

Public Document Pack

NORTH HERTFORDSHIRE DISTRICT COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

TUESDAY, 18TH SEPTEMBER, 2018

SUPPLEMENTARY AGENDA

Please find attached supplementary papers relating to the above meeting, as follows:

Agenda No	Item
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| 9. | <u>INFORMATION NOTE: MOBILISATION OF WASTE, RECYCLING AND STREET CLEANSING CONTRACT</u> (Pages 1 - 42) |
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To receive an Information Note entitled Mobilisation of Waste, Recycling and Street Cleansing Contract.

Some information will be clarified at the meeting.

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**OVERVIEW AND SCRUTINY
18 SEPTEMBER 2018**

***PART 1 – PUBLIC DOCUMENT**

**TITLE OF INFORMATION NOTE: MOBILISATION OF WASTE, RECYCLING AND STREET
CLEANSING CONTRACT**

INFORMATION NOTE OF THE SHARED SERVICE MANAGER, WASTE AND RECYCLING

EXECUTIVE MEMBER – WASTE MANAGEMENT, RECYCLING AND ENVIRONMENT

PRIORITY - RESPONSIVE AND EFFICIENT

1. SUMMARY

1.1 The purpose of this report is to provide information and evidence to the committee regarding the mobilisation of waste, recycling and collection services from the start of the new contract in May 2018. This report will outline the issues which have led to service failures, identifying current risks, work undertaken to improve service standards and ongoing work and limitations.

2. INTRODUCTION

2.1 NHDC and EHC procured a joint waste, recycling and street cleansing contract which went live on 6th May 2018 and resulted in a change of contractor. The contract covers approximately 121,700 households and 220,000 collections per week across approximately 4300 streets. The waste collection service comprises of the separate collection of residual waste, dry mixed (commingled) recycling, paper, textiles, batteries, garden waste (for subscribers) and food waste.

2.2 The impact on the individual collection streams has been different. Missed collections have been higher across all services with the majority of collection issues relating to garden waste and food waste services. Residual waste collections have been least affected, followed by dry mixed recycling, albeit that we had problems with the collection of textiles and batteries on some collection rounds.

2.3 Week 1 of the new contract created some difficulties for EHC with some of the hire fleet being incompatible with landfill manoeuvres. This led to multiple breakdowns and delays to collections through the first week.

- 2.4 Weeks 2 and 3 saw these problems settle down for EHC but new problems arise for NHDC. The contractor Straight Ltd failed to deliver all the 231 caddies and this was not identified until the end of the delivery schedule. This led to around 900 properties beginning the food waste service without caddies.
- 2.5 The data load of garden waste customers into the Whitespace Powersuite system (the software package which runs and monitors collection services) was inaccurate. This was due to mismatches between addresses inputted by customers and the National Land and Property Gazetteer database and how the matching process was set up.
- 2.6 By the end of Tuesday in Week 2, the phone systems in North Herts were crashing due to the number of calls coming in about missed bins. Identifying the properties with missing data was pain staking and time consuming and initially we were unaware of what had caused the errors.
- 2.7 It was initially believed this affected 1500 properties but call volumes suggested the problem was likely greater. The decision was taken to reload the data and undertake a property matching exercise manually to correct incorrect addresses. The majority of these data issues were resolved on 7 June 2018.
- 2.8 By week 3 it was also clear that food waste collections were problematic with large numbers of missed streets being identified, crews worked on the Saturday of that week to catch up but collections the following Monday demonstrated that the 'collection' problems were more than just crews and agency staff getting used to new collection rounds. Some imbalance in collection rounds was identified and Urbaser put in manual round changes to improve this over the following weeks.
- 2.9 The use of in-cab has been temperamental mainly due to the hire fleet not always charging units effectively. As the permanent fleet has been gradually delivered, the reliability of the in-cab units has improved. All crews were issues with paper 'back up' round information should they find the in-cab stopped working. The short mobilisation period impacted the delivery of permanent vehicles. See section 4.2.3 for further details on the mobilisation period.
- 2.10 Additional administrative staff were brought in by Urbaser to help manage contacts in week 3 but there were additional impacts of residents using online forms to log missed bins. These currently don't automatically link to Whitespace so create an email, which then has to be manually entered into Whitespace we are finding a good percentage of these would not be entitled to have missed bins collected, either they haven't paid, weren't due a collection or were out of time reporting. By the end of week 3 the client team were informed that there was a backlog of 2000 outstanding emails.
- 2.11 Collection problems improved slightly, however during week 9 it was evident that unrest amongst staff was leading to further disruption to collections. Further additional resource in terms of supervision, administration and collection staff were added into the contract to try to alleviate the problems and improve resident contact.

- 2.12 Ongoing analysis of missed collections has identified that collection staff require more training in the in-cab systems in order to ensure that they full identify the properties requiring collections. Work is currently continuing to look at whether improvements can be made to the in-cab systems to ensure that sub streets, courtyards and flats can be viewed more simply in the system.
- 2.13 A lack of knowledge of rural collection locations has been a problem for some properties and the client team and Urbaser management team are continuing to work on ensuring collection staff have sufficient information about how to access and find the properties.

3. STEPS TO DATE

- 3.1 This information note is provided at the request of members of the Overview and Scrutiny Committee at the meeting on 12th June 2018.
- 3.2 Unanswered questions have been collated from the above meeting and will be answered as part of this report, giving consideration to the ongoing nature of some service failures. Answered questions are provided in Appendix A.

4. INFORMATION TO NOTE

- 4.1 At the meeting of overview and Scrutiny on 12 June 2018 Members requested additional information regarding the service failures being experienced by residents in particular relation to garden waste and food waste collections. Responses to questions from that meeting which were outstanding are below:-
- 4.2 What can the Council do to ensure that the public has faith in its ability to deliver future large scale contracts / projects?**
- 4.2.1 The entire project has been managed by a team of experienced officers from NHDC and EHC as well as oversight being applied by the Project Board. Both the officer team and Project Board have continued to review the risks associated with the role out of new services at the start of a new contract. In any project it is not always possible to foresee the full impact of all risks.
- 4.2.2 Joint contracts for major services present unique challenges that are not relevant to large scale projects where only NHDC is the commissioner. Ensuring the public has faith in large joint contracts with other Councils could mean that we risk assess the amount of time we set aside for negotiations and discussions with partnering Councils and Members and any additional delay which may result as a consequence of decisions being 'called in'.

- 4.2.3 The reduction in the mobilisation period of the contract from 1 year to 5 months has played a significant part in the progression of the mobilisation of the contract. The majority of this reduction was due to a change in the requirements of the specification to include garden waste charging and a change in the customer service requirements.
- 4.2.4 A key learning point from the procurement of this contract is ensuring that the impacts of any delay on future projects are fully explored and understood. This is particularly important for service related contracts where a seamless transition is required on a set date and where a delay can not impact on service start date.
- 4.2.5 SIAS will be undertaking an audit during this financial year of the contract procurement and management. The Council will review any findings from the audit and ensure these are considered for future projects.
- 4.2.6 Overview and Scrutiny were provided details of the procurement evaluation model in September 2017 and scrutinised the decisions surrounding the award of the contract on 9 October 2017 and 8 November 2017.
- 4.3 Why did the Council not spot earlier that the process of paying for brown bin services was not operating effectively?**
- 4.3.1 Officers identified that there were elevated numbers of contacts and service problems within two days however the causes of the problems were not initially identified predominantly due to staff prioritising responding to complaints and reduced staffing levels in the client team.
- 4.3.2 The cause was twofold and in part related to residents providing address details in a bespoke manor, with the payment system not linking to the corporate addressing system. Mandatory fields were added to improve the address data collected but this did not help where residents misspelt words or mistyped postcodes. This was particularly problematic for the corporate system for taking payments which was used in addition to the online payment portal provided by Urbaser. The 'kiosk' was used for cash payments and card payments by residents visiting the DCO, residents were able to add a payment for the service with very little information attached regarding where the service should be provided.
- 4.3.3 The second problem with the data load related to how the matching was undertaken and how many address fields were used to match data. For example some errors occurred where there was more than one street of the same name in the district.
- 4.3.4 The short mobilisation period (which included the Christmas holiday period) significantly impacted on the amount of time available for the payment systems to be set up in time for payments to be taken from 5th February. Any delay in the implementation would have negatively impacted on the number of residents who signed up for the service.

- 4.3.5 It is not yet clear why the data loading errors were not sufficiently identified at the time of the load and why they were only discovered later. The client team is in ongoing discussions with Whitespace and Urbaser to identify why loading errors were not identified.
- 4.3.6 During the mobilisation of any contract there is a significant amount of work required for a client team in continuing to get a contract fully operational. This work was and is, still ongoing with staff having to balance the expectations of the public with their responsibilities towards managing the contract. The short mobilisation time meant that a full compliment of reports had not been set up and tested at contract start.
- 4.4 What might the Council do in response to complaints that payments were made for a brown bin collection service that was not delivered as advertised in the initial month?**
- 4.4.1 Officers are responding to all complaints coming into the service, either by telephone, email or letter. The majority of residents received a service. A further proportion of residents received a service which was delayed due to missed collections caused by data problems.
- 4.4.2 A smaller proportion of residents (487 or 1.8% of the 27215 customers) have experienced more than one missed collection for garden waste up until the end of August, these are being investigated to determine the causes. In most instances these relate to initial data loading issues, crews unfamiliarity with collection locations, particularly in rural areas, an imbalance of work on collection rounds and some staff behavioural problems.
- 4.4.3 The normal process for the management of missed bins is that a resident is able to either report direct to the Urbaser helpdesk by telephoning the Freephone 0800 number, by emailing the Urbaser team or by completing an online form, which is subsequently emailed to Urbaser. The client team is aware that residents found difficulty with all of these channels of communication which was a consequence of the volume of contacts being received.
- 4.4.4 In addition the client team also began to receive direct contacts regarding missed bins, due to the volume of contacts being received by the waste client team, vacancies in the team and planned annual leave due to the summer holidays complaints are not being responded to within 10 days. The auto-response being sent by the Council has been adjusted to reflect this.
- 4.4.5 The client team are also responding to a large number of complaints regarding single missed bins. It is not usual for a single missed bin to be considered as a formal complaint however it is clear that the expectations regarding the service standards are high. In particular, regarding the charged garden waste collection services.

4.4.6 The Council took immediate steps to mitigate the disruption to residents in the initial month and one such step was to collect all brown bins until the Council had resolved the data issues between Whitespace and the garden waste payment portal. This took place over a two week cycle.

4.4.7 The Council also held additional meetings with the contractor to discuss options from improving service standards and included discussions regarding the management of missed collections. Following these discussions, the contractor increased resources to assist with catching up on missed collections. However, it is appreciated that this has not yet resulted in the whole District receiving a good service. Going forwards, the contractor is maintaining the additional resources until it is clear that a good service can be provided within the tendered resources.

4.4.8 Table of Additional Missed Collection Crews

Week Ending	Mon	Tue	Wed	Thu	Fri	Sat
13.05.18	BH-0	3	3	3	3	0
20.05.18	3	3	1	1	1	1
27.05.18	3	3	1	1	1	1
03.06.18	2	2	1	1	1	2
10.06.18	2	3	2	2	2	1
17.06.18	3	3	2	2	2	2
24.06.18	3	2	2	2	2	1
01.07.18	3	3	1	1	1	1
08.07.18	3	3	2	2	2	2
15.07.18	3	3	2	2	2	2
22.07.18	3	3	2	2	2	3
29.07.18	3	3	2	2	2	3
05.08.18	3	3	2	2	2	1
12.08.18	3	3	2	2	2	3
19.08.18	3	3	3	2	2	2
26.08.18	BH- 0	4	4	3	2	0

4.4.9 A significant proportion of staff are proactively supporting the management team by undertaking additional overtime to rectify and catch up missed collections swiftly, this has amounted to, on average, approximately 290 hours per week.

4.4.10 Recruitment of permanent staff has been undertaken by Urbaser and additional permanent staff have been in post since early September.

4.5 Could consideration be given to putting back the start of the 2019/20 payment period by perhaps a month to reflect this delay?

- 4.5.1 This decision remains a decision for Cabinet. The Council is aware of calls for compensation and is currently considering all options and a decision will be made once the full extent of the disruption is known.
- 4.5.2 2267 properties out of 27215 (8.3%) customers experienced one or more missed garden waste collections between the start of the contract and end of July 2018. The majority of missed collections were rectified before the next collection however the data is not accurate enough to provide full details on these figures.
- 4.5.3 There are considerable costs to the Council should an extension to the service period be considered. These relate to both administrative costs in relation to updating the IT system for any extension. Or administrative costs associated with investigating individual claims if this was considered and the loss of income for providing a free service for a period or the cost of providing refunds.
- 4.5.4 There would also need to be consideration of the potential for additional communication costs to inform residents of any decision regarding an extension to the initial service period.
- 4.5.5 The cost of an extension per month to the 19/20 budget would be £90,700 based on current membership of the scheme.
- 4.5.6 The provision of the garden waste service is regulated by Chapter 4 of the Consumer Rights Act 2015. In particular, section 56 sets out a consumer's right to an appropriate price reduction. This right arises where the provider has failed to perform the services with reasonable skill and care and within a reasonable time. A right to a reduction is only available where a consumer cannot require repeat performance or there is a failure to provide repeat performance within a reasonable time.
- 4.5.7 Section 52 (3) of the Act confirms that a reasonable time is a question of fact. Unfortunately there is no further detail on what facts may be taken into account and the weightings for relevant factors. There are many relevant factors which have impacted the frequency of collection including, but not limited to, weather, staff absence and data issues. The Council has dedicated significant time and resources to ensure that bins are collected as quickly as possible and that hotspots are given specific attention. Given this background, it is not clear that any refunds are due under the legislation but there are no legal barriers to extending the current payment period in recognition of the disruption to residents.

4.6 Given that there was a known risk of Veolia employees not transferring to Urbaser, what steps did the Council take to ensure that significant local knowledge had been captured should this risk materialise and operatives no longer turn up for work?

- 4.6.1 Vacancies within the transferring team were in part as a result of a lack of recruitment by Veolia rather than staff not transferring. Access to staff was extremely limited prior to the contract start. Under TUPE legislation Veolia were required to provide a list of employees 21 days prior to the contract start. A training day was held on 5th May 2018 for North Herts staff, this was the clearest picture that Urbaser had of the staff likely to transfer to their employment on 6th May 2018. 19 employees did not transfer from the original list provided by Veolia, however 5 additional staff turned who were not on the original list. These vacancies were managed by contingency resource planned at the start of the contract. It should also be noted that the North Herts Contract Manager did not transfer from Veolia.
- 4.6.2 All paper copies of existing work were provided by Veolia and the IT system operated by Veolia containing all contractual work and round data was transferred to the Council.
- 4.6.3 The client team undertook partial random checks of the data provided to ensure paper copies and IT systems matched.
- 4.6.4 Some of the Veolia management team transferred and all of the customer service/administrative team transferred all of whom had a vested interest in ensuring that the transfer of data was provided.
- 4.6.5 The local knowledge of individual crew members can never be fully accounted for. Experienced staff have been spread across services in an attempt to ensure as much local knowledge is shared as possible.
- 4.6.6 An IT system will never fully capture local knowledge and where collection custom and practice is outside of our collection policies the client team will be working with Urbaser to change these. For example where collection staff undertake collections which are not close to the access points for vehicles and staff are performing unnecessary manual handling of bins and where vehicle movements pose a health and safety risk.
- 4.6.7 With a change in service it was necessary to employ new staff and agency staff to cover the new collection services and although existing staff have helped to provide an understanding of collection routes and locations it has not been possible to fully capture this for all areas, by swapping staff between services. This meant the newer garden and food waste rounds suffered the most from this lack of knowledge.

4.7 What arrangements were in place to ensure that those who did not get the brown bin information leaflet were able to avail themselves of the early bird rate for brown bin collection?

4.7.1 We only have anecdotal information regarding residents who did not receive the early bird leaflet. The majority of complaints of the nature were found to have received a delivery to the street, which was demonstrated through the distribution company providing satellite tracking trails. Where the tracking from the delivery company demonstrated a delivery error these residents were offered the early bird discount up to the start of the service.

4.7.2 There is always the risk that unaddressed mail will be treated as junk mail by residents and consequently additional information was provided through the local press, social media and Outlook magazine.

4.8 Does the Council know how many properties did not receive the initial information leaflet regarding brown bin collection changes?

4.8.1 No, all properties where we confirmed delivery was not made were either provided with a delivery of the leaflet or later offered the early bird discount. The letters delivered were not addressed individually and unfortunately it is likely that some households treated the letter as junk mail.

4.8.2 The delivery company used, D2D, is the same company used to deliver Outlook to the residents of North Herts. They are therefore experienced in delivering to the district and recall rates of residents receiving Outlook are high. In addition the company uses tracking devices to monitor the progress of deliveries, this enabled checks to be undertaken across the district to ensure delivery was undertaken in all areas.

4.8.3 In addition to the leaflet to every household, residents also received information to the door in Outlook magazine. Extensive publicity was undertaken on Facebook and Twitter as well as related articles in the local press.

4.9 When the Council tenders for work, where is the tipping point between efficiencies needed and the contractor negatively impacting on terms and conditions of staff?

4.9.1 Social Value is assessed in every tender, so far there have been no terms and condition changes for staff. An entire method statement was dedicated to the provision of information regarding staff resources and this was considered and scored in accordance with the published evaluation model. This evaluation model was provided to Overview and Scrutiny in September 2017.

- 4.9.2 Section 17 (5) (a) of Local Government Act 1988 states clearly that staff terms and conditions may not be evaluated or considered in the tender process. Essentially, this means that the Council could not include any award criteria in the tender regarding staff terms and conditions. The Council was also unable to include any specific requirements regarding staff terms and conditions in the contract or the service specification.
- 4.9.3 At contract commencement, it should be considered that there is usually no trade off between efficiencies and impact on terms and conditions because TUPE requires staff to transfer on the same terms and conditions. Rather; efficiencies are generated through economies of scale, procurement strategy and careful consideration of our requirements i.e. what services are suitable for output based specifications and giving bidders appropriate levels of freedom to innovate. I.e. not prescribing the number of vehicles and hence more freedom for route planning.
- 4.9.4 'Custom and Practice' of staff finishing earlier than their contracted hours is a historical inevitability of practices which have not been evolved since the Veolia contract was let in 2002. Changes in some custom and practice is an inevitable part of seeking working practice efficiencies and modernisation of collection services, for example the requirement for staff to use in-cab technology rather than paper based recording systems. However the lengthening of the working day has not been as a result of changes in staff resourcing levels but changes to the collection services required by the Council.

4.10 When the Council logs missed bins, where are they logged?

- 4.10.1 The majority of waste calls have historically been managed by an outsourced call centre provided by the waste collection contractor. However when a missed bin report is logged by a Customer Service Operative at NHDC they have been logged on the Councils Achieve Service customer relationship management (CRM) system, this auto-generates an email to Urbaser (and previously did to Veolia).
- 4.10.2 In recent weeks the Customer Service team at NHDC have been logging missed bins direct into Whitespace the waste management IT system to speed up the response times for missed bins. This is a temporary measure, long term Urbaser are required to fully manage call handling on behalf of the Council for waste, recycling and street cleansing.

4.11 What is being done to ensure that individuals' expectations are met in the future?

- 4.11.1 It is important that the Council is clear on whether resident expectations are reasonable in all instances. For example if Council policy regarding reporting timeframes or contamination in bins is not adhered to this can have financial implications for the Council.

- 4.11.2 The number of unjustified missed collections logged has significantly reduced in the Urbaser contract and this is as a direct consequence of having insufficient capacity to check all reports made.
- 4.11.3 The client team are proactively responding to complaints and are using the Performance Management Regime built into the contract to encourage improved performance from the contract.
- 4.11.4 The client team have had limited resource available to proactively monitor collection services but have been undertaking additional audit sampling on a random basis of certain aspects of the service to determine if improvements are being seen.
- 4.11.5 Information is being passed to the public via the press, our website and social media when this has been agreed. However where services are not showing signs of improvement we have not provided more updates.
- 4.11.6 The complaint handling timescales have been removed from the auto generated responses as we are unable to provide confidence to residents about when these will be responded to. Details of formal complaint numbers are provided in Appendix D.

4.12 What percentage of issues experienced was related to rectification?

- 4.12.1 The data held by the Council is unreliable in this respect. A rectification is raised at the request of a resident or a client officer. We are aware that in many cases multiple missed bins reports have been made for the same missed bin. There is no way to differentiate this in the IT system, without a manual check of each individual record. There is no resource to undertake this level of detailed work.
- 4.12.2 Where the client team are made aware of rectifications which are not completed there are mechanisms to manage this within the Performance Management Regime.

4.13 Should and how might the Council have been more hands on in managing the transition from Veolia to Urbaser?

- 4.13.1 A significant issue with this procurement was the time contractors were given to mobilise the contract. The longer the mobilisation period the more checks can be undertaken by both the contractor and the Council. In addition a longer mobilisation period would have ensured the fleet was ready for day 1.
- 4.13.2 The contractor was restricted in it's access to staff whilst not in their employment and the Council intervened to encourage better communication and access to staff by the outgoing contractor.

- 4.13.3 The Council receives a detailed method statement from the contractor regarding mobilisation which is assessed as part of the quality assessment. The Council would need to ensure that it does not assume the roles and responsibilities of the contractor during mobilisation as that could potentially absolve the contractor of liability and/or cause confusion. Therefore there is limited scope for the Council to be hands on particularly regarding the transfer of staff which is exclusively a matter between the outgoing contractor and the new contractor.
- 4.13.4 Given the restructure and resources in the client team there is little that the Council could have done to manage the transition. Councillors should be aware that we had a number of staff leave the client team during mobilisation which also impacted on the available resource to support Urbaser.
- 4.13.5 The transfer and management of staff is solely the responsibility of the contractor and not something that the client team would involve themselves with. Other than to understand how the management of the transition would be handled which was presented as part of the bid information.
- 4.13.6 Officers from the client team did attend the welcome meetings for staff to ensure there was an understanding of the training and the introduction being provided to staff.
- 4.13.7 All collection round data held in the existing Whitespace IT system was transferred as part of mobilisation of the contract and consequently the same round set up has been the basis of the new collection rounds for food and garden waste. The maintenance of this data was the responsibility of Veolia and subsequently is the responsibility of Urbaser.
- 4.13.8 As stated in 4.6.3 above the client also undertook independent checks of the data provided by Veolia to Urbaser to provide some assurance of the accuracy. Given the size of North and East Hertfordshire these data checks were samples only, focusing on areas of known risk.
- 4.14 There was a significant issue with communication to the public. Can the Council ensure that effective methods of communication using as wide a range of methods as possible are used to reach the maximum number of residents when future communications are required?**
- 4.14.1 Extensive resident communication took place prior to the roll out of the garden waste service, this is demonstrated by the number of residents participating in the scheme over and above the indicated numbers expected from the public consultation.

- 4.14.2 With regards communication since the contract has started, whenever the Communications team received information regarding missed streets, this was posted on to the website and linked to via social media with updates whenever we became aware that streets had been recollected. However, we are reliant on the information given to us and sometimes we were not consistently made aware of missed streets and / or where recollections had taken place. The communications team did however post statements and general advice to residents regarding missed collections on the website and on social media at every available opportunity.
- 4.14.3 Where collection service failures relate to individual properties or where information on areas which have not been completed has not been fully communicated between collection staff and the Urbaser management team we cannot be fully sure of services which do not complete and the client team rely on further checks the next working day with Urbaser Supervisors checking streets where data is not completed on in-cab systems.
- 4.14.4 Updates were provided to Members and parish Councils via MIS and will continue to be provided when new information is available.
- 4.14.5 The Waste Awareness Officer role has been removed from the client team structure with some of these responsibilities being covered by the Service Development and Support Officer roles. During mobilisation two of these posts were vacant, leading to communication pressures. The final vacancy in this job role was only filled on 3 September 2018.
- 4.14.6 The voluntary redundancy of the Service Development Manager as part of the client team restructure prior to contract start also impacted on the capacity of the team to provide timely and effective communication. However support has been provided and continues to be provided by the Communications team in this respect.
- 4.14.7 Officers will continue to respond to contacts they receive, however the volume of contacts currently being received is not manageable or sustainable with the vacancies in the team. Additional support has been drafted in from MSU and agency staff however the volume of contacts not being responded to within 10 working days remains high.

4.15 What steps can the Council take to mitigate the blocking of the Council's and Urbaser's switchboards in the immediate future and in the longer term?

4.15.1 In order to track the number of calls coming into Veolia and Urbaser the longstanding 0800 has been routed through the Councils corporate telephone system since mid 2017. as call traffic data was never provided or made available by Veolia. The intention was to redirect this number to Urbaser from the start of the new contract as all customer contact handling would be the responsibility of the contractor under the new contract. The transfer didn't take place immediately as Veolia had disconnected the local number that the 0800 number was due to redirect to, while the number was being reinstated with BT the NHDC customer Service team agreed to continue with the call handling temporarily.

4.15.2 The operational service issues that occurred led to an unprecedented increase in phone calls causing the phone system to become overloaded and intermittently failed to play announcements and queue calls correctly. This problem had not been encountered before so a number of remedial steps were taken which included;

- Increasing the capacity of the telephones IVR system to allow more calls to queue at any one time.
- Reducing the length of IVR messages played (which are used to signpost / direct callers appropriately) to free up some additional queuing capacity. This was monitored and tweaked on an ongoing basis as it was a dynamically changing situation and it was important to use the IVR to get key messages out to residents at key times.
- Contingency phone routing was also put in place to redistribute some calls to Urbaser staff.

As it became apparent that the call volumes were not decreasing the IVR capacity of the NHDC telephone system was increased at a cost of £2,970.00.

4.15.3 The continued increased call volume meant that residents continued to call NHDC as well as and / or instead of Urbaser. The Urbaser telephone number had an answerphone facility which was filling up very quickly and once full not allowing callers to leave messages or speak to anyone in person. This facility was unmanageable and was changed on 26 June 2018.

4.15.4 Urbaser introduced a new telephone system which had a call queuing facility, allowing callers to wait in a queue rather than divert to voicemail, whilst this resolved the voicemail issue it continued to cause frustration amongst callers who were held in a queue for long periods of time due to insufficient call handling staff at Urbaser. This in turn led to a continuing increase in calls the Council directly and resulted in all lines reaching capacity and intermittently being unavailable impacting on calls in and out and affecting other homeworking staff and other service users. The decision was taken to completely remove the 0800 from the Councils phone system, with the number going direct to Urbaser. This means we no longer have detailed call related data for this number. Residents have continued to call the Council directly but the volumes have significantly decreased.

- 4.15.5 The call answering staff at Urbaser have been increased from 3 to 6 with an additional operative dedicated to emails, the delay in this happening was due to the fact that Veolia left the office at the depot in a condition that required refurbishment which had to be completed before the infrastructure could be put in place to support additional call handling staff. In addition the NHDC Customer Service Team are also continuing to provide telephone and email support within the existing Customer Service Centre resources.
- 4.15.6 In addition the NHDC Customer Service also added additional temporary staff to help assist in the logging of contacts, in particular garden waste related contacts. This additional resource was in place for a four week period during May and June.
- 4.15.7 New online Whitespace linked web reporting forms are in development. They were not implemented prior to the start of the contract due to the reduced mobilisation timeframe. It is currently expected that these will be functioning from late September. The new forms will not require the manual inputting of online reports as a log will automatically be made in the Whitespace IT system. This will significantly reduce the administrative burden of managing contacts and will become the quickest and most efficient way of residents reporting collection problems.

4.16 Additional Information Regarding Contact Handling

- 4.16.1 A large proportion of contacts were identified relating to missed collections or other requests which had not been rectified or actioned. Further investigation by the client team identified that these has not been logged on the Whitespace waste management IT system by Urbaser. The largest proportion of these related to calls taken by the NH Customer Service Team or requests logged online. Both of these contact types were being logged on the Councils corporate CRM system which generated an automatic email report directly to Urbaser.
- 4.16.2 Initial investigations involved both the Council Customer Service Team confirming that the email reports were being generated and the Urbaser management team assuring that these emails were being actioned and logged, albeit the Urbaser management team confirmed that due to the volume the logging of the contacts would often take a few days which would also often result in a further repeat contact.

- 4.16.3 More in depth investigations have identified that the volume of emails sent to the 'northhertsenquiries' email address from NHDC email accounts amounted to just over 19,000 emails from the start of the contract until 9th August 2018. Approximately 8000 of these were encrypted which caused significant delay in getting these initial reports logged. The encryption requirement was removed on put in place to comply with Data Protection rules regarding the secure transmission of personal data. Due to the high volumes of traffic and impact on processing time a decision was taken to remove the automatic encryption on 12 July, on the basis that Urbasers IT team worked with the NHDC IT team to establish a secure end to end encrypted connection.
- 4.16.4 Approximately 10,300 of the 19,000 were reports of missed collections logged either by the Customer Service Team or residents online. A further 1400 missed collection emails related to those referred by NHDC officers. 130 related to food caddy deliveries. A significant proportion of these were duplicate reports of the same missed collection. There is no way to determine what this proportion is.
- 4.16.5 This volume of emails equates to a period of 70 working days requiring on average 270 emails to be processed each working day. The highest numbers being received on the 17th and 18th May with 820 and 860 emails respectively. These figures indicate a volume which is totally unachievable for processing with the resources available.
- 4.16.6 The backlog of email correspondence was not fully appreciated by either Urbaser management or the client team until the scale of the service failures had escalated to unmanageable proportions. This was in part due to additional missed bin collection resources revisiting streets on multiple occasions where reports of problems were not being logged sufficiently quickly onto the Whitespace system by Urbaser. Further detail on collection resources is provided in 4.4.8 above.
- 4.16.7 When collection issues occur on the scale experienced over recent months. It is not possible to provide sufficient resource to fully manage all contacts within expected timeframes. The volume of contacts generated from a service which provides at least two collections to every household every week is significant when service disruption occurs. Channel shift to more online reporting in the longer term will provide more resilience once the new web forms are capable of linking and sending information direct to the Whitespace IT waste management system.

4.17 Additional Information Regarding Historic and Current Service Standards

- 4.17.1 Collection services in East Herts are continuing to run smoothly. Predominantly because services in the East did not change and collection staff are therefore established in their working rounds. East Herts collection staff have also used in-cab systems as part of the previous Veolia contract and although they are now using a different system their knowledge and use of the system is therefore more advanced.
- 4.17.2 Collection services have been affected over the summer months by the unusually prolonged high temperatures and consequently tough working conditions.

- 4.17.3 The highest number of missed collections was recorded in the week beginning 21 May 2018 at 1579. In comparison in the two months preceding the service change on average 94 missed bins were recorded per week. There are known peaks in missed collections, initially as a consequence of data loading issues on the garden waste collection rounds and in July as a consequence of crew disruption.
- 4.17.4 We are aware that missed bin data is not wholly accurate for the reporting period and is likely under reported this is for a number of reason:-
- Some residents made multiple reports relating to the same bin
 - Some reports made via the Council CSC or web were not logged on the Whitespace waste management IT system
 - Some residents were unable to get through on the phone so did not report
 - Some residents were not bothered by an initial missed collection and did not report
 - Whole streets were initially not logged as such within the waste management IT system
- 4.17.5 The inaccuracy of the data means that the Council can not be confident that the missed bin statistics are an accurate reflection of the scale of the service problems experienced by residents during the first few months of the contract. Additional resources have been put in place by Urbaser to ensure that all emails and web reports are logged and the NHDC CSC is also supporting Urbaser by logging additional calls which come through to them.
- 4.17.6 During August Urbaser have endeavoured to log some of the backlog of contacts but it still felt that this will not fully reflect the true extent of disruption. Data from September onwards will be more reliable and the client team are reviewing missed bin contacts daily to identify if collection services are improving.
- 4.17.7 Data for the first week of September indicates that the district is still experiencing missed collections in significantly higher numbers than pre contract with over 870 reported of which 38 were missed streets.
- 4.17.8 Members are increasingly being contacted regarding missed collections. In particular recurring missed collections where residents are yet to see improvements in the services. The client team are investigating the causes of recurring missed collections and feeding information back to the Urbaser management team. It is however vital that residents continue to report each specific missed collection to the Urbaser helpdesk either by using the dedicated Freephone number, the dedicated email address or by using the online reporting forms, to ensure we continue to receive accurate reports of problems within the waste management IT system.

4.17.9 As part of the performance monitoring regime additional consideration is given to any property which has experienced 2 or more missed collections from the same service in a 3 month preceding period. These properties will be receiving additional monitoring from both the client team and the Urbaser management team to help prevent recurring problems and identify problematic collection crews or other patterns to the recurring missed collections. In August there were 975 hotspot properties.

4.17.10 Reasons for Non Collection Logged by Crews

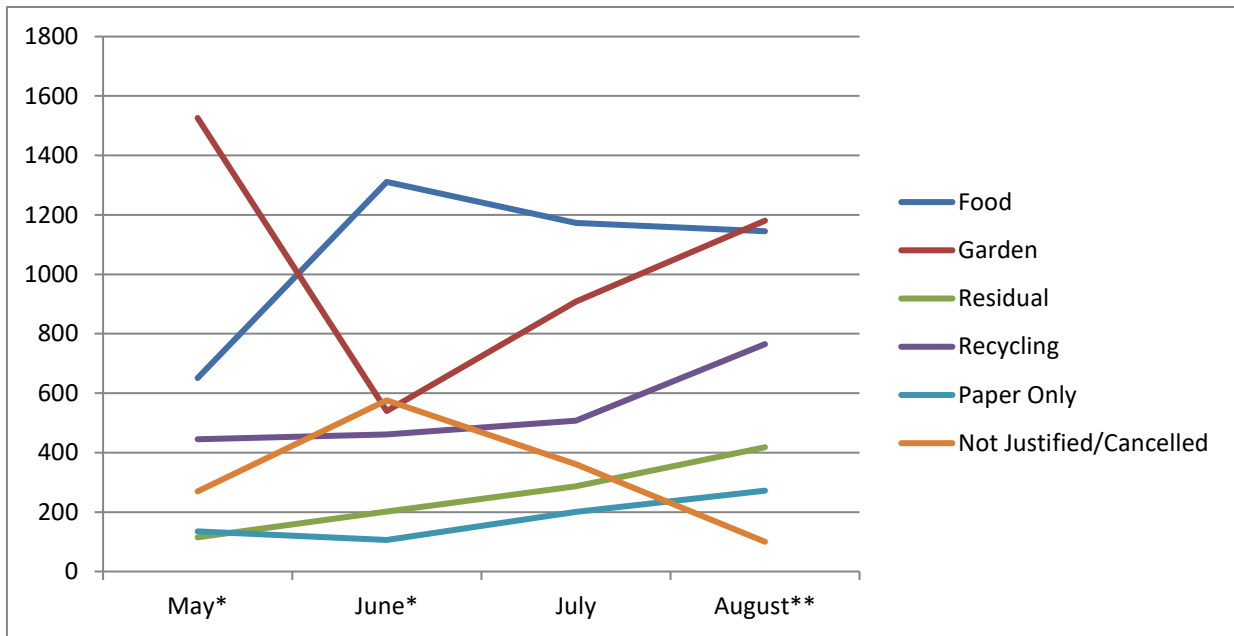
Missed collections logged as unjustified can be for a number of reasons. Some of these will have been reported by residents after the 48 hour reporting window. Others will be unjustified due to a log made by the collection crews regarding their collection via the in-cab system.

4.17.11 The table below shows in cab logged from the contract start to 29 August 2018.

Reported by Crew	Food	Garden	Recycling	Residual
Commercial Waste Presented as domestic	85	3	29	
Container Tipped into Vehicle	63	11	23	1
Contamination of container	130	28	1429	1
Damaged container-during after emptying	63	2		11
Damaged container-prior to emptying	69	4	1	5
Frozen/ Stuck in Container	63		1	
No access partial/full street	84	111	1009	113
Not presented for collection	17972	6634	5373	2661
Overweight Bin	63	33	47	26
Report of incident/confrontation/threats made	81	1	1	
Side Waste/Lid not closing	82		22	72
Totals	18755	6827	7935	2890

4.17.12 The proportions of collections represented in the above table are small in comparison to the number of collections performed on a weekly basis for each service however Members should note that the higher number of 'Not presented' food waste bins is likely to be representative of residents choosing not to participate in the collection service. As the use of in-cab develops over the coming months the client will be able to more accurately assess participation and target areas of low participation.

4.17.13 Graph to show Missed Collection Trends by Service Type



* Not adjusted for missed streets

** Not fully reconciled

4.17.14 From the 9 July 2018 IT systems were changed to enable us to track whole streets of missed collections separately. Prior to this logs were only made of individual reports a review of the individual records prior to this indicates that approximately 460 missed streets were reported prior them being logged separately.

4.17.15 An additional 3 Supervisors have been employed on the contract since early August to support the monitoring of collection services and attempt to monitor the properties experiencing repeated collection problems known as 'hotspots'.

4.17.16 In addition agency staff have been employed to support call and email handling and approximately 17 agency staff are currently employed each day on collection rounds.

4.17.17 Willing collection staff are undertaking overtime each day to catch up missed collections.

4.17.18 Additional Missed Bin Crews have been going out each day to catch up missed collections.

4.17.19 Overtime has been offered to staff willing to work on Saturdays and the table in 4.4.8 summaries the additional resource provided on Saturdays.

4.18 Additional Information regarding Contractual Mechanisms

4.18.1 Details of the Performance Management Regime (PMR) are provided in Appendix C. A review of the PMR will be undertaken by the Service Manager in line with the contract to ensure that it fit for purpose and functions as it was intended.

4.18.2 Additional provision is made within the contract terms and conditions outlining the mechanisms available to the Council to require a remediation plan for poor performance amounting to a persistent breach. The Council may also consider the ability to 'step in' and undertake the provision of services until such a time as the Council can be satisfied that the performance of the contractor can be in accordance with the contract.

5. NEXT STEPS

5.1 The Performance Management Regime was enacted on 1st August following a bedding in period for the contract. A bedding in period is usual practice for a contract of this type as a transition of wholesale services from one provider to another including a service change is complex. The client team are currently reviewing the service data for August and the Executive Member will be provided with this detail once the August calculations are completed and level of service failures agreed with Urbaser.

5.2 The PMR will then be reviewed by the Service Manager in line with the terms of the contract in consultation with legal services, the Director for Place and the Executive Member for Waste Management, Recycling and Environment.

5.3 The contract is under close review in liaison with Legal Services within the context of the whole contract. It should be noted by Members of Overview and Scrutiny that collection services in East Herts are operating to a satisfactory standard. Street cleansing operations in East and North Herts are operating to a satisfactory standard. Clinical waste collection services are operating to a satisfactory standard in East and North Herts.

5.4 Maternity cover for the Service Manager has been recruited early to enable a sufficient handover period whilst the contract is still experiencing service failures at levels which are not acceptable. The Interim Service Manager will also wholly undertake responsibility for the roll out of the route optimisation project for East Hertfordshire in November 2018 and North Hertfordshire in May 2019.

5.5 In addition additional temporary support has been recruited until mid October to assist in the management of complaints.

5.6 The Contract Officers posts which the service has been unable to recruit to will have the job descriptions reviewed and a career graded post is proposed, to aid recruitment of less experienced staff members, who can be trained in the service requirements.

6. APPENDICES

Appendix A - Questions answered at Overview and Scrutiny – June 2018

Appendix B - Call Handling Statistics

Appendix C - Performance Management Regime.

Appendix D – Formal Complaints numbers – Waste Management

7. CONTACT OFFICERS

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8. BACKGROUND PAPERS

None

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QUESTIONS RAISED DURING JUNE OVERVIEW & SCRUTINY COMMITTEE

Respondents

SM: Service Manager Waste and Recycling

Cllr MW: Councillor Michael Weeks

Questions raised by member of the public

Answered in June's O&S

- **How much planning did the Council do and why did it go so wrong?**
SM: A lot of planning work had taken place; first meeting regarding procurement started in 2014; the procurement itself took just under a year, but development of specifications and service requirements took significantly longer. The bids received during this process were examined and evaluated by officers from East Herts and North Herts as well as consultants WYG. Under the published evaluation model Urbaser were the winning bidder for performance and value for money.
- **Why weren't enough food caddies ordered for all the properties in the district?**
SM: The Council ordered enough caddies. The caddies were delivered to a storage facility, this process was managed by a sub-contractor of Urbaser; as a consequence it was found out late in the day that not all of the caddies had been delivered. New stock had since been delivered; East Herts stock had been used in the interim. Most properties had now been delivered to.
- **Why were routes not documented and shared with Urbaser?**
SM: The old contract ran on a paper based system; they had been working to try to update this to a 21st century system. A lot of information was known by the operatives, but had not been recorded, therefore this data was difficult to transfer to the new system. Existing staff had spent a lot of time updating the information. All existing data and round sheets had been transferred where it physically existed.
- **What were the issues with the data transfer?**
SM: Urbaser ran two systems, a payment system and a waste management system and the data needed to be transferred from the payments system to the waste management system; one issue identified was that residents were allowed in the early stages to input data into address fields and spelling errors had not been picked up. Some people had signed up who were not residents of the District. There had been some issues regarding boundary streets.

Questions raised by member of the public

Answer Pending

- **What can the Council do to ensure that the public has faith in its ability to deliver future large scale contracts / projects?**

Questions raised by Members

Answered in June's O&S

- **What arrangements are in place to ensure that special collection services operate effectively going forwards as there is evidence that this was not initially done? e.g. batteries, textiles.**
Cllr MW: advised that textiles and batteries should be collected and any non collection was down to the staff on the rounds and this was being managed by Urbaser. Residents are encourage to report non collection.

- **Do the Council know what length of time individuals needed to wait to have their food caddy and or bins emptied?**
SM: She had spoken to Urbaser who had reassured her that the majority of missed bins were being collected with 48 hours. The client team will continue to review this data. Urbaser had tried to provide as many rectifications as possible and would be looking at why some rectifications had not happened and improve processes. Because of delays in reporting, missed bins were not identified as a problem until day 3 by which time there were a lot of outstanding missed bins requiring significant additional resource to rectified.
- **Could NHDC learn anything from the way EHDC managed the mobilisation of the new contract?**
Cllr MW: advised that the transition in East Herts had gone fairly smoothly, however they did not opt for a chargeable garden waste service and they did not have any change in services, therefore the local knowledge was retained as collection routes did not change. The Garden Waste and food waste collections were new services for North Herts hence being affected more adversely.
- **Are staffing levels at the required level and are these staff permanent?**
*Cllr MW: advised Urbaser had the right levels of staff since day one of the contract, however a number of those had been agency staff.
The Waste Team had been understaffed and this had an impact and they were still operating with some agency staff. A lot of staff were employed to cleanse data, but with the quantity of data across both contracts checks were risk based and undertaken in samples.*
- **Is the Council looking to have a more high-tech way (than residents numbering their bin) of identifying properties that have bought into the brown bin service?**
Cllr MW: advised In-cab technology was the way that crews would identify bins for collection in future, and but putting the house number on the bins was the simplest way for staff to identify which bins to collect. This is particularly important where residents do not place bins out directly in front of their property or where property numbers can not be seen from the road. High tech solutions would delay collections and be costly.
- **Is there a formal, documented recovery plan in place to get the contract to delivery of the expected service?**
Cllr MW: advised there was not a fundamental fault with the service and the teams were currently in a rolling recovery phase.
- **What is the Council going to do to ensure that going forwards there are robust payment collection methods in place?**
SM: in respect of payments, Urbaser collected the payments, although the money was transferred to NHDC and the contract with the customer was with NHDC. The payment system was now fully functional with a fully functioning API transfer system to the waste collection system. There had only been 3 months to mobilise the payment service, which was not long enough. Next year, in respect of payments, they would focus on existing users, who would get a direct communication that payment was due and there would be some marketing, although not direct communication with residents who had not signed up for the service.

- **A significant issue was that vehicles were not available on day one. Why was there no contingency plan to cover this?**
SM: advised that the contingency for the purchased vehicles was the hire fleet. A full fleet was available on day 1. The problem with the hire fleet was that a lot of vehicles had been sent to landfill, where they received damage to the mud flaps and wheel arches and it was illegal to travel on the road without these.
Cllr MW: advised that they were under the impression that the vehicles, which had been ordered, would arrive on time, but that did not happen and was out of Urbasers hands.
- **A significant issue was that staff did not turn up on day one and beyond. How did the Council not predict this and consequently not know until after the event?**
SM: In respect of staff, TUPE transfers were always difficult, but they had held training days, which had been the last day to determine who would turn up for work, Urbaser also needed additional staff to manage the additional rounds.
- **Did the Council order the right number of food caddies and are there enough to cover replacements and provision of service to new properties?**
Cllr MW: advised that the correct number of caddies had been ordered, but a smaller number had been delivered by the supplier. The manufacturer had admitted this mistake and would be delivering the missing caddies.
In future caddies would be ordered jointly with East Herts to ensure value for money.
- **Given that there has been a change in custom and practice ways of working, could the Council not have reasonably expected staff to leave?**
SM: advised that there had been no changes to terms and conditions for staff and that there was ongoing discussion between management and trade unions regarding collection routes and working hours. Staff may be upset at round changes, but staff were expected to work their contracted hours. It should be noted that the majority of staff were on the same rounds, doing the same job. There were some staff doing different jobs because we have new different services.
- **When will the service stabilise and collection be within normal tolerances?**
SM: It is hoped that the service should be running as "business as usual" by the beginning of August 2018.

Raised by Members

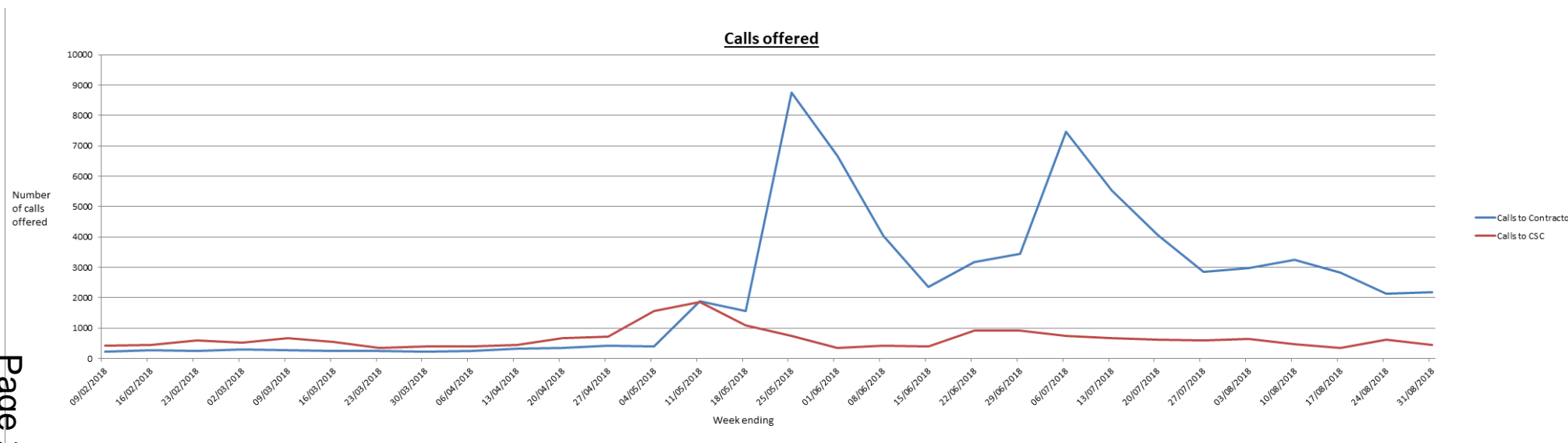
Answer Pending

- **Why did the Council not spot earlier that the process of paying for brown bin services was not operating effectively?**
- **What might the Council do in response to complaints that payments were made for a brown bin collection service that was not delivered as advertised in the initial month?**
- **Could consideration be given to putting back the start of the 2019/20 payment period by perhaps a month to reflect this delay?**
- **Given that there was a known risk of Veolia employees not transferring to Urbaser, what steps did the Council take to ensure that significant local knowledge had been captured should this risk materialise and operatives no longer turn up for work?**
- **What arrangements were in place to ensure that those who did not get the brown bin information leaflet were able to avail themselves of the early bird rate for brown bin collection?**

- Does the Council know how many properties did not receive the initial information leaflet regarding brown bin collection changes?
- When the Council tenders for work, where is the tipping point between efficiencies needed and the contractor negatively impacting on terms and conditions of staff?
- When the Council logs missed bins, where are they logged?
- What is being done to ensure that individuals' expectations are met in the future?
- What percentage of issues experienced was related to rectification?
- Should and how might the Council have been more hands on in managing the transition from Veolia to Urbaser.
- There was a significant issue with communication to the public. Can the Council ensure that effective methods of communication using as wide a range of methods as possible are used to reach the maximum number of residents when future communications are required?
- What steps can the Council take to mitigate the blocking of the Council's and Urbaser's switchboards in the immediate future and in the longer term?

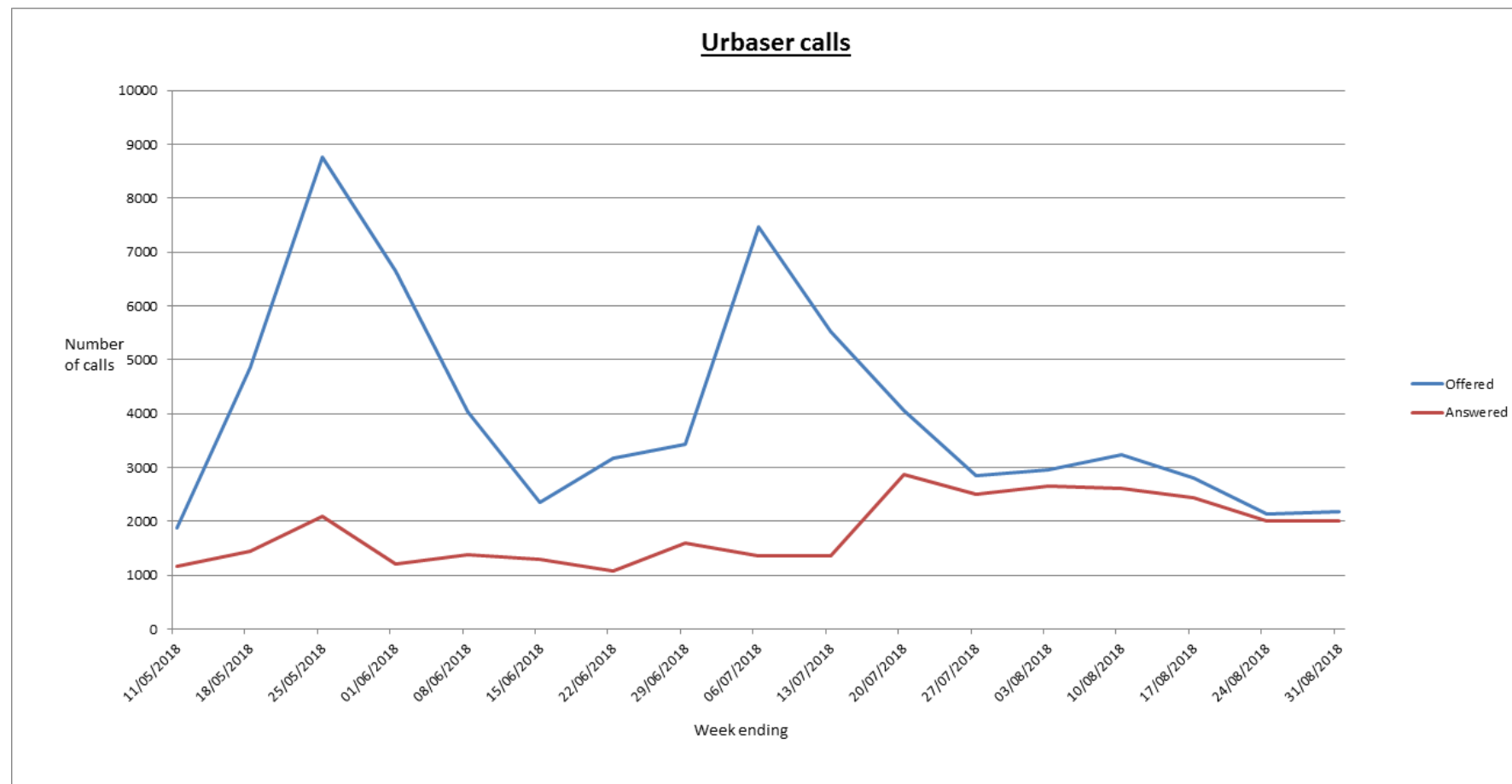
Call Handling Statistics

Calls offered per week



- Volume is of calls per week through the 0800 and 4000 numbers to the waste contractor and NHDC’s Customer Service Centre (CSC)
- Blue line showing calls to the Waste contractor and red showing calls to CSC
- Volume for the contractor is calls that have been offered to the contractor phone system.
- Volume for the CSC team between 09/02/2018 to 18/05/2018 is calls that have been offered to the CSC team.
- Volume for the CSC team between 25/05/2018 to 31/08/2018 is contact logged by CSC on the CRM system Achieve Service for Waste. It includes phone, email and face to face contacts.
- Dates shown are for the Friday of that week.
- Waste contractor started taking calls on the 8th May, however there were issues with their phone system in the beginning

Urbaser Calls



- Volume is of calls per week through the 0800 and 4000 numbers to Urbaser
- Blue line shows calls offered to Urbaser’s phone system and red line shows calls answered by their agents but will include more that have been answered by their voicemail system
- It is difficult to get statistics for Urbaser’s answer rate due to the system they use and a call minder being in effect.
- Remaining calls will be abandoned or answered by voicemail.

Performance Management Regime

1. Introduction

1.1 The Council recognises that the relationship with the Provider is intended to be a long-term partnership and does not seek to introduce punitive mechanisms. This Schedule outlines a range of abatements of the Contract Sum based on the expectations of the Council laid out in the Specification.

1.2 The quality of the Services is of primary importance to the Council as these services are delivered directly to all residents of the districts to whom the Council are accountable.

1.3 Service Failures are minor deficiencies or are those elements of Service which do not fully meet the requirements of the Specification, or where any method or resource has been stated in the Method Statements, Conditions of Contract or any other Contract instruction such as a Variation Order has not been delivered. For the avoidance of doubt Service Failure is used to describe minor defects only, examples are described in Appendix 1 to this Schedule.

1.4 The Council therefore requires a Performance Management Regime (PMR). Targets will be set and reviewed annually by the Council with the aim of providing continuous improvement in Service delivery.

1.5 In addition the PMR seeks to support the development of the Services and consequently any agreed actions will be included from the Service Delivery Plan.

1.5 The performance of the Contract will be measured:-

- i. on the basis of self-monitoring
- ii. by inspections identifying Service Failures
- iii. by contacts from Customers identifying Service Failures
- iv. by monitoring of contractual requirements and resources
- v. any other additional work reasonably required by the Council in managing poor performance

1.6 The Council set annual targets and Key Performance Indicators (KPI's) for Waste Collection Services and street Cleansing. The Provider is expected to achieve the targets set for our KPI's which are identified in Appendix 2 to this Schedule.

1.7 Poor performance generates high levels of public dissatisfaction which impacts upon the reputation of the Council, and its assessed performance by Government bodies. In turn this can limit the freedoms of the Council to act, increase the burden of reporting statutory information and reduce its ability to attract grant funding, either directly or in partnership. These Services rank among the highest in

importance to the public and poor performance causes significant media and social media activity generating press enquiries and performance reports to the Council, further increasing the Council's costs and potentially affecting the reputation of the Provider.

2. Monitoring

2.1 The following is the framework for monitoring and managing the delivery of the services outlined in the Specification and Method Statements to the Council under the Contract by the Provider.

2.2 The Performance Management Regime will be reported on and actions will be taken based on performance in each month of the Contract.

2.3 Contract progress will be measured by the Supervising Officer through:

- i. Joint inspections
- ii. Client team inspections
- iii. Customer contacts
- iv. Self-monitoring performance reports
- v. A formal monthly Contract meeting
- vi. Annual review of the Service Development Plan
- vii. Minutes and meeting records

2.4 A review meeting three months following the Contract Commencement will use data and information provided by the Provider and the Council and contained within contract management IT systems to review the thresholds and improvement targets set out in the Specification and this Schedule. At the Supervising Officers discretion the thresholds and targets may be modified or changed to ensure they reasonably reflect the expected Service standards. The initial review will be held on 1st August 2018 or as soon after this date as is practicable.

2.5 Every meeting and joint inspection will be recorded, minutes will be produced and agreed, along with any necessary action plan and programme of works.

2.6 In the event of any difference or dispute whether or not particular work has been carried out by the Provider, the decision of the Supervising Officer shall be final and binding on all Parties.

2.7 The Provider will undertake self-monitoring of its performance and make regular reports to the Council as required in the Specification.

2.8 The Council will carry out random inspections to verify the self-monitoring information and gather a range of performance data which may be used at the monthly Contract meeting.

2.9 The Council commits to undertaking 1000 random inspections on a monthly basis.

2.10 Overall compliance with the standards set out in the Contract documents will be assessed on the basis of inspection (without prior notice to the Provider) of all sites and work carried out by the Provider. Throughout each month the Council will

2.11 check that the tasks to be carried out in the provision of the Services have been completed to the satisfaction of the Supervising Officer and that the standards provided for in the Specification have been complied with.

2.12 The Provider shall provide at no extra cost to the Council, all necessary assistance to the Supervising Officer to enable the Council to carry out inspections. The Provider shall remedy all Service Failures at its own expense.

2.13 The Supervising Officer shall also be entitled to request any information relating to the performance of the Services and such information shall be supplied by the Provider within two (2) working days when request.

2.14 For the avoidance of doubt, the Council may undertake its review of performance by way of any method it considers appropriate. Such review may form part of a random process, a planned inspection or in response to Complaints.

2.15 The opinion of the Supervising Officer in assessing the satisfactory performance or otherwise of the Provider in the provision of the Services and in its application to valuing the Provider's accounts submitted shall be final and binding. All disputes will be managed in accordance with the Conditions of Contract.

3. Inspection

3.1 Overall compliance with the standards set out in the Contract will be assessed in part on the basis of inspections (without prior notice to the Provider). Inspections of work will be carried out by the Supervising Officer within one (1) working days of the Scheduled work completion.

3.2 An unlimited number of additional inspections may be programmed as a result of specific Customer contacts regarding Service Failure or deficiency.

3.3 In addition to reporting requirements outlined in the Specification, the Supervising Officer shall be entitled to request other information or data relating to the day to day performance of the Services. This information shall be provided within one working day or a Service Failure will be assumed for the purpose of the Performance Management Regime.

4. Customer Service

4.1 The Provider will ensure that at all times their employees observe high standards of Customer Service to residents of the districts, the general public and Council staff in order to promote and enhance the Council's image and reputation.

4.2 The Council will monitor the number of validated Complaints received about the Services or Provider on a monthly basis. Validated Complaints will be calculated by the Supervising Officer and validation of the Complaint shall be at the Supervising Officers discretion. A validated Complaint is defined as a Complaint as a direct result of performance, behaviour or Service Failure by the Provider which, has been determined by the Supervising Officer to have been verified or where no reasonable reason can justify the performance, behaviour or Service Failure.

4.3 The reasonable standard for validated Complaints will be deemed to be the same as the six months preceding the Contract Commencement. This figure will be reviewed on 1st August 2018. This shall form a Key Performance Indicator (KPI) throughout the life of the contract. Failure to achieve the agreed standard shall be dealt with under the Default procedure.

4.4 Validated Complaints will be monitored using the contract management system and any corporate Complaint management system operated by either NHDC and EHC and; will be reported at the Contract meeting for the preceding month.

4.5 Following a Complaint, the Supervising Officer will require the Provider to undertake a formal investigation to their satisfaction. The Supervising Officer may also undertake their own investigation to supplement information provided by the Provider. The Provider may, at the Supervising Officer's discretion, be required to provide a written report where the Complaint is:-

- i. Deemed by the Supervising Officer to be of a serious nature
- ii. About the Provider's failure to respond to notifications
- iii. About persistent failures
- iv. About inappropriate staff conduct or behaviour
- v. About breaches in health and safety 'safe systems of work'.

5. Rectifications, Default and Irremediable Default Notices

5.1 The Provider is required to rectify or remedy all deficiencies in service provision or performance at its own expense.

5.2 The Council requires a high quality service in line with the Specification. The Supervising Officer shall monitor and supervise the quality of the works in three categories of performance:-

5.3 Resources

This being the level and quality of resources used to perform the Services. Monitoring will ensure that any resources which the Provider committed to allocate to the Services (as agreed and included within the Method Statement) are actually used in its performance. Or suitable alternatives are in place and Services are performing to the required standard in the opinion of the Supervising Officer.

5.4 Management Practice and Delivery

This being the management, 'safe systems of work' and other practices which the Provider has agreed to use in performing the Services as agreed and included within the Method Statements. These may be updated as required in the interests of improving performance or safety with agreement from the Supervising Officer.

5.5 Output

This being the standard of the completed works as defined in the Specification, Method Statements or other Contract instruction such as a Variation order or, other Contract documentation and as referenced in this document (PMR).

5.6 Where the Provider fails to maintain the resource levels, or fails to follow the management practice and delivery, or fails to achieve the standards of output required, then it shall be in breach of Contract.

5.7 The Council shall be entitled to issue a:

- i. Rectification Notice (RN) or;
- ii. Default Notice (DN) or;
- iii. Irremediable Default Notice (IDN)

for each breach of whatever nature. Any notice issued shall specify the breach complained of and if appropriate, the time period within which the Council requires the breach to be remedied.

5.8 The Provider shall immediately act on any Notice by taking the steps required to either remedy the breach complained of within the time specified, together with such other steps as are necessary to minimise the impact of such breach on the overall quality of the Works. Or review and alter working practice to prevent a recurrence.

5.9 Rectification Notices

5.9.1 Minor Service Failures (normally Output failures, examples of which are listed in Appendix 1 to this Schedule) will be dealt with through the issue of a Rectification Notice detailing the location of the breach and timescales to remedy the breach. Rectification Notices will not attract a financial deduction by way of liquidated and ascertained damages, other than in the circumstances described in Paragraph 6.3.

5.10 Default Notices

5.10.1 Where the Provider fails to remedy a Rectification Notice within the specified timescale or it is not possible to rectify the Rectification Notice owing to the time elapse between the Service Failure and its identification by the Council, then the Supervising Officer will consider this a Default and will issue a Default Notice.

5.10.2 Where the Supervising Officer deems the breach to be other than minor this will be considered a Default and a Default Notice will be issued. Such breaches may be identified where:

- i. the level and quality of resources falls below that level detailed in the Method Statement and consequently the standards of Service are likely to/or have fallen.
- ii. the Provider fails to follow those processes which have been designed to control the performance of the Services and which have been included as part of the Contract by way of the Specification or Method Statement. In particular those which impact on 'Safe Systems of Work'
- iii. any Services provided by the Provider which fail to meet the standards required by the Specification and/or other Contract Documentation or Variation Order.

5.10.3 Where the Specification does not provide timescales for remedy of the Default the Supervising Officer will liaise with the Provider to agree in writing an acceptable timescale for remedy. Where there is further failure to remedy the Service Failure or deficiency or Default within the agreed timescale a second Default Notice will be issued and thereafter a further Default Notice shall be issued every twenty four (24) hours until the Supervising Officer is satisfied that the Default has been remedied.

5.11 If any deficient works are discovered as a result of the Provider's own supervision of its work, then the Provider shall rectify its breach (if necessary by performing or re-performing the deficient works) without delay and to the full satisfaction of the Council. In these circumstances, provided there is no loss or damage to the Council, then the Provider shall be entitled to be paid for the Works as if they were properly performed the first time and a Notice will not be issued. For the avoidance of doubt, the Provider agrees to notify the Council of any deficient works of this nature of which it is aware, even where re-performance is not practicable or possible, and irrespective of whether a Rectification Notice, Default Notice or Irremediable Default Notice has been issued, the Provider shall use its best endeavours to resolve the situation.

5.12 Any Service Failure or Default must be logged on the contract management system. Failure to log a Service Failure or Default will in itself be considered a Default.

5.13 Any deficiencies or Service Failures notified to; or discovered by the Provider by 12 noon will be rectified, to the satisfaction of the Supervising Officer, by the timescales set out in the Specification or, if no timescales are identified, by 10:00 the next day.

5.14 Any deficiencies or Service Failures notified to; or discovered by the Provider between 12 noon and midnight will be rectified, to the satisfaction of the Supervising Officer, by the timescales set out in the Specification or, if no timescales are

identified, by 17:00 the following day. For the avoidance of doubt, deficiencies or Service Failures notified to the Provider after 12 noon on Friday would need to be rectified by 17:00 the next day, being Saturday.

5.15 Irremediable Default Notices

5.15.1 Where the Supervising Officