each contract, including smaller contracts which may not require all elements of the framework.
 - a step towards managing risk more effectively and improving performance through action planning.

Overview of the Review Framework

6. Evaluating contractor performance has four elements:
 1. performance measured against key performance targets (KPTs)
 2. customer satisfaction with the total service experience
 3. council satisfaction as client.
 4. summary of strengths and areas for improvement, plus feedback from the contractor on the overall assessment and the contractor's suggestions of ways in which the council might improve performance.
7. The first three dimensions are assessed and the head of service makes a judgement of classification. The fourth element is a summary of strengths and areas for improvement and includes contractor feedback. Where some dimensions are not relevant or difficult to apply fairly to certain types of contract, the framework may be adjusted or simplified at the discretion of the head of service.
8. Biffa were awarded the joint waste contract in December 2008 with a commencement date in South Oxfordshire of June 2009. The Vale of White Horse element of the contract commenced in October 2010.
9. The current value of the contract fixed annual charge is £8,953,000 per annum of which South Oxfordshire's proportion is £4,812,400 per annum. The contract is due to end in June 2017.
10. The contract includes delivery of the following service:
 - weekly collection of household food waste from 23 litre bins
 - fortnightly collection of household recycling from 240 litre wheeled bins or green sacks
 - fortnightly collection of household refuse from 180 litre wheeled bins or pink sacks this is collected on the alternate week to recycling
 - emptying bulk bins for refuse and recycling and food waste bins which service flats and communal properties

- fortnightly collection of household garden waste to residents who have opted into this charged for service. There are approximately 20,600 customers
- collection from bring banks
- collection of household bulky waste items for which there is a charge
- litter collection and cleansing of roads, streets and public areas
- emptying of litter and dog bins
- removal of fly-tipping.

Dimension 1 – Key performance targets

11. KPT's are included in the Biffa contract to provide a benchmark against which performance can be measured. The KPT's cover those aspects of the service which are considered to be of most concern to our residents and are measured on an ongoing basis and reported monthly by Biffa. The KPT's for this contract are:

- KPT 1 - missed collections – number of missed collections per week per 100,000 collections. target - no more than 40
- KPT 2 - rectification of missed collections – percentage of reported missed household collections rectified within 24 hours. target - 100 per cent
- KPT 3 - NI 192 - percentage of household waste sent for re-use, recycling and composting. target – 52.1 per cent
- KPT 4 - NI 195 - improved street and environmental cleanliness – levels of litter and detritus. targets - litter 4 per cent, detritus 7 per cent.

Since April 2011 national indicators for waste NI 192 and NI 195 are no longer used as national measures, however the council continues to use these as a measure of the contractor's performance.

KPT 1 – MISSED COLLECTIONS

12. For the purpose of this report performance has been measured against the average number of reported weekly missed collections per 100,000 collections for the period 1 January 2012 to 31 December 2012.

13. During this review period the number of missed collections averaged 34 per 100,000 collections, a slight increase from last years figure of 21 per 100,000 collections. This is still below the target of no more than 40 missed collections. The lowest number of missed collections was recorded in April 2012 with an average of 20 per week and the highest was in May with an average of 42 per week.

KPT 2 RECTIFICATION OF MISSED COLLECTIONS

14. This measure is the percentage of reported missed collections rectified within 24 hours of Biffa being informed. During this review period 97.6 per cent of missed collections were rectified within 24 hours of being reported, an improvement on last years figure of 94 per cent.

KPT 3 - NI 192 PERCENTAGE OF HOUSEHOLD WASTE SENT FOR RE-USE, RECYCLING AND COMPOSTING

15. At the commencement of the contract the council and Biffa agreed baselines for assumed recycling rates as follows:

- 2011/12 – 51.5 per cent.
- 2012/13 – 52.1 per cent

16. Table one below shows the performance for KPT 3 for the period to which this report relates, 1 January 2012 – 31 December 2012, for information the previous review period figures are also shown.

