

Somerset Waste Board meeting
September 2021
Report for information



Performance Report Quarter 1 – April 2021 to June 2021

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Forward Plan Reference:	02/08/2021
Summary:	<p>This report summarises the key performance indicators for the period from April 2021 to June 2021 and compares these to the same period last year. The report aims to give a more rounded view of performance than the previous separate reports the board received and provide greater transparency and accountability. This period was again affected by Covid-19 and also by the national driver shortage. A verbal update will be provided to the board on the stability of collection services and on the transfer of some of Viridor's operations to Biffa.</p>
Recommendations:	<p>The Joint Waste Scrutiny Panel considers and comments on the following recommendations in this report.</p> <p>That the Somerset Waste Board: -</p> <p>I. Notes the performance results in the First Quarter 2021-22 Performance Report.</p>
Reasons for recommendations:	<p>Report for information only. Whilst this report sets out specific actions being taken to address areas of concern; the business plan sets out how we focus on improving performance.</p>
Links to Priorities and Impact on Annual Business Plan:	<p>Transparency – Publishing Key Performance Indicators</p>
Financial, Legal and HR Implications:	<p>No direct financial, legal or HR implications.</p>
Equalities Implications:	<p>No equalities implications</p>

Risk Assessment:	Areas of poor performance inform our overall risk assessment. A summary of risk is now included within each quarterly performance report, showing our top risks, new risks, changes in risks and mitigating actions. A no deal Brexit risk register has also been developed by SWP and shared with all partners.
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1. Background

1.1. As part of the Somerset Waste Partnership's drive for continuous improvement, this report ensures that each quarter, Board Members receive an update on progress in delivering the Business Plan 2021-26, General Data Protection Regulation Audit, Key Risks, Health & Safety, Waste Minimisation, Energy Recovery, Recycling Metrics (for kerbside collections and recycling sites, including tonnage, percentage and national indicator suite), End Use of Materials, Missed Collections, Fly-Tipping, Financial Performance (noting that a separate finance report is still provided), Customer Interaction and Communications. Subject to the views of the board, we will continue to improve how we report performance to the board. In June SWP reported on Energy From Waste environmental metrics for the first time, and have taken on board feedback from the discussion at the Board to incrementally improve the transparency of this reporting.

2. Summary

2.1. Key headlines are:

- **Business Plan:** Roll-out of Phase 3 of Recycle More is due to start in the late Autumn in Somerset West and Taunton (old Taunton Deane area), with planning already underway for this phase. The Recycle More report provides more details on the readiness for and risks to roll-out
- **Waste Minimisation:** Overall household arisings were up by just over 13,600 tonnes, or 23.33% compared to Q1 in 2020-21. However, the comparator was quite low compared to normal, due to the suspension of some collection services and the closure of recycling sites in Q1 of last year. This doesn't indicate a large increase in waste arisings, just a return to the expected levels.
- **Recycling:** Our recycling rate improved compared to Q1 last year (up 8.07% to 56.47% from 48.40%), as well as showing an increase over Q1 2019-20 (up 1.50% from 54.97%), used as a comparator unaffected by the pandemic. This continues to show the benefit of Recycle More in Mendip and bodes well for continued improvements as Recycle More rolls out across the County. Due the effects of the Pandemic over Q1 2020-21 comparisons have been made against 2019-20 to indicate movements in material weights. This shows there were increases in cardboard (up 1,503 tonnes), food waste (up 1,168 tonnes), mixed glass (up 1,095 tonnes) and mixed plastics (up 414 tonnes), along with a decrease in paper (down 921 tonnes), all from kerbside collections. At recycling sites, we saw increases in wood to recycling (up 687 tonnes), scrap metal (up 148 tonnes) and mixed paper & cardboard (up 110 tonnes), along with reductions in garden waste (down 1,227 tonnes) and WEEE

(down 190 tonnes). With the residual waste we saw a drop in kerbside collected waste (down 291 tonnes), however this was offset with a big jump at recycling sites (up 1,127 tonnes).

- **End use:** Somerset Waste Partnership continues to see strong demand from UK based reprocessors for the high-quality materials we collect. For Q1 2021-22 just over 97.0% of materials stayed in the UK, with the amount that was reprocessed in Somerset also remaining high at over 53.0%. This meant that just over 1,100 tonnes of recyclate were reprocessed outside of the EU, with all this material being mixed paper & cardboard sent to Thailand, Turkey and Vietnam from Recycling Centres and Schools.
We have reviewed and redesigned the infographic for the end destinations for 2020-21. We have moved away from calling it 'Beyond the Kerb' and have renamed it the 'Recycling Tracker'. The new infographic provides a clear visual about what happens to the material we collect and enables people to see tonnages and our recycling rate at a glance. The infographic and updated Recycling Tracker are on our website <https://www.somersetwaste.gov.uk/recycling-tracker/> and it was circulated to all residents in the latest edition of Your Somerset. Copies of the main infographic and the mini versions can be found at the end of this report.
- **Missed collections:** We saw an increase in missed collections in Q1, compared to Q4 (1.548 per 1,000 collections against 0.902 in Q4). This measure only records reported missed collections where collections should have been made and do not include, 'dropped' or 'incompleted' rounds. More detail can be found on the Missed Collections page of the appendices. The high levels of missed collections continue to be our main area of focus with SUEZ at present. With a large amount of time and resources being devoted to ensuring this significant service failure by SUEZ improves in the short term and over the coming months, continues back to a satisfactory level. As the Board are aware, SWP have issued SUEZ with a Service Breakdown Warning Notice and remain in contractual/commercial conversations with them – though our focus has been on working in partnership with them in order to stabilise services (as set out in paragraph 2.2)
- **Risk:** In addition to our corporate risk register we maintain detailed risk registers for Recycle More and Covid-19. Risks have also been updated to reflect those largely relating to the impacts of the national driver shortage. Additionally, the risk of recyclate being dumped inappropriately has decreased as we are now exporting very little, and no plastic waste.

2.2 Progress in stabilising collection services

Steps taken by SUEZ and SWP to resolve the issues arising from the national driver shortage (and compounded by Covid) include:

- Temporary redeployment of staff into Somerset from SUEZ nationally, incl. drivers (only contract in UK to have this).
- Senior HR manager seconded to Somerset + two full-time recruiters.
- Approaches to employers where staff are at risk of redundancy, armed forces veteran's associations etc.
- Upskilling staff - training 23 loaders as drivers (12-week programme): expect c60-65% success. A further 15 applications currently being taken. Risks due to backlogs in testing.
- An employee referral scheme (£500 incentive – over 20 successful referrals).
- Improved Saturday overtime + weekly performance incentive payments + crew & employee of the week/month/year + smiley terminals at depots.
- 'Temp to perm' scheme (converting agency staff to permanent staff).
- Advertising – social media, Your Somerset, banners at depots and on vehicles.
- Employee engagement forum launched, crew performance awards.
- £1200 driver retention bonus and £1000 new driver welcome bonus.
- Enhanced agency pay rates.
- Temporary extra customer service staff (plus additional call centre: Agilysis).
- Suspended garden waste service for 6 weeks to protect refuse and recycling collections.
- Twice daily sit rep/action meetings with SUEZ, daily cross partnership Customer Service and Comms meetings, twice weekly meetings with Senior managers, fortnightly with CEOs.
- Daily member updates and weekly round-ups, rolling website content (shared with radio stations), social media posting into community groups/pages, proactively seeking TV, radio and media coverage.
- Lobbying government to recognise the challenges facing the waste sector.

By early September these measures had started to have the desired impact, with more robust driver staffing levels forecast as below (noting that these do not include interviews or expected joiners/new trained drivers, only 'bums on seats' to be prudent):

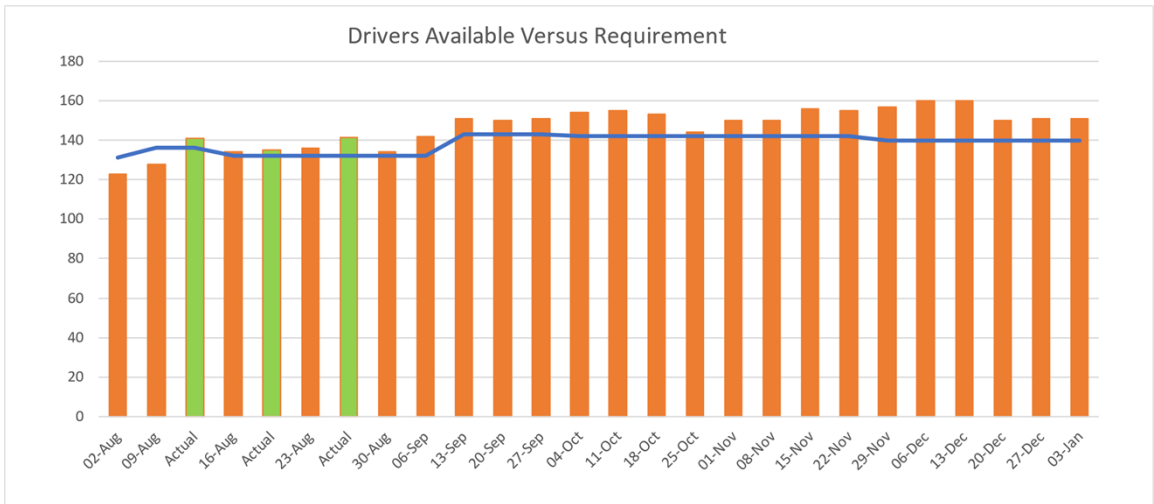


Figure 1: Driver availability (orange = forecast and green = actual) vs requirement (blue line)

This saw an improvement in missed collections as follows (with a verbal update to be provided to the board on progress since this report was written), noting that whilst the national driver shortage is ongoing, SWP (and indeed anyone else that relies on drivers) will face a substantially increased risk:

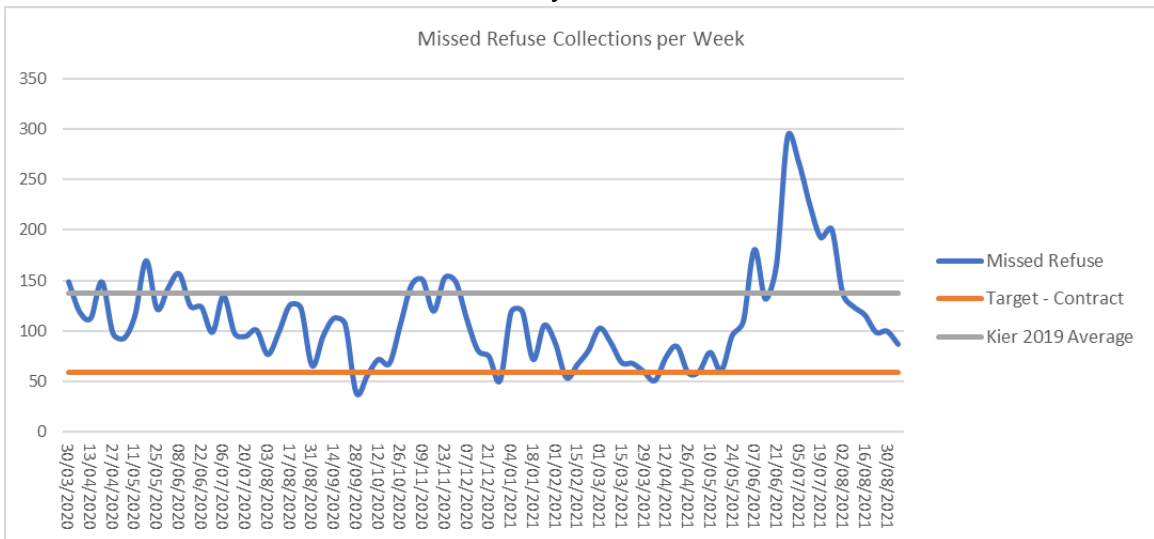


Figure 2: Summary of missed refuse collections over contract life

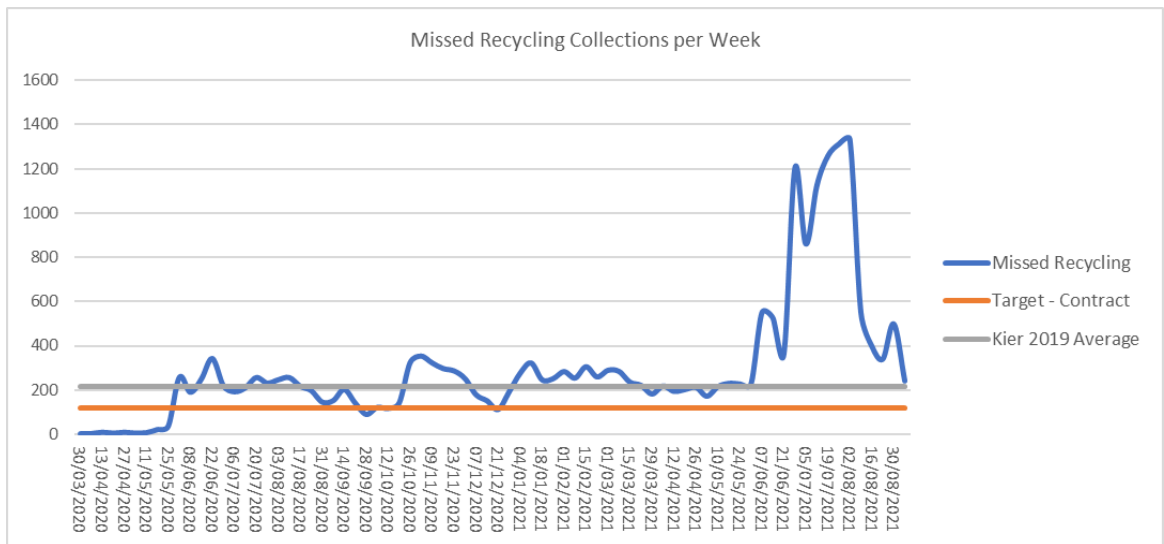


Figure 3: Summary of missed recycling collections over contract life

A key impact of the service pressures over the Summer was dropped rounds (where processes were put in place to try and ensure no area was affected twice in a row and repeat impact was minimised) and incomplete rounds. Due to the way SUEZ capture data this is not reflect in the missed collection data (figure 2 and 3), but the improvement is shown below in Figure 4.

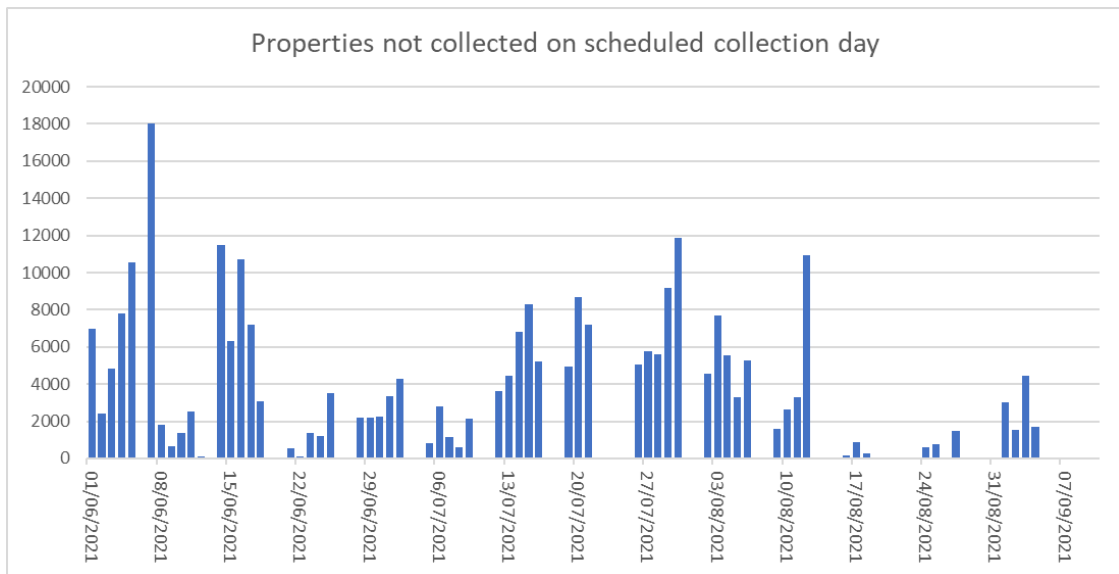


Figure 4: Dropped and incomplete rounds

2.3 Corporate changes to our contractors

Viridor: As highlighted to the Board in June it was announced on the 21 May 2021, that part of Viridor’s business was to be sold to Biffa. This reflected the conclusion of a strategic review by KKR (the global investment company that acquired Viridor for £4.2 billion in July 2020), which culminated in Viridor’s decision to focus on Energy from Waste rather than the wider waste sector.

Viridor accordingly retain those services provided under the New Waste Treatment Facility Contract (NWTF2) including the provision of Avonmouth Energy

from Waste plant (EfW), the two in county Waste Transfer Stations (Dimmer & Walpole) & Walpole Landfill. The rest of the service provided through the Core Services Contract (Recycling Sites, Compost Sites, Walpole Anaerobic Digester & closed landfill management) was expected to transfer to Biffa. In early July the proposed sale completed review by the Competition and Markets Authority.

Viridor's sale to Biffa does not involve the sale of any SWP assets, nor does it change the service levels required under the contract or have any cost implications. Our contract with Viridor allows only very limited discretion over whether to agree to the sale, subject to Biffa passing due diligence checks - that Biffa is an entity that has sound financial footing and provides no relevant financial, criminal or environmental concern, it will be accepted by the Council as a replacement to Viridor as party to the Core Services Contract for its remaining term to 2031.

Our due diligence checks on Biffa have thus far identified the recent conviction for the illegal transfer of waste, which many Board members will be aware of from recent press reports. Whilst SWP understand that this related to co-mingled kerbside material rather than the higher quality source separated material we have at recycling centres, Biffa have provided SWP with a plan to address the issue that led to their recent convictions and have publicly stated that *"We take our responsibility for environmental stewardship very seriously and we accept the court's judgement. We no longer export wastepaper outside the OECD and will carefully review our processes to ensure they fully meet the implications of this judgement."*

In addition to the plan provided by Biffa SWP intend to negotiate a contract amendment which addresses the risk and aligns the Biffa contract with our SUEZ contract in that it places on a formal contractual footing that:

- The contractor will ensure that all recyclables are sorted and no unsorted materials will be exported from the UK.
- Transfer of sorted material streams elsewhere within the EU will only occur if reprocessing is not viable within the UK and only in non-EU nations when viable options in the UK and EU have been exhausted.
- Recognises that sometimes (e.g. if there is insufficient reprocessing capacity in the UK) it might be necessary to recycle material outside of the UK, but requires Biffa to pre-notify SWP and seek our agreement (not to be unreasonably withheld).
- Ensures that Biffa provide us with monthly data on exactly what happens to all SWP's recycle.

Viridor's and Biffa's corporate transaction of Syracuse did not unfold as originally described to us presenting potential issues. Options and resolutions are being formulated by SWP's lawyers. These are by nature privileged and the situation is likely to have moved on by the time of the Board meeting. A verbal update will be provided to the Board with the opportunity to discuss further in an informal

(confidential) board meeting. The planned timescales of change are:

- TUPE – no Somerset County Council or Somerset Waste Partnership staff impacted, with Viridor Core Services staff transferring to Biffa – from 1st September 2021
- New signage & bin livery at the Recycling Sites – 1 to 3 months
- New vehicle livery – 1 to 3 months

Suez: Veolia and Suez have announced that they signed a combination agreement on 14 May 2021, following approval by their respective Boards of Directors of the latest terms for their merger. Progress continues to appear on track with hopes that a merger of the global business will be completed by the end of 2021. However, it is unlikely the merger of the UK business will happen until sometime in 2022, hence it is too early to understand any potential implications until this happens.

3. Consultations Undertaken

- 3.1.** Consultation on findings in this report have been undertaken with SWP's Senior Management Group (officer representatives from partner authorities) and with SWP's Senior Management Team.

4. Implications

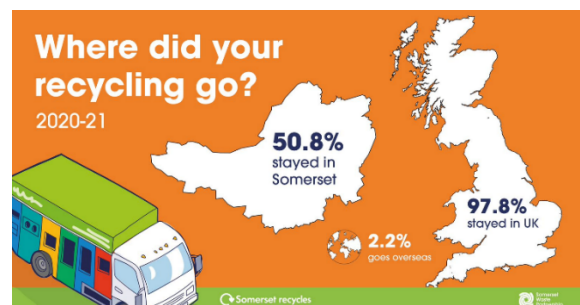
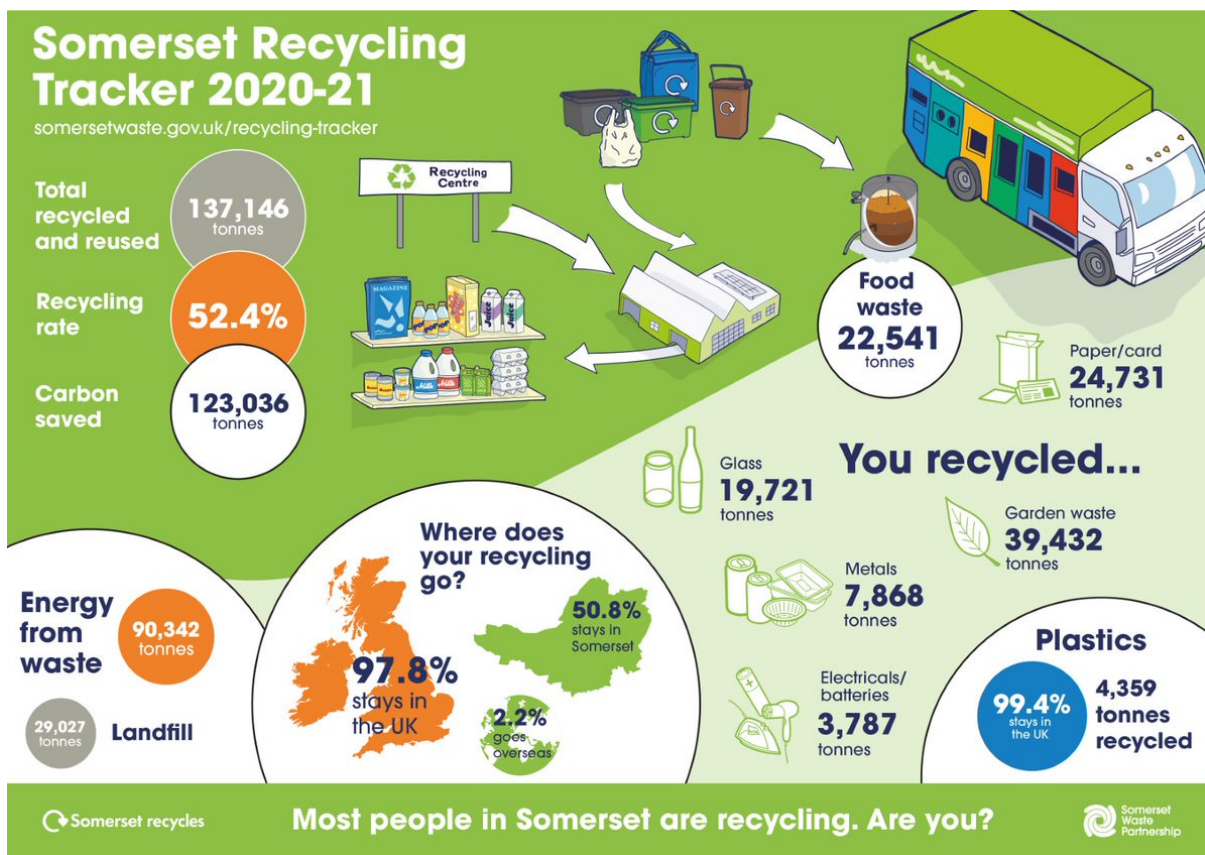
- 4.1.** Key implications of the performance data are:
- Ongoing work with SUEZ to manage service quality during the second quarter of 2021-22 and ensure service levels are significantly improved to a satisfactory level and enable us to deliver the remaining phases of Recycle More. The commercial pressures on SUEZ from responding to the issues also place them under financial stress on this contract and contractual discussions are ongoing between SWP and SUEZ.
 - Continued forward planning with SUEZ to mobilise for Phases 3 and 4, including focussing on communications and engagement.
 - Continued further development of our new Customer Relationship Management system, My Waste Services, (incl. website changes, app and a new chatbot), reflecting the significant opportunity for better customer service that these system changes will enable, and ongoing work to deal with issues, as they come to light.
 - Continuing to influence national policy on resources and waste, maintaining Somerset Waste Partnership's influence at this level, and implementing the actions we have agreed through the joint County-wide Climate Emergency Strategy/Plan (where funding permits us to do so).
 - Robustly managing our new relationships with Viridor and Biffa to ensure that there is no degradation in service or other adverse impact on SWP.
 - Continue to understand progress with the SUEZ/Veolia transaction, noting that

until it concludes its review by the Competition and Markets Authority there is limited opportunity for SWP to understand any potential implications for Somerset.

- Continue to closely monitor budgets and spend, seek opportunities for external funding (especially for our climate emergency projects).

5. Background papers

5.1. Performance Monitoring Report Q1 2021-22 (Appendix 1)



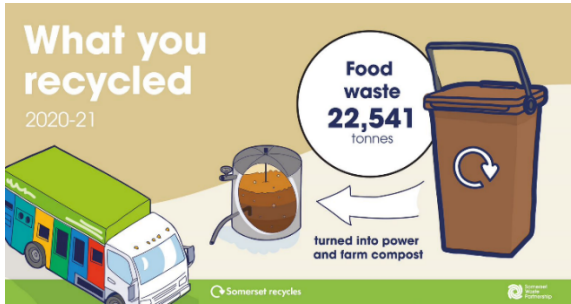
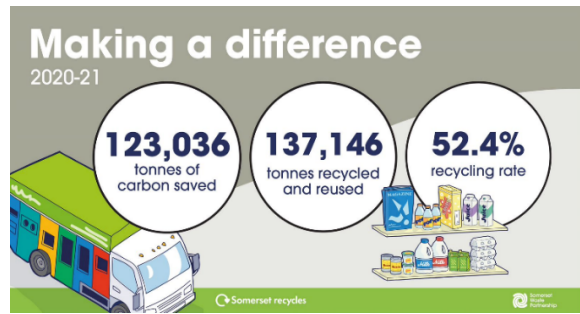


Figure 5: Recycling Tracker infographics 2020-21