

## Performance Report Quarter 2 – July 2021 to September 2021

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<b>Forward Plan Reference:</b>	23/11/2021
<b>Summary:</b>	This report summarises the key performance indicators for the period from July 2021 to September 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.
<b>Recommendations:</b>	<p><b>The Joint Waste Scrutiny Panel considers and comments on the following recommendations in this report.</b></p> <p><b>That the Somerset Waste Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Notes the performance results in the Second Quarter 2021-22 Performance Report.</b></li> </ul>
<b>Reasons for recommendations:</b>	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.
<b>Links to Priorities and Impact on Annual Business Plan:</b>	Transparency – Publishing Key Performance Indicators
<b>Financial, Legal and HR Implications:</b>	No direct financial, legal or HR implications.
<b>Equalities Implications:</b>	No equalities implications

<b>Risk Assessment:</b>	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.
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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 and on all key aspects of what SWP does and hence how well it is delivering its vision and outcomes. 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 began on 1<sup>st</sup> November in Somerset West and Taunton (old Taunton Deane area), with planning already underway for Phase 4 (Sedgemoor and West Somerset). The Recycle More report provides more details on the readiness for and risks to roll-out
- **Waste Minimisation:** Overall household arisings were up by over 7,800 tonnes, or 4.16% compared to Q2 in 2019-20. However, we did have service issues affecting Q2 this year, as well as the suspension of garden waste collections, so this may not indicate the continuing trend for the remainder of the year.
- **Recycling:** Our recycling rate continues to improve compared to last year (up 4.90% to 57.34% from 52.44%), as well as showing an increase over Q2 2019-20 (up 2.15% from 55.19%), used as a comparator unaffected by the pandemic. This continues to show the benefit of Recycle More in Mendip and South Somerset and will continue to increase as Recycle More rolls out across the County.

**End use:** Somerset Waste Partnership continues to see strong demand from UK based reprocessors for the high-quality materials we collect. For Q2 2021-22 just almost 99.0% of materials stayed in the UK, with the amount that was reprocessed in Somerset also remaining high at over 56.0%. This meant that just over 500 tonnes of recyclate were reprocessed outside of the EU, with all this material being mixed paper & cardboard sent to Thailand from Recycling Centres and Schools. We have redesigned the infographic for the end destinations for 2020-21 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. Copies of the main infographic and the mini versions can be found at the end of this report. The infographic and updated Recycling Tracker are on our website: <https://www.somersetwaste.gov.uk/recycling-tracker/>

- **Missed collections:** We saw a significant increase in missed collections in Q2, compared to Q1 (2.430 per 1,000 collections against 1.548 in Q1). 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 continued to be our main area of focus with SUEZ during Q2. 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. Improvements were seen across the Quarter, with numbers reducing by around 66% by the end of the period. 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 recycle being dumped inappropriately has decreased as we are now exporting very little, and no plastic waste.

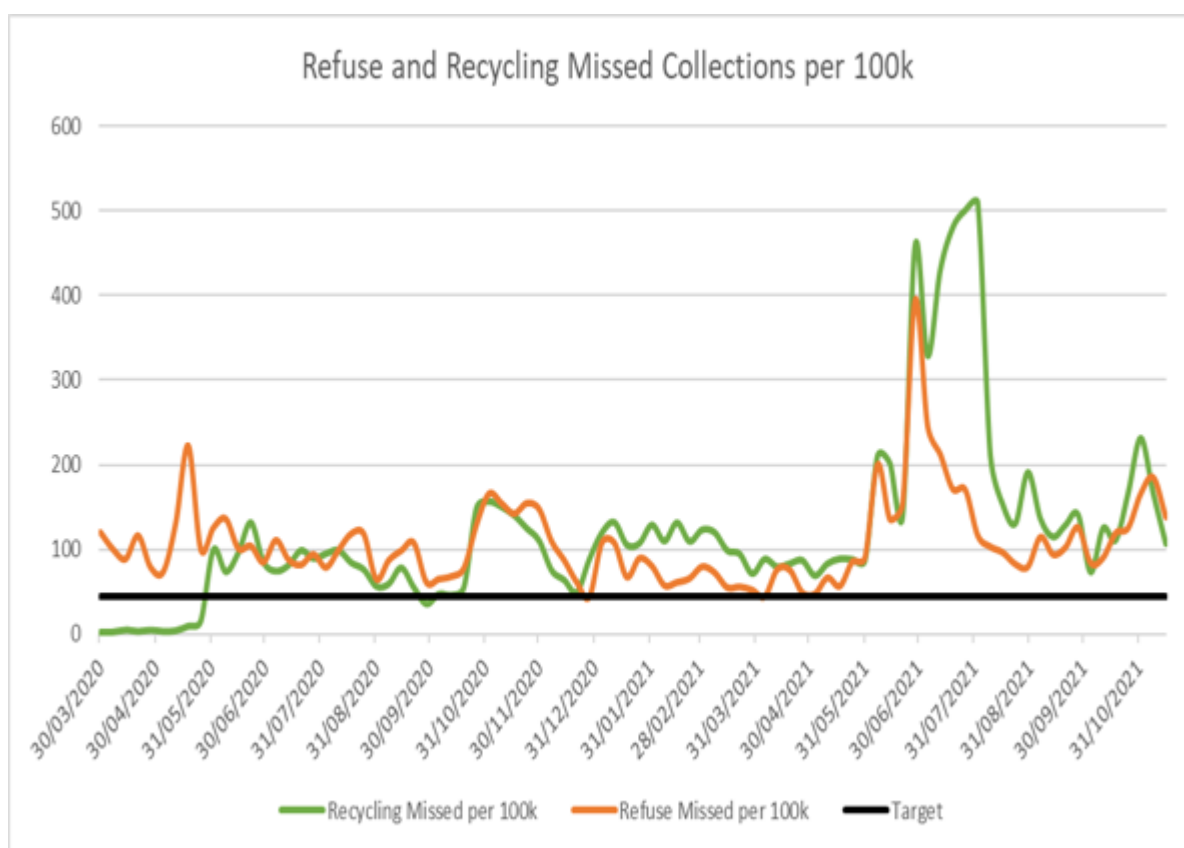
## 2.2 Progress in stabilising collection services

As reported to the Board in September, SUEZ and SWP worked together closely to resolve the issues arising from the national driver shortage (and compounded by Covid) including:

- Directly addressing staff shortages through the temporary redeployment of staff into Somerset from SUEZ nationally, incl. drivers (only contract in UK to have this), training loaders up as drivers
- Senior HR manager seconded to Somerset + two full-time recruiters to significantly enhance recruitment, including an employee referral scheme, much more advertising, a £1000 new driver welcome bonus, approaches to employers where staff are at risk of redundancy, armed forces veteran's associations etc, temporary enhanced agency pay rates.
- Focusing on staff retention and morale through the launch of an employee engagement forum, crew performance awards, weekly performance incentive payments, smiley terminals at depots, £1200 driver retention bonus
- Suspended garden waste service for 6 weeks to protect refuse and recycling collections, and temporary extra customer service staff (plus additional call centre: Agilysis) to help manage customer contact.
- 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. A formal debrief (facilitated by the Civil Contingencies Unit) will be undertaken of the Business Continuity approach taken in order to identify lessons learned.

- 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. This saw an improvement in missed collections as shown in figure 1. However, the underlying risks (national driver shortage and Covid impacts) haven't gone away and hence SWP is operating in a much higher risk environment. SWP remain in contractual discussions with SUEZ about the costs and impacts of the service disruption over the Summer.



**Figure 1: Summary of missed refuse and recycling collections over contract life**

### 2.3 Corporate changes to our contractors

**Viridor/Biffa:** As highlighted to the Board in June and September it was announced on the 21 May 2021, that part of Viridor's business is 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 propose to 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 currently provided through the Core Services Contract (Recycling Sites, Compost Sites, Walpole Anaerobic Digester & closed landfill management) is expected to transfer to Biffa.

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. SWP have taken on external legal advisors to support us in the process and ensure that the process does not expose SWP to any undue risk. At the time of writing this report SWP were still working with Viridor to finalise a deed of novation. It is likely that further due diligence on Biffa will be required (it is expected that this will include more stringent contractual wording on control of what happens to our recyclate), a VEAT notice will be issued and SWP will seek to ensure we obtain appropriate indemnities from Viridor.

**Suez/Veolia:** 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 on the global/international transaction continues to be on track with hopes that a merger of the global business will be completed by the end of 2021. are awaiting confirmation from the UK Competition and Markets Authority as to whether its review needs to enter a second (more detailed) phase. This decision is due imminently. If this 2nd phase is required (and we think this is likely), then CMA approval will not be granted until mid-2022. It remains 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 continue to improve service quality, with a particular focus on how they reduce repeat missed collections and improve their complaint handling. A Local Government Ombudsman complaint was upheld against SWP due to repeated failures by SUEZ to address service failure to a resident, and robust measures have been put in place to address this, including a review of the processes and a SWAP audit.

- 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 Phase 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 Q2 2021-22 (Appendix 1)**

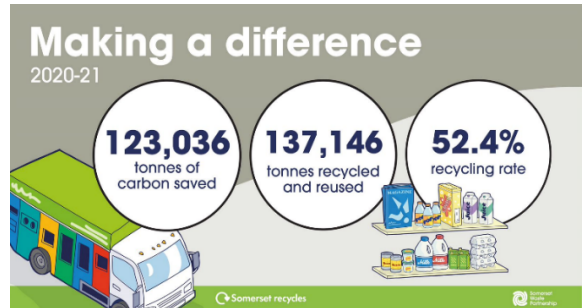
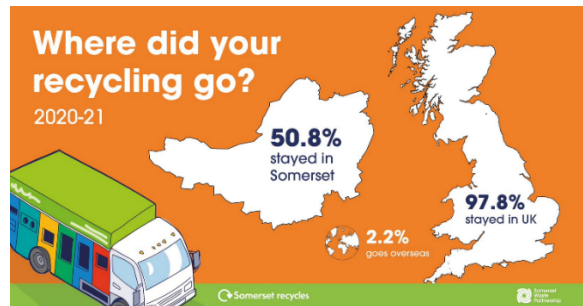


Figure 5: Recycling Tracker infographics 2020-21