Table One NI 192 Performance

	Dry recycling (tonnes)	Food waste (tonnes)	Garden waste (tonnes)	Refuse to Landfill (tonnes)	NI192
1 January – 31 December 2011	17,776	5,488	9,650	15,100	68.5%
1 January – 31 December 2012	17,435	5,025	9,622	16,551	65.96%

KPT 4 – NI 195 IMPROVED STREET AND ENVIRONMENTAL CLEANLINESS – LEVELS OF LITTER AND DETRITUS

17. At the commencement of the contract, the council and Biffa agreed targets for litter and detritus. These targets were as follows:

- no more than four per cent of relevant land to have unacceptable levels of litter
- no more than seven per cent of relevant land to have unacceptable levels of detritus.

18. As previously mentioned we no longer report on NI 195, however officers have continued to monitor street cleanliness using the same methodology. The scores achieved in this review period were, level of litter 0.4 per cent and level of detritus 10.7 per cent. This is an improvement on last year’s figures of 7.8 per cent for litter and 24.7 per cent for detritus.

19. Based on Biffa’s performance an overall “average” KPT performance rating score of 4.0 has been achieved. An analysis of performance against the KPT’s can be found in Annex A.

20. For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of Biffa against all KPT’s:

Score	1 – 1.4999	1.5 – 2.499	2.5 – 3.499	3.5 – 4.499	4.5 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

21. The head of service has made a judgement on KPT performance as follows:

KPT judgement

Previous KPT judgement for comparison

Dimension 2 – Customer satisfaction

22. Customer satisfaction for this report has been measured by the results of the most recent Citizens Panel dated December 2011. These are the same results that were used in the last performance review of Biffa, however they are sufficiently recent to be considered valid. 973 panel members were invited to participate in this survey, 630 postal and 343 online. In total 560 (58 per cent) responses were received. 58 per cent responding to the postal invite and 57 per cent to the online invite. There is a Citizens panel survey due to be distributed shortly, the overall satisfaction rating is anticipated to be similar

23. The main areas of questioning regarding satisfaction with the waste service were:

- satisfaction with the overall waste collection service
- cleanliness of the area after collections have taken place
- reliability of the waste collection service
- satisfaction with street cleaning.

24. Overall satisfaction with the waste service is very high at 96 per cent. 99 per cent are satisfied with the reliability of the service, 73 per cent are “very satisfied”.

25. Most (88 per cent) are satisfied with the cleanliness of the area and pavements after collections.

26. In terms of street cleansing 82 per cent are satisfied with the cleanliness of the streets and pavements in their local area.

27. Based on Biffa’s performance a combined overall customer satisfaction rating score of 4.16 has been achieved. An analysis of customer satisfaction can be found in Annex B.

28. For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of Biffa on overall customer satisfaction:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

29. Based on this performance, the head of service has made a judgement on customer satisfaction as follows:

Customer satisfaction judgement

Previous customer satisfaction judgement for comparison

Dimension 3 – Council satisfaction

30. As part of the performance review officers with direct knowledge and who frequently interact with the contractor were asked to complete a short questionnaire, this included the strategic director, head of service, shared waste manager and monitoring officers. In total seven questionnaires were sent out and returned.

31. Based on Biffa’s performance an overall council satisfaction rating score of 4.03 has been achieved. There has been a slight drop on last years rating score of 4.30, the main contributing factor for this is some issues around Biffa’s delay in provision of data and information when requested. An analysis of council satisfaction can be found in Annex C.

32. For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of Biffa on council satisfaction:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

33. Based on this performance, the head of service has made a judgement on council satisfaction as follows:

Council satisfaction judgement

Previous council satisfaction judgement for comparison

Overall assessment

34. Taking into account the performance of the contractor against KPTs, customer satisfaction and council satisfaction, the head of service has made an overall judgement as follows.

Overall assessment

Previous overall assessment for comparison

35. Other areas of note within the period of this review are:

- national winners of LARAC’s most improved recycling award
- the success of the deep cleanse throughout the district
- confirmed by Defra as the second highest recycling authority nationally for 2011/12
- waste team nominated for the national LGC frontline team of the year award
- commenced two new collection streams, white electronic electrical equipment and batteries

Strengths and areas for improvement

36. Annex C records strengths and areas for improvement relating to the performance of the contractor in this review period.
37. Areas for improvement identified in last years review which have improved include the quality of street cleansing, much better communications between the technical officers and Biffa and the feedback we receive from the call centre. Areas that were not addressed fully and remain a weakness are the issues around data provision and some of the back office processes.

Contractor's feedback

38. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to council processes. This is included in Annex D.

Financial implications

39. There are no financial implications arising from this report.

Legal implications

40. There are no legal implications arising from this report.

Conclusion

41. The last year has been an extremely successful one for the service. South Oxfordshire were second in the national recycling table and we won an award for our recycling rate. We have had good coverage in the local, industry and even national media. The deep cleanse throughout the district has proved a great success confirmed by the number of comments and complements received. Biffa also helped with the flood prevention measures that were taken in the district over the Christmas period. However, there are still some areas for improvement and therefore the head of corporate strategy has assessed Biffa's performance as good for its delivery of the household waste collection, street cleansing and ancillary services contract. The committee is asked to make any recommendations to the Cabinet Member for waste to enable him to make a final assessment on performance.

Background Papers

None

Annex A – Key performance targets

KPT ref	Description of KPT	Target	Performance	Individual KPT rating (excellent, good, fair, weak or poor)	KPT rating score (excellent = 5, good = 4, fair = 3, weak = 2, poor = 1)
KPT 1	missed collections	No more than 40 missed collection per 100,000 collections	Average 34 missed collections	fair	3
KPT 2	rectification of missed collections	100 per cent rectified within 24 hours of contractor being informed	97.6%	good	4
KPT 3	percentage of household waste sent for re-use, recycling and composting	52.1%	65.96%	excellent	5
KPT 4	improved street and environmental cleanliness – levels of litter and detritus	4% litter 7% detritus	0.4% 10.7%	good	4
Overall “average” KPT performance rating score (arithmetic average) refers to point 19 in the report					4.0
Overall “average” KPT performance (excellent, good, fair, weak or poor)					Good

Annex B – Customer satisfaction

In total, 560 members of the Citizens' Panel responded to questions about the waste contract. The questionnaire was sent to 973 people in total giving a response rate of 58 per cent.

Q. How satisfied are you, overall, with the waste collection service?

Rating	Number of residents	Weighting	Total weighted for residents
Very satisfied	329	X 5	1645
Fairly satisfied	211	X 4	844
Neither satisfied or dissatisfied	n/a	X3	n/a
Not very satisfied	13	X 2	26
Not at all satisfied	7	X 1	7
Total	560		2522

Waste collection service - resident satisfaction calculation: $2522 \div 560 = 4.50$

The following is a guide to the assessment of Biffa on customer satisfaction for the waste collection service:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

Comments from residents:

96% are satisfied with overall waste collection service.

99% are satisfied with the reliability of the waste collection service.

88% are satisfied with the cleanliness of the area/pavements after the waste has been collected.

Q. How satisfied are you with the standard of cleanliness of the streets and pavements in the village or town where you live?

Rating	Number of residents	Weighting	Total weighted for residents
Very satisfied	121	X 5	605
Fairly satisfied	335	X 4	1340
Neither satisfied or dissatisfied	n/a	X 3	n/a
Not very satisfied	85	X 2	170
Not at all satisfied	17	X 1	17
Total	558		2132

Standard of cleanliness - resident satisfaction calculation: $2132 \div 558 = 3.82$

The following is a guide to the assessment of Biffa on customer satisfaction for the standard of cleanliness of the streets and pavements:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

Comments from residents:

82% are satisfied with the cleanliness of the streets and pavements in their local area.

87% feel their local area is cleaner than or as clean as other towns and villages.

The combined overall customer satisfaction rating for the waste collection and standard of cleanliness is calculated as follows:

Residents total weighted scores ÷ number of residents

(2522 + 2132) ÷ (560 + 558) = 4.16 (refers to point 27 in the report)

Annex C - Council satisfaction

This assessment allows the council (as a client) to record its own satisfaction with aspects of a contractor's performance which lie outside Key Performance Targets and customer satisfaction. Each officer with direct knowledge and who frequently interacts with the contractor should complete this form. Some questions can be left blank if the officer does not have direct knowledge of that particular question.

The numbers indicated in the following table are the total number of responses received for each question

Contractor / supplier / partner name Biffa Municipal Limited

From (date) 1 January 2012 To 31 December 2012

SERVICE DELIVERY

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
1 Understanding of the client's needs	2	4	1		
2 Response time	1	4	1	1	
3 Delivers to time		3	1	1	
4 Delivers to budget	3	1			
5 Efficiency of invoicing		3		1	
6 Approach to health & safety	1	3	2		

COMMUNICATIONS AND RELATIONS

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
9 Easy to deal with	4	2		1	
10 Communications / keeping the client informed	2	3		2	
11 Quality of written documentation	1	4	1	1	
12 Compliance with council's corporate identity	2	3	1		
13 Listening	2	5			
14 Quality of relationship	4	2	1		

IMPROVEMENT AND INNOVATION

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
15 Offers suggestions beyond the scope of work	1	3	1	1	
16 Degree of innovation	1	3	1	1	
17 Goes the extra mile	3	3	1		
18 Supports the council's sustainability objectives	1	5			
19 Supports the council's equality objectives	1	3			
20 Degree of partnership working	4	1	1		

The following table is a summary of council satisfaction based on the completed questionnaires

Rating	Votes	Weighting	Total weighted
very satisfied	33	X 5	165
satisfied	55	X 4	220
neither satisfied or dissatisfied	12	X 3	36
dissatisfied	9	X 2	18
very dissatisfied	0	X 1	0
Total	109		439

The overall council satisfaction is calculated as follows: $439 \div 109 = 4.03$ (refers to point 31 in the report)

STRENGTHS AND AREAS FOR IMPROVEMENT

Strengths	good at responding to problems
	easy to contact and deal with
	emptying the bins resolving issues when raised
	partnership working
	improvements in joint visit requests for problem solving
	responsive to requests for additional services such as flooding and garden waste work
	the contract team and their approachability

Areas for improvement	getting things right the first time
	managing job requests
	delivering targeted / specific promotional campaigns
	data collection and providing data to the council

Agenda Item 5

keeping the Technology working to its full potential
--

need to be more pro active with feeding information on operational issues such as Health and Safety information requests
--

need additional supervisory cover and admin support for back office work
--

customer care at certain times

delivering targeted communications

Annex D - Contractor 360° feedback

CONTRACTOR'S REACTION / FEEDBACK ON COUNCIL'S ASSESSMENT

Although the overall report is positive, we are disappointed that in the Council Satisfaction Survey, there were a number of solitary dissatisfied's, we need to identify where these failures have occurred and rectify. Everyone should be congratulated on the recycling performance. Street Cleansing is still an area we are looking to continue the improvements made. The past year has been challenging with the very wet conditions in rural areas.

ANY AREAS WHERE CONTRACTOR DISAGREES WITH ASSESSMENT

Although it probably has more to do with the way the formula dictates, we do not agree with 34 missed collections out of 100,000 can be described as only 'Fair'. 40 missed collections per 100k is a very challenging target and to get even near this level for any other contract would be deemed excellent. This actually equates to 99.97% of collections being completed.

WHAT COULD / SHOULD THE COUNCIL DO DIFFERENTLY TO ENABLE THE CONTRACTOR TO DELIVER THE SERVICE MORE EFFICIENTLY / EFFECTIVELY / ECONOMICALLY?

It is difficult to find areas that can be specifically attributed to the Council where they can improve to facilitate us performing better. We work very closely together towards a common goal.

Feedback provided by

Date