

Performance Report Appendix 2 – SWP Key Performance Indicators Review (February 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. Summary Highlights for the reporting Period November to December inclusive

2.1. Christmas Performance

- 2.1.1. The waste collection performance over the Christmas period was satisfactory. Short term absence in the week between Christmas and New year, resulted in rolling incomplete services in the Mendip and South Somerset Areas. Suez managed to fully recover the situation by deploying staff on the 2 January 2023
- 2.1.2. There was tragic accident outside the Evercreech Depot on the 4 January involving a member of the public. The accident resulted in a road closure that affected the recycling operation at the depot. Incomplete services effected just under 3000 properties for that day were suspended and re-collected on their next collection day.
- 2.1.3. The Christmas and New Year period are always challenging for Crews, Supervisors and Managers involved in domestic waste collection and we are thankful for their hard work over the festive period

2.2. General Factors

- 2.2.1. Suez continue to recruit to 115% and expect to achieve this target by end of January 2023. This will provide greater workforce stability guarding

against short-term absenteeism and churn to allow a consistent deployment. At this time Suez expect to have a zero reliance on Agency

2.2.2. The review into Garden Waste has not yet been undertaken and is has re-arranged for Quarter 1 2023.

2.2.3. Sickness levels within the contract continue to be acceptable levels, just over 3%.

2.3. IT and Technical Aspects

2.3.1. Improvements with software systems and processes have now been specified to allow the timely identification and escalation of repeatedly missed collections. Our software developers are incorporating these improvements in both SWPs and Suez's systems and we expect to go live with this during April/May 2023

2.3.2. An enhancement in missed collection reporting is due to go live during January 2022, this will provide more and better real time feedback to customers reporting missed collections and generally improve the experience, particularly where rounds have been rescheduled from one day to another because, for example, where an weather event has prevented collections taking place

2.3.3. Property Action boards are now in place at all depots

2.4. Missed Collections, Repeat Missed and Complaints

2.4.1. During the period we have seen a slight improvement within the recycling service, headcount deployed to the service has been consistent and allowed a uniform service to be applied.

2.4.2. The refuse service has been effected by intermittent breakdowns on the service particularly on the older 16 and 18 Plate fleet. This fleet is due for replacement during 2024.

2.4.3. The greater consistency of staff deployment has led to a contract wide reduction in repeated missed collections, supervisors and managers have spent less time resolving operational issues allowing more time to be allocated to resolving quality related issues, leading to an overall

reduction in complaint volume and improvements in levels of repeatedly missed collections.

3. Contractor Performance

3.1. General Aspects Affecting Collection Performance

- 3.1.1. 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
- 3.1.2. 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.
- 3.1.3. 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. Suez expect to achieve 115% of employed staff by the end of January 2023
- 3.1.4. 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%
- 3.1.5. 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).

3.1.6. 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.

3.2. Missed Collection Performance

3.2.1. 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.

3.2.2. 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. The root and branch review has been delayed and is now planned to take place Quarter 2 2023

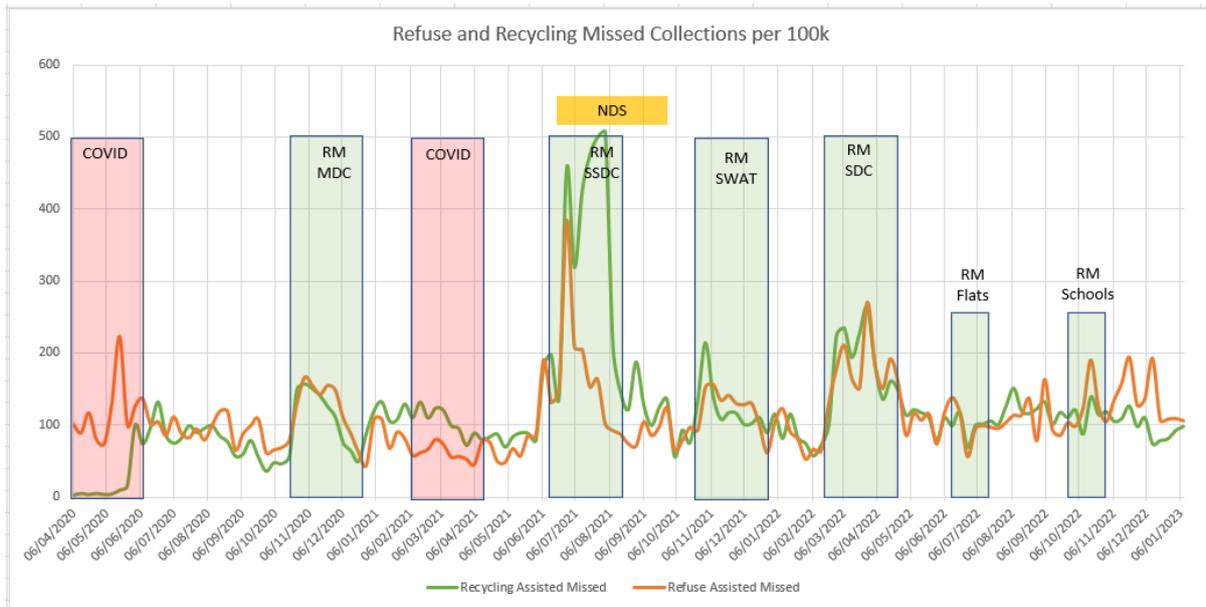
3.2.3. Trend analysis of missed collection is undertaken weekly by the senior management team to highlight areas of underperformance and provide targeted improvement.

3.2.4. 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.

3.2.5. 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.

3.2.6. 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.

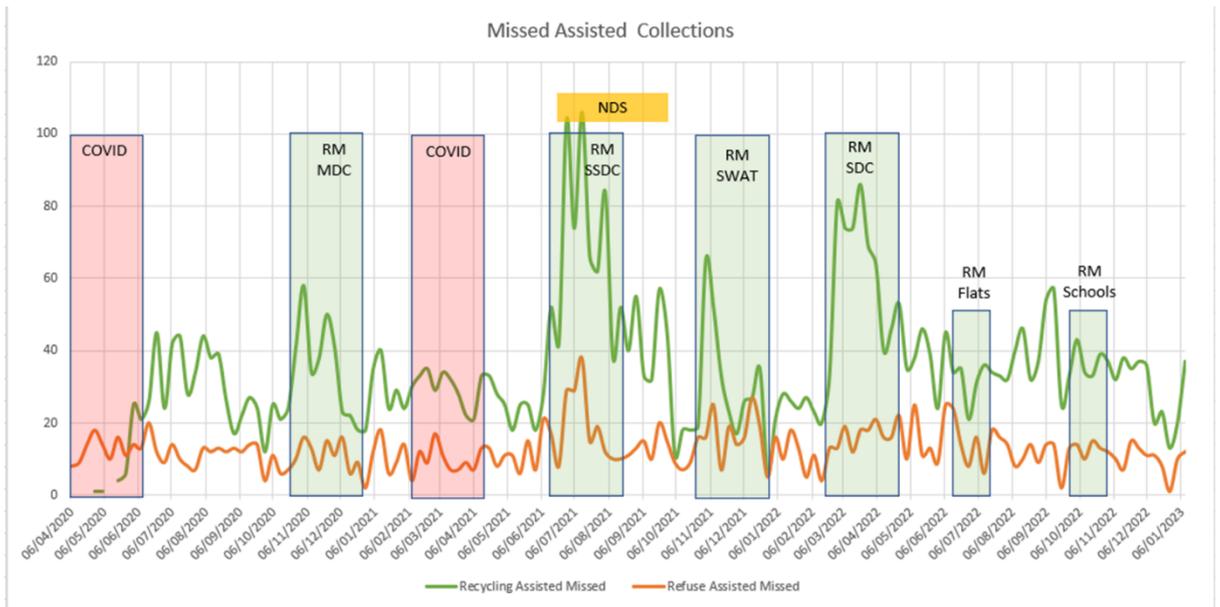
Graph 1 – Contract Missed Collection Levels per 100,000



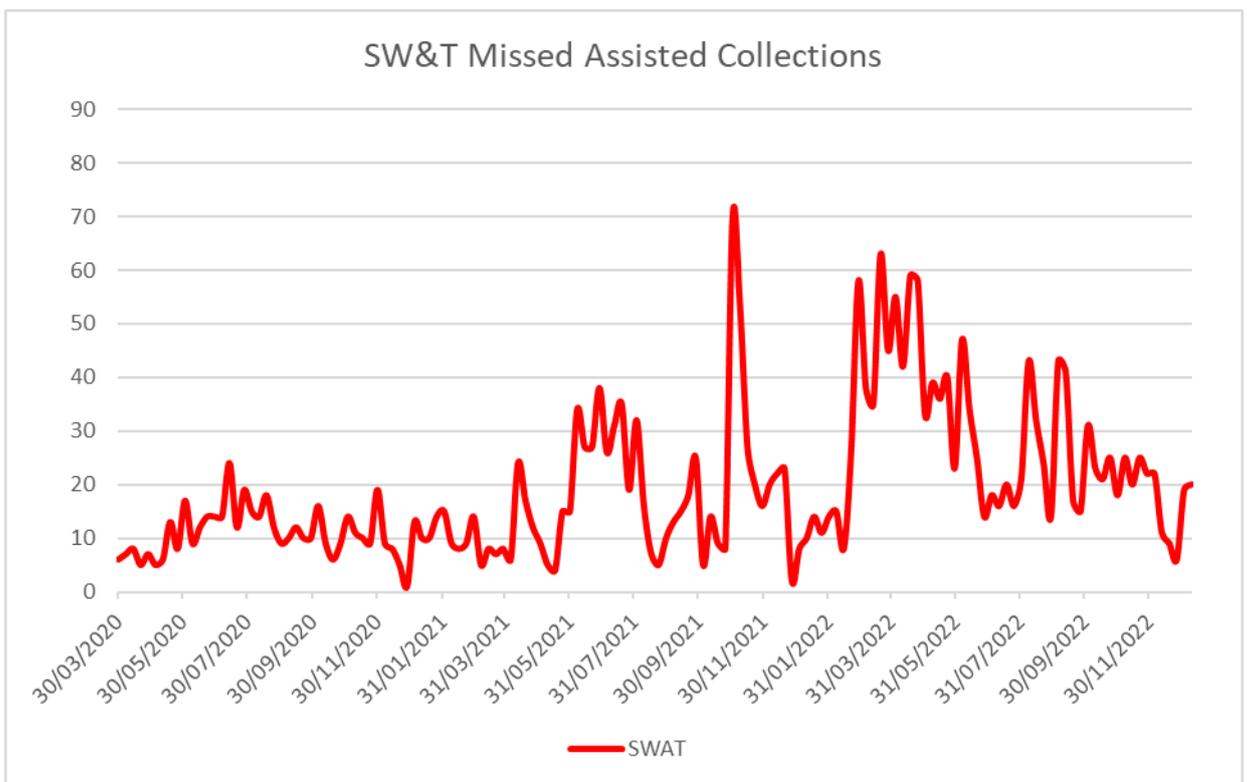
3.3. Missed Assisted Collection

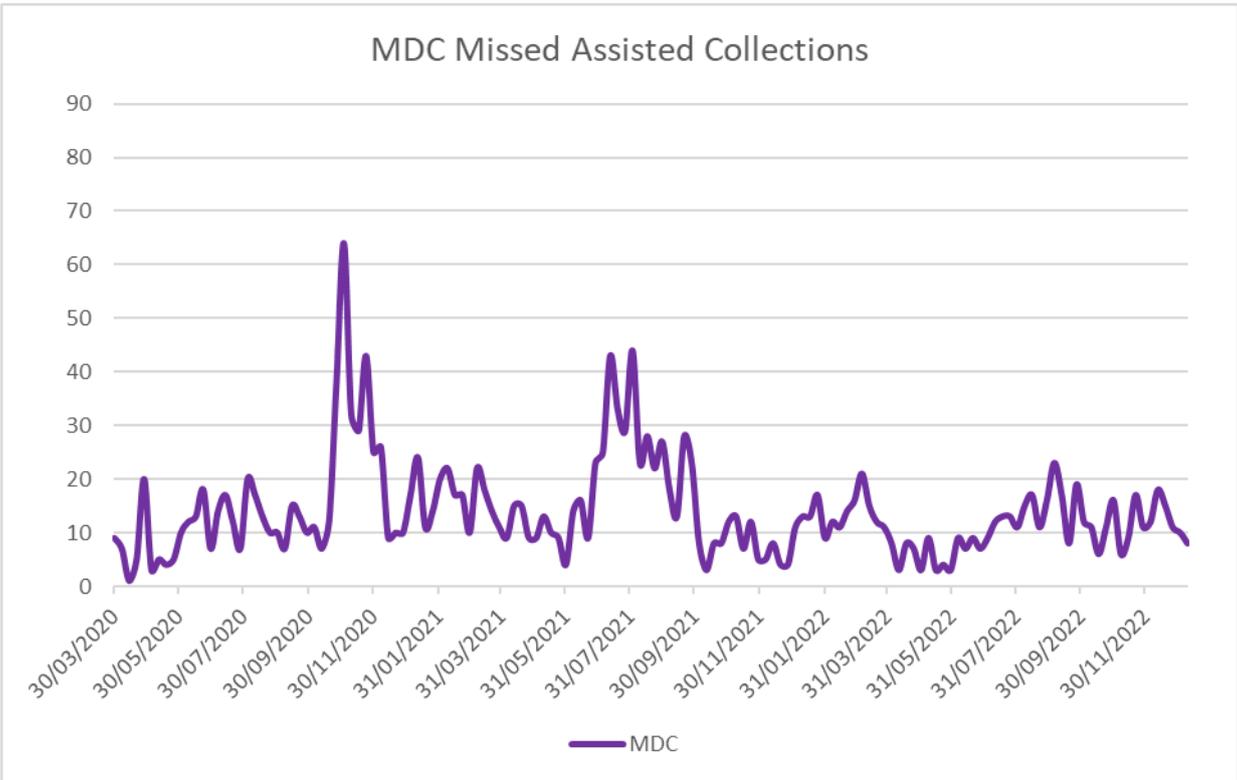
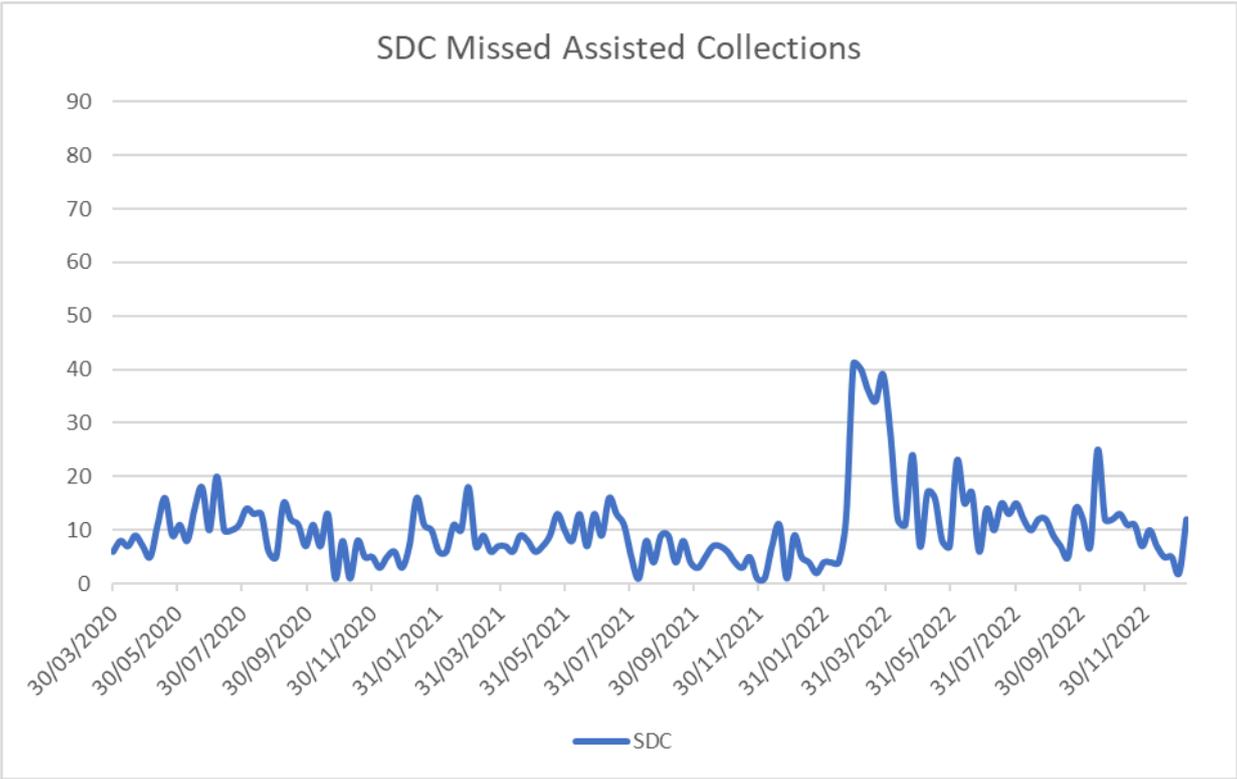
- 3.3.1. Residents that cannot manage to get their waste to the kerbside because of ill health or infirmity are entitled to an assisted collection
- 3.3.2. There are just over 10,000 properties that have registered for an assisted collection. Details of assisted collections are stored on crews devices where crews have to provide confirmation of collection
- 3.3.3. 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.
- 3.3.4. 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.

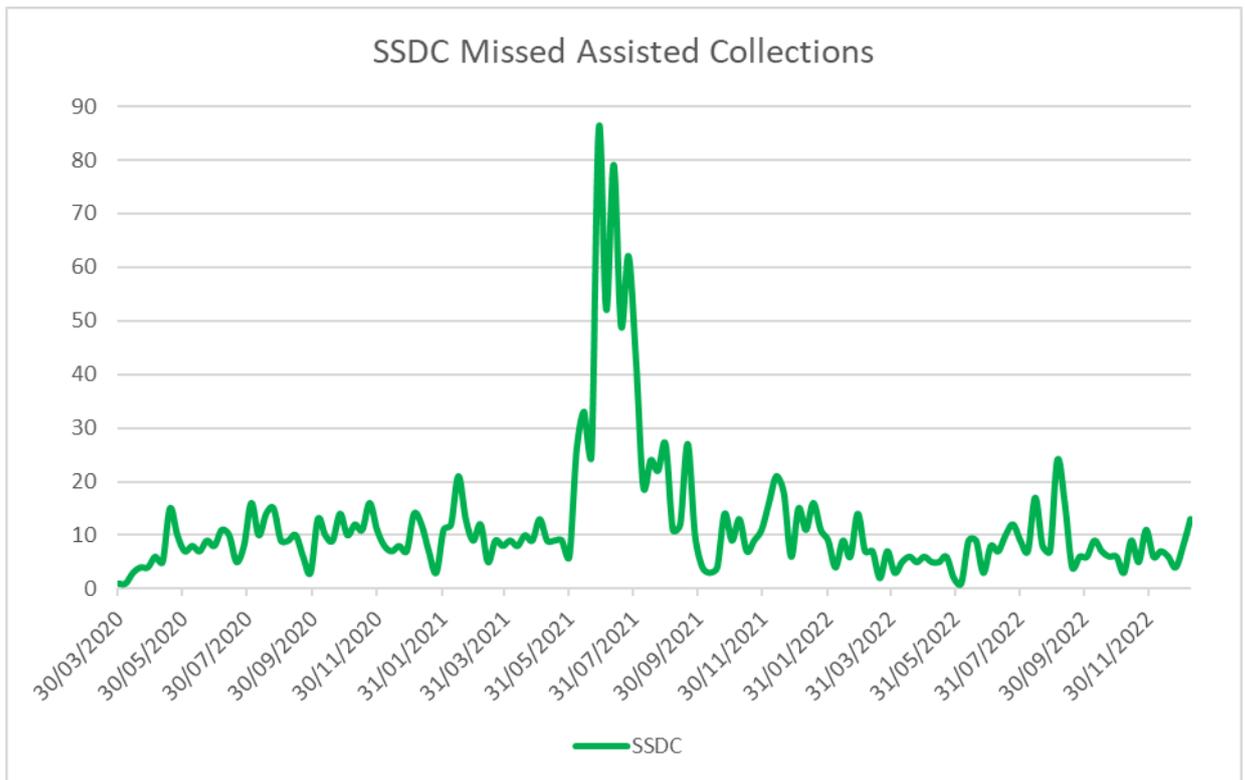
Graph 2 Missed Assisted Collections



Graph 3 Missed Assisted Collections per week per District







3.3.5. 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.

3.3.6. Improvements were noted during the reporting period particularly in SW&T and SDC

3.4. Repeat Missed Collections

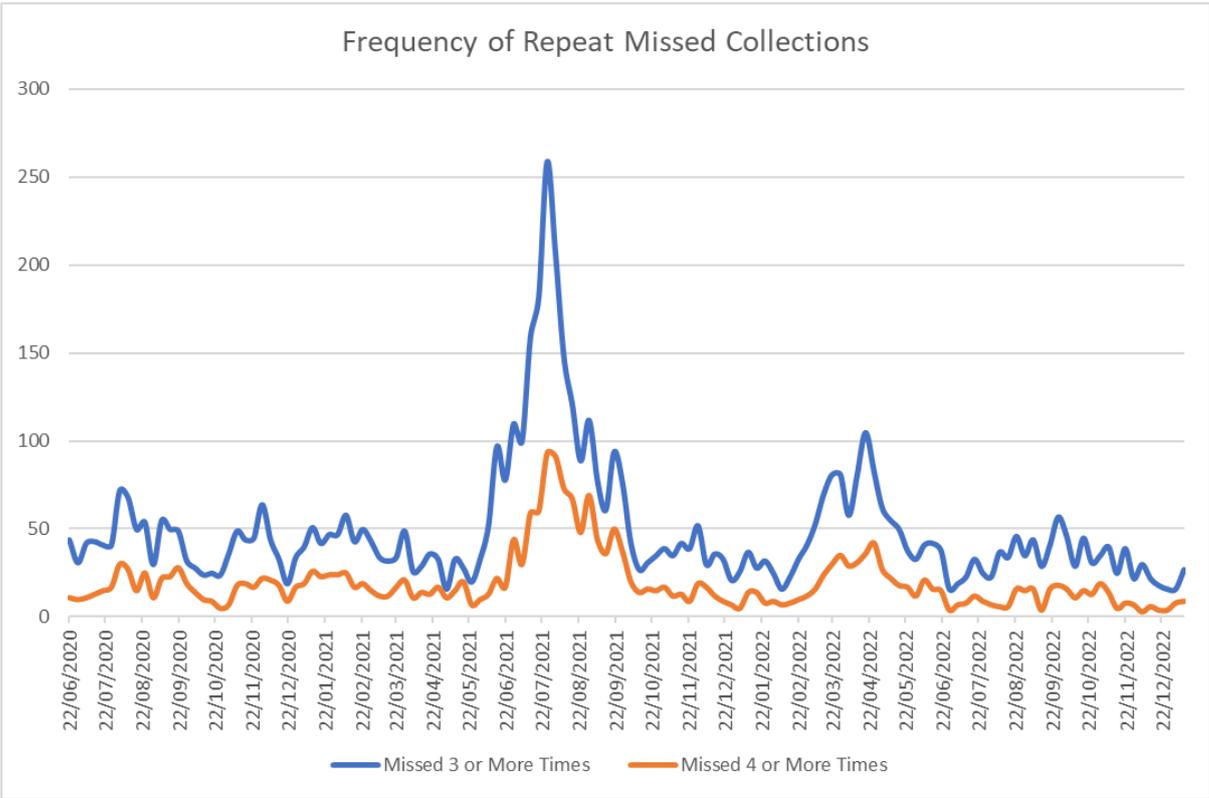
3.4.1. In a contractual context repeat missed collections are missed collections that have been missed more than once in a rolling quarter. This is a (rightly) high bar but a difficult metric to achieve and the deductions on repeat missed collections are significant, providing a strong financial incentive for SUEZ to improve this – something they are committed to.

3.4.2. 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. We expect this improvement to be deployed in Qtr 2 2023, this has now been fully specified with both Suez and SWP developers and are in process of building this wit.

3.4.3. 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.

Graph 3 Frequency of Repeat Missed Collections



3.4.4. There have been some success stories, particularly in the east of the county where Recycle More was deployed early on in the change process

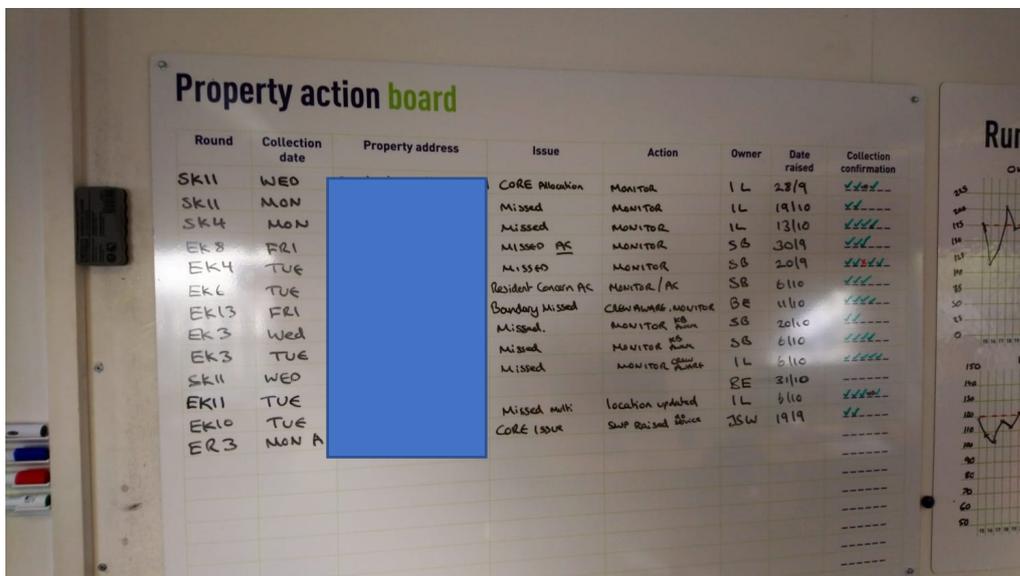
allowing Suez to focus on culture change and embed a performance culture within the depots. Within both MDC and SSDC we have seen an ongoing and lasting improvement in repeated missed collection performance, and we are working with SUEZ to see this replicated across the contract and maintained.

3.5. Complaints

3.5.1. 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

3.5.2. 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



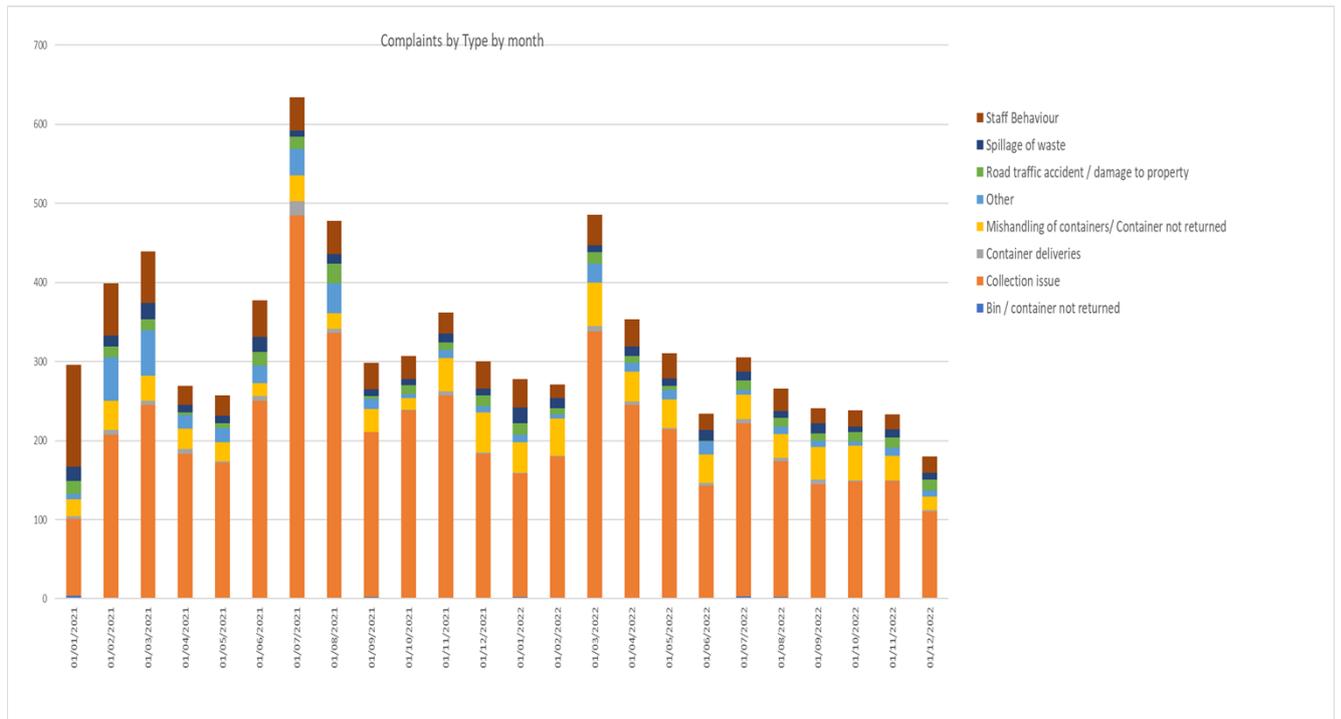
3.5.3. Suez supervisors are being put through customer service and complaints handling training

3.5.4. 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.

3.5.5. Complaint performance in the period is strong and has shown the best complaint levels since contract commencement.

Graph 4 Total Complaints by Month



Graph 5 Complaints by District Area

