

Performance Report Quarter 3 – October 2021 to December 2021

Lead Officer: Mickey Green, Managing Director

Author: John Helps, Performance & Insight Officer

Contact Details: 01823 625705

| | |
|--|---|
| Forward Plan Reference: | 25/01/2022 |
| Summary: | <p>This report summarises the key performance indicators for the period from October 2021 to December 2021 and compares these to the same period last year (and where relevant the year before).. 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> <p>It should be noted that at the time the Board reports were written, not all weight data had been received from our contractors. This means some sections of the report only cover the period October – November 2021. Affected sections are listed in the ‘Intro’ of the Performance Monitoring Report Q3 2021-22 (Appendix 1).</p> |
| Recommendations: | <p>That the Somerset Waste Board: -</p> <ul style="list-style-type: none"> • Notes the performance results in the Third Quarter 2021-22 Performance Report. |
| 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: | No equalities implications |
| 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. |

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.

2. Summary

2.1. Key headlines are:

- **Business Plan:** The successful roll-out of Phase 3 of Recycle More began on 1st November in Somerset West and Taunton (old Taunton Deane area), with planning already well underway for Phase 4 (Sedgemoor and West Somerset). Securing funding for solar panels and an e-RCV will help SWP deliver its climate change priorities.
 - **Waste Minimisation:** Overall household arisings were up by over 7,909 tonnes, or 4.46% compared to 2019-20, which may indicate reduced service disruption from the Pandemic and the growing effects of the continued roll-out of Recycle More.
 - **Recycling:** Our recycling rate continues to improve compared to last year (up 4.34% to 56.98% from 52.64%), as well as showing a smaller increase over Q3 2019-20 (up 2.41% from 54.57%), used as a comparator unaffected by the pandemic. This continues to show the benefit of Recycle More in Mendip, South Somerset and to a lesser extent Taunton Deane (as it was only rolled out part-way through Q3). This should continue to increase as Recycle More rolls out across Sedgemoor and West Somerset in the final phase, but covid driven lifestyle changes may also impact.
- End use:** For Q3 2021-22 almost 100.0% 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 20 tonnes of recyclate were reprocessed outside of the EU, with all this material being plastics sent to Portugal and the Netherlands from Recycling Centres and Schools. The revised infographic for the end destinations for 2020-21 has been renamed the 'Recycling Tracker', with copies of the main infographic and the mini versions at the end of this

report, in Figure 2. The infographic and updated Recycling Tracker are on our website: <https://www.somersetwaste.gov.uk/recycling-tracker/>

- **Missed collections:** We saw a decrease in missed collections in Q3, compared to Q2 (1.396 per 1,000 collections against 2.431 in Q2), with Q3 being the lowest of the three quarters reported so far in 2021-22. This measure only records reported missed collections where collections should have been made and does not include, 'dropped' or 'incompleted' rounds. More detail can be found on the Missed Collections page of the appendices. The levels of missed collections and other service quality issues continued to be one of our main areas of focus with SUEZ during Q3, as well going forward into the final quarter of the year. Time and resources continue to be devoted to ensuring significant service failures are less likely to happen in future, as SUEZ shows improvement in the short term and missed collections reduce even further. Improvements were seen across the Quarter, with the total number reducing in Q3 compared to Q2 by over 43%. As the Board are aware, SWP remain in contractual/commercial conversations with SUEZ – though our focus has been on working in partnership with them to stabilise services.
- **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.

2.2 Service Impacts of the Omicron Variant

The impact of Omicron began to be felt during the 3rd week of December, with 2% of the collection workforce either affected by the illness, or self isolating, with the impact growing to 5% at its maximum during early January. With pre-planning, higher levels of staff available due to the low uptake of annual leave and staff released by the garden waste suspension, the impact of Covid absence wasn't as acute as it might have been at other times. In order to manage the increase in absence levels this was absorbed through both overtime working and increased agency workforce. A significant issue arose in late December effecting the Evercreech Depot when the fuel supply was interrupted due to Covid absence within the fuel supplier's organisation. However, across the contract missed collection performance was similar to previous years. Levels of missed collections for both recycling and refuse collection services across the contract can be seen on the graph in Figure: 1.

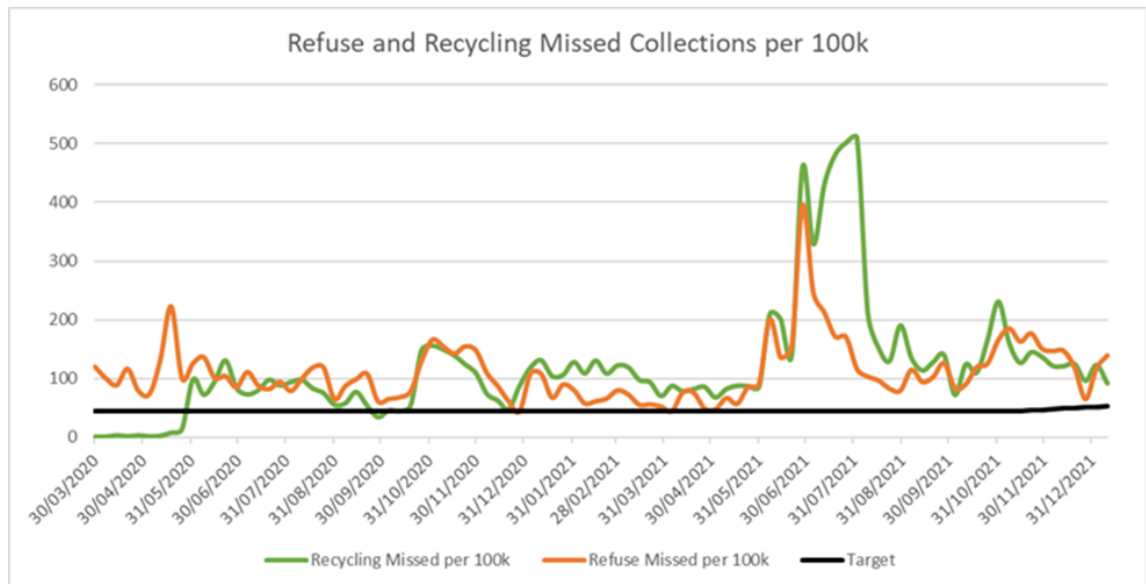


Figure 1: Summary of missed refuse and recycling collections over contract life

The Managing Director will give a brief presentation at the Board outlining any impacts to the SWP and our response to these.

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. A VEAT notice will be issued shortly once SWP have secured an appropriate indemnity 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 has concluded but this does not include the UK. The UK Competition and Markets Authority recently announced a second more detailed review of the proposed merger and its effects on competition in the UK waste industry. CMA approval is unlikely to be granted until mid-2022.

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 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 monitor 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 Q3 2021-22 (Appendix 1)



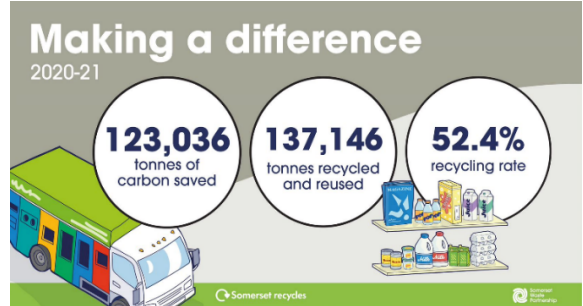
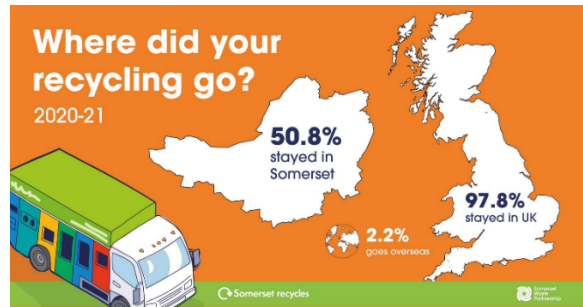
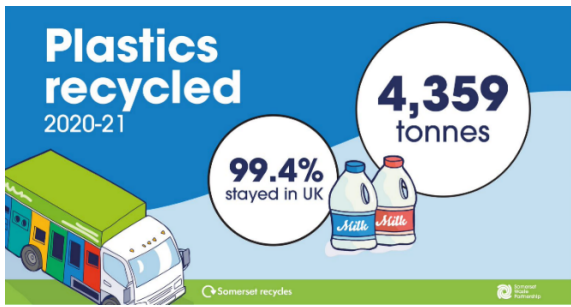


Figure 5: Recycling Tracker infographics 2020-21