

Performance Report Appendix 2 – SWP Key Performance Indicators Review (December 2022)

1. Background

- 1.1. Suez commenced the waste collection contract in 2020. At contract commencement this required all waste collection staff to transition from Kier to Suez, a new organisation with different culture, values and working processes.
- 1.2. The working practices changed significantly from Kier to Suez, with new vehicle types and complete renewal of underpinning administrative and system processes.
- 1.3. Contract commencement coincided with the first national Covid -19 restrictions, the implication was that the hands-on induction of new starters as well as the scheduled culture change activities were delayed or only partially implemented.
- 1.4. The mobilisation period of the contract also involved the re-development of waste transfer stations and depots requiring the re-location of employees.
- 1.5. Furthermore, an aggressive change programme has been introduced to transition Somerset from fortnightly refuse collections to three weekly and increase the scope and scale of recycling offered to residents, communal properties and schools. The introduction of the Recycle More Scheme has reduced refuse arisings by around 21% diverting c8500t per annum from EfW. This change programme resulted in the redesign of over 600 collection rounds, from 5 (redesigned/rebuilt operating centres and represented a considerable challenge both in planning, communication, deployment and operation of the new service.
- 1.6. The current climate for the recruitment and retention of qualified staff has been difficult, this culminated in a period of severe service difficulty during the summer of 2021 – the National Driver Shortage. The challenge around staff availability is still evident particularly in the temporary labour market.
- 1.7. Covid-19 has and continues to have impact of sickness absence levels across the contract. The implication is that Sickness levels are unpredictable and short-term fluctuations can affect the number of staff deployed at little notice. Specialist staff, such as drivers are hard to replace at short notice due to pressures on the temporary labour market
- 1.8. Levels of Missed Collection, repeat missed collection and missed assisted collection are reported monthly to SWP and are subject to review and scrutiny by SWP officers, and flow into the contractual performance deduction mechanism. This mechanism is fully operational following the disruption in it due to the impact of the national driver shortage, and it ensures that SUEZ face the costs when there is service disruption, and hence acts as an incentive to them to improve performance.

2. Contractor Performance

2.1. General Aspects Affecting Collection Performance

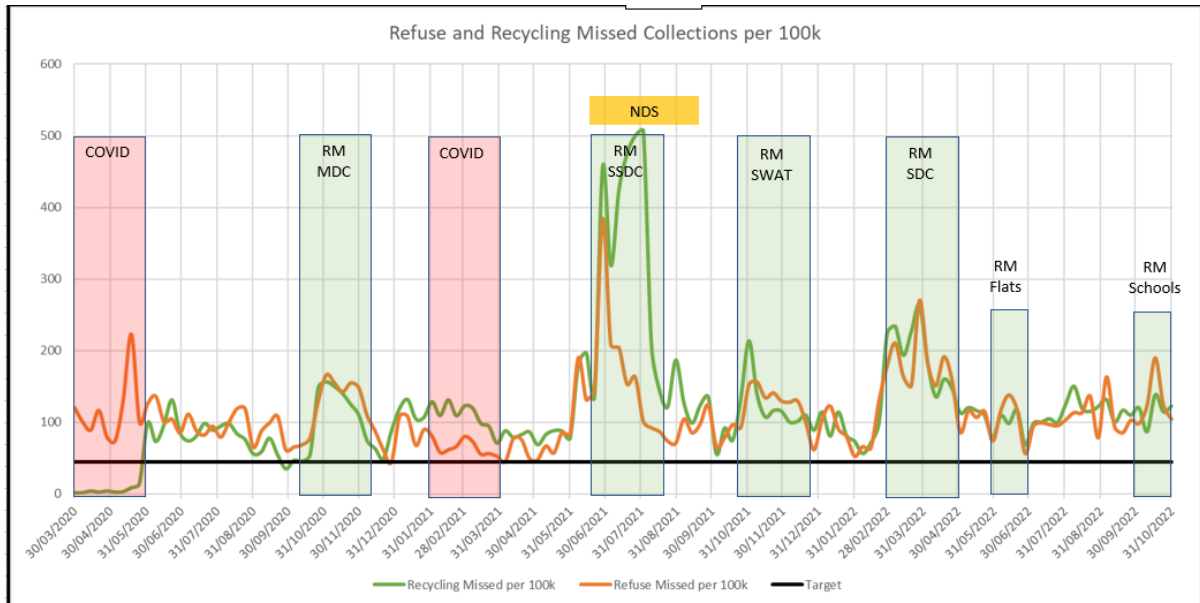
- 2.1.1. All aspects of Missed collection performance and complaint performance correspond closely to changes in service provision and the availability of labour. The labour market has been challenging as has the working environment that Suez have had to mobilise through. Suez have undertaken a number of key and important steps to ensure that they have sufficient staff to deliver the service

- 2.1.2. Understanding that the labour market is challenging and there is greater variability in sickness levels to secure appropriate level of heads to deliver robust service quality. Accordingly, Suez are increasing their staff levels from 115% to 110% of actual staff required to fulfil the service - this allows greater in-house resource to overcome short term fluctuations in staff absence and employee churn to allow more consistent and full deployment of services.
- 2.1.3. To enable the transition to 115% and to ensure that recruitment of staff is ongoing and seamless, Suez appointed a full time recruiter position to manage this process within the contract. During the 2021/22 pay award Suez maintained an above inflationary pay award to make sure that their specialist driver roles are attractive to prospective employees. Joiner bonuses and refer a friend bonus have also been developed to as an incentive to attract and retain staff.
- 2.1.4. Furthermore, to stabilise the workforce Suez have invested heavily to ensure that sickness and absence are well managed and have shown month on month improvement to achieve just over 3%
- 2.1.5. Where there have been short-term gaps in required headcount, the temporary labour has been difficult to secure, to alleviate this Suez have increased the casual labour rate by 20% to unblock the barriers in temporary labour supply. Suez are significantly less reliant on the temporary labour market than Kier were (who only had around 80% FTEs working in Somerset).
- 2.1.6. Suez continue to work and transform the culture of the workforce, making sure that the right people are in the right jobs and that underpinning performance levels are visible and transparent to allow them to target performance improvements in a sustainable and manageable way. This remains work in progress.

2.2. Missed Collection Performance

- 2.2.1. Missed collections are reviewed daily and league tables produced of crews that are underperforming. This is tracked through by the senior management team within the contract to understand what the drivers of poor performance are and to take the right level of action. Crews that achieve good levels of performance are recognised and rewarded.
- 2.2.2. The garden waste service is significantly underperforming, expertise from outside the local contract has been secured by Suez to undertake a root and branch review of the service
- 2.2.3. Trend analysis of missed collection is undertaken weekly by the senior management team to highlight areas of underperformance and provide targeted improvement.
- 2.2.4. Graph 1 shows the missed collection performance across the contract since commencement. Missed collection rate has fluctuated in line with Recycle More phases, and once implemented has been achieved a strong reduction is noted in the following months.
- 2.2.5. The Driver Shortages experienced during the summer of 2021 in conjunction with the roll out of Recycle More in South Somerset District Council placed the collection operation under significant pressure. The Garden waste service was suspended at this time to ensure that essential services were maintained.
- 2.2.6. Lately missed collection performance has not been as strong as expected, deployment issues related to pressures on the labour market remain and impacts from the transfer station closure at Williton have impacted overall contract performance levels.

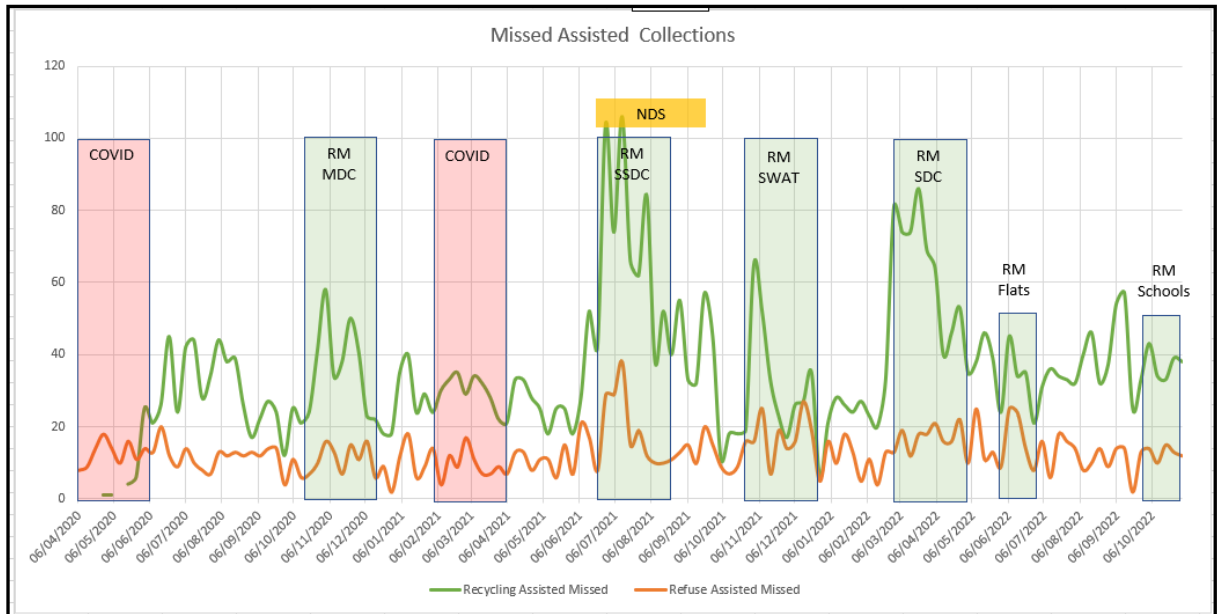
Graph 1 – Contract Missed Collection Levels per 100,000



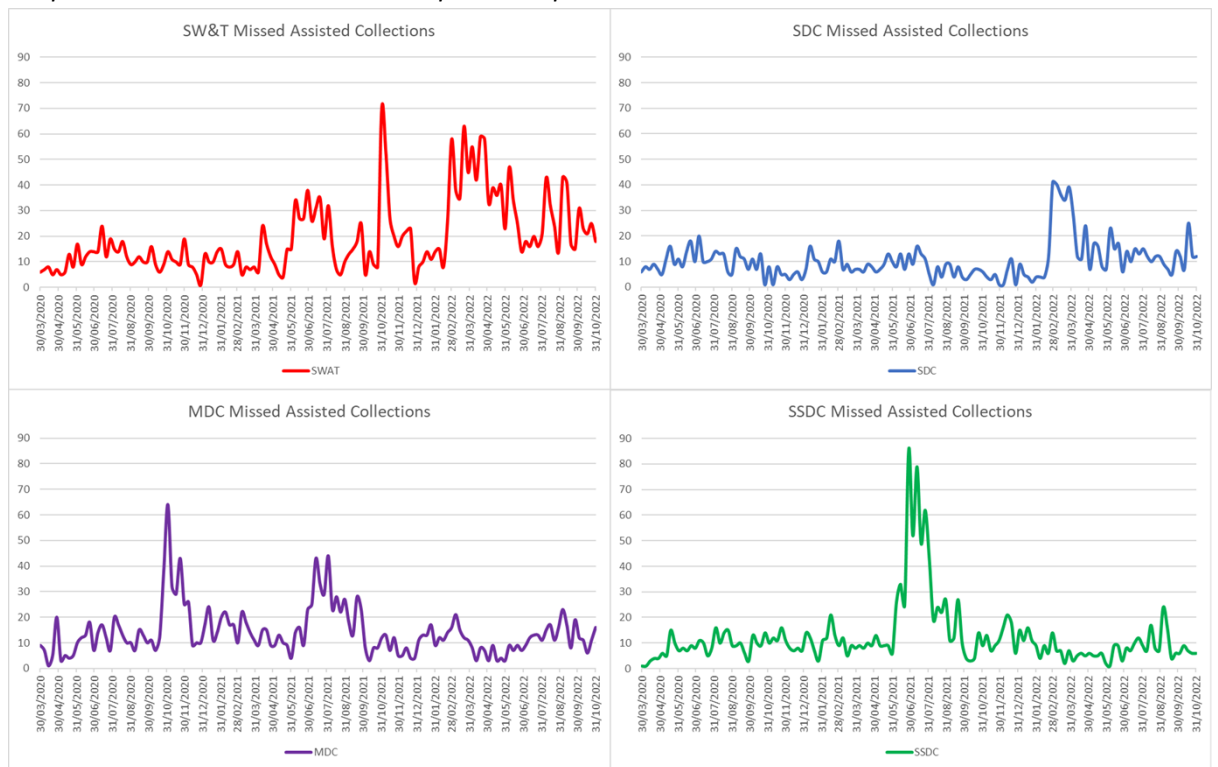
2.3. Missed Assisted Collection

- 2.3.1. Residents that cannot manage to get their waste to the kerbside because of ill health or infirmity are entitled to an assisted collection
- 2.3.2. There are just over 10,000 properties that have registered for an assisted collection. Details of assisted collections are stored on crews devices where crews have to provide confirmation of collection
- 2.3.3. Missed Assisted collection performance closely aligns to the total missed collection performance (i.e. when overall missed collections increase so do missed assisted collections) and has been adversely affected by service change and staff deployment issues.
- 2.3.4. Missed assisted collections are a deductible element within the contract with a zero threshold level – reflecting the vulnerability of these residents and our determination to deliver the best possible service to them.

Graph 2 Missed Assisted Collections



Graph 3 Missed Assisted Collections per week per District



2.3.5. Within the East of the county assisted collection have returned to more satisfactory levels after the introduction of service change and focussed work from SWP and Suez. Missed assisted collections in SW&T are still far too high and work is ongoing to understand the root causes of these.

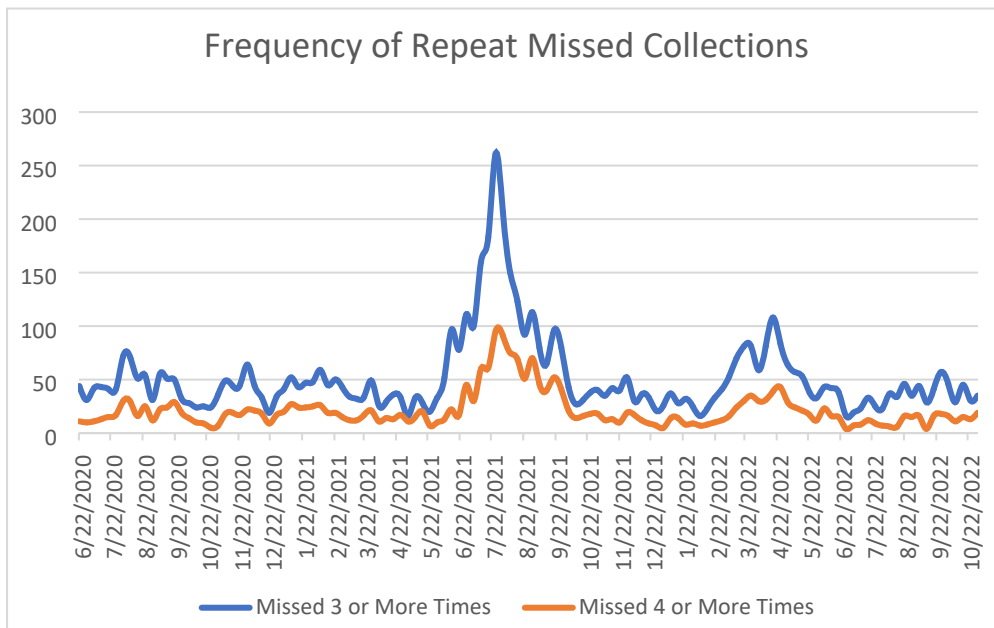
2.4. Repeat Missed Collections

2.4.1. In a contractual context repeat missed collections are missed collections that have been missed more than once in a rolling quarter. This is a (rightly) high bar but a difficult metric to

achieve and the deductions on repeat missed collections are significant, providing a strong financial incentive for SUEZ to improve this – something they are committed to.

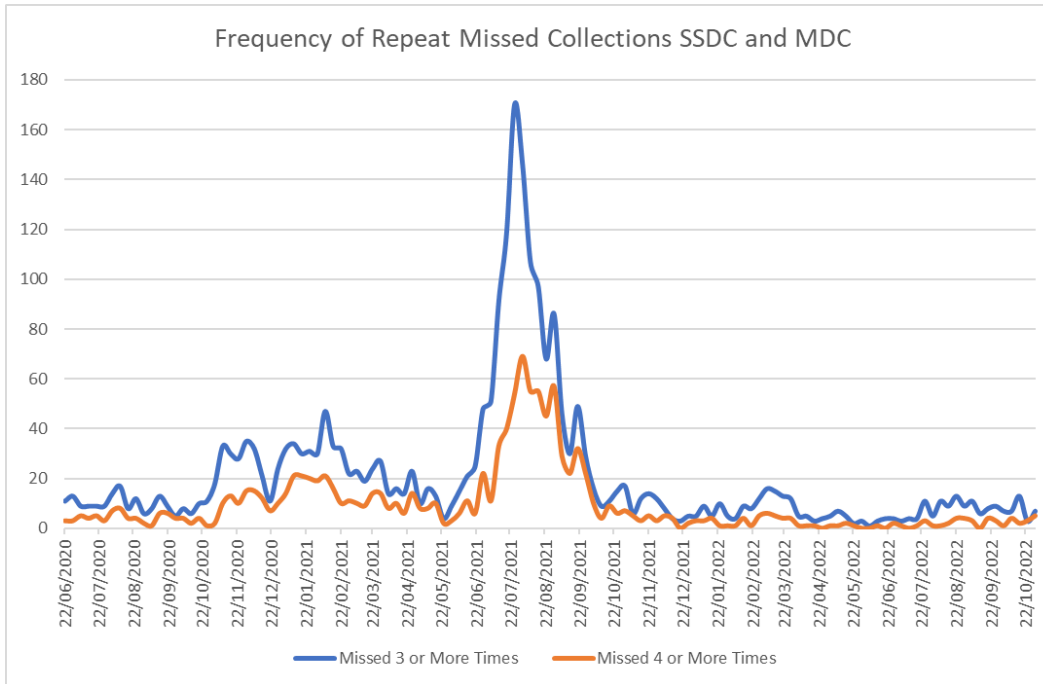
- 2.4.2. Technical and procedural work has been specified to target assisted and repeat missed collections, currently work is waiting with Suez’s IT developers. Suez have committed to spend c£40K to deliver these procedural improvements. The objective of this is two fold: Firstly, to provide supervisors and managers targeted information to highlight areas of weakness and to ensure that accountability is provided at the right levels. Secondly, to ensure that the information provided on crew devices are succinct and relevant – currently there is too much information held which can lead to information overload.
- 2.4.3. Processes have been developed and implemented to ensure serious and ongoing repeated missed collections are avoided, however the processes are manual, require expertise in data manipulation and can be de-prioritised during times of operational strain. Work on processes to date have resulted in improvements in quality, however, SWP and SUEZ’s review has identified a concern that the process is not sufficiently robust and when the service is under pressure this can result in higher levels of missed collections – this is what the current work is focussed on addressing.
- 2.4.4. Since the commencement of the waste collection contract with Suez, three complainants have had a complaint upheld by the LGCO, all of which suffered from unresolved repeated missed collections

Graph 3 Frequency of Repeat Missed Collections



- 2.4.5. There have been some success stories, particularly in the east of the county where Recycle More was deployed early on in the change process allowing Suez to focus on culture change and embed a performance culture within the depots. Within both MDC and SSDC we have seen an ongoing and lasting improvement in repeated missed collection performance, and we are working with SUEZ to see this replicated across the contract and maintained.

Graph 4 Frequency of Repeat Missed Collections SSDC and MDC



2.5. Complaints

2.5.1. Complaint frequency has been falling consistently and continuously reviewed by SWP and Suez. The volume of complaints is primarily driven by service failure and the prevalence of repeated missed collections. Repeat missed collections form the majority of complaints and key to complaint reduction is the successful and consistent application of process to avoid repeat missed collections

2.5.2. Suez have rolled out visual Property Action Boards to achieve an “at a glance” overview of live complaints see figure 1 below

Figure 1 Property Action Board

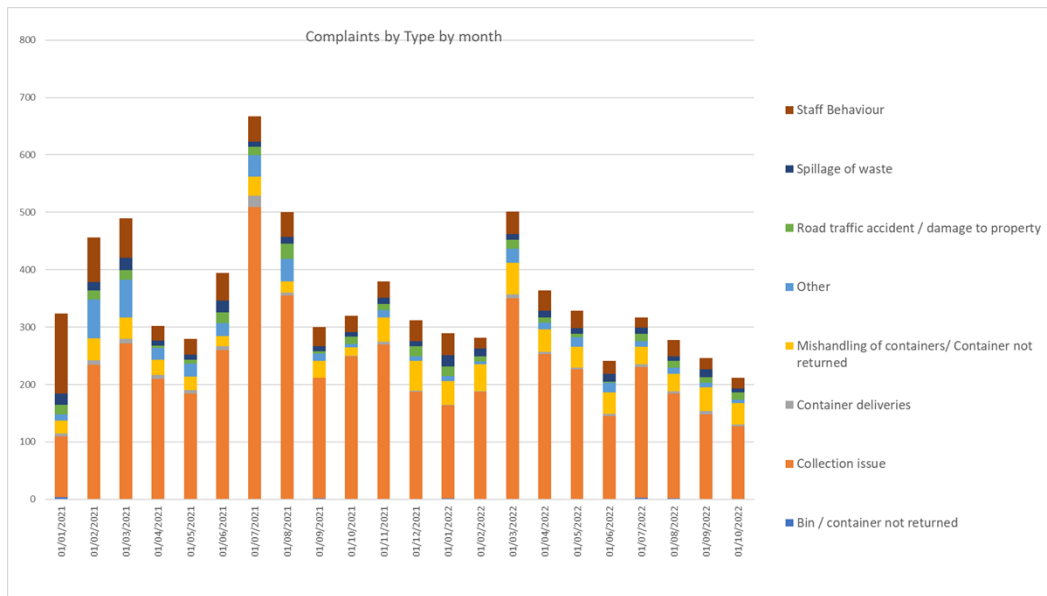
Round	Collection date	Property address	Issue	Action	Owner	Date raised	Collection confirmation
SK11	WED	[REDACTED]	CORE Allocation	MONITOR	IL	28/9	✓✓✓
SK11	MON	[REDACTED]	Missed	MONITOR	IL	19/10	✓✓✓
SK4	MON	[REDACTED]	Missed	MONITOR	IL	13/10	✓✓✓
EK3	FRI	[REDACTED]	Missed AC	MONITOR	SB	30/9	✓✓✓
EK4	TUE	[REDACTED]	Missed	MONITOR	SB	20/9	✓✓✓
EK6	TUE	[REDACTED]	Resident Concern AC	MONITOR/AC	SB	6/10	✓✓✓
EK13	FRI	[REDACTED]	Boundary Missed	CHANGING MONITOR	BE	1/10	✓✓✓
EK3	Wed	[REDACTED]	Missed	MONITOR	SB	20/10	✓✓✓
EK3	TUE	[REDACTED]	Missed	MONITOR	SB	6/10	✓✓✓
SK11	WED	[REDACTED]	Missed	MONITOR	IL	6/10	✓✓✓
EK11	TUE	[REDACTED]	Missed multi	location updated	BE	21/10	✓✓✓
EK10	TUE	[REDACTED]	Missed	MONITOR	IL	6/10	✓✓✓
ER3	MON	[REDACTED]	CORE issue	SUP raised issue	2SW	19/9	✓✓

The 'Run' chart on the right shows a line graph with a Y-axis ranging from 0 to 170. The graph shows a peak in mid-2021, reaching approximately 170, and then a decline to around 100 by late 2021, with some fluctuations thereafter.

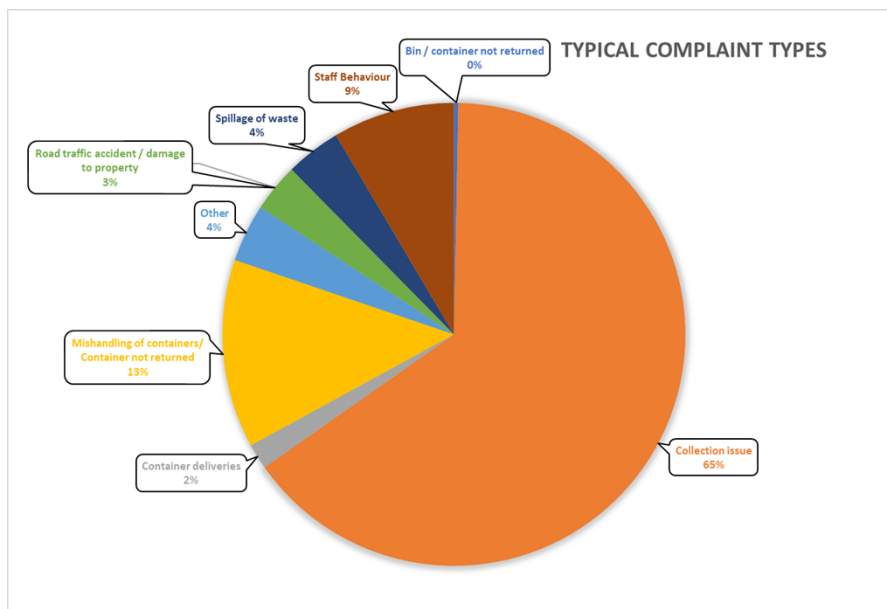
2.5.3. Suez supervisors are being put through customer service and complaints handling training

2.5.4. Improved ways of investigating complaints have been rolled out to supervisors, with a focus on preventative actions and learning lessons from why complaints have happened, this has led to a reduction in complaints over the past Quarter where there has not been a corresponding improvement in service provision.

Graph 4 Total Complaints by Month



Graph 5 Complaints by Type



Graph 6 Complaints by District Area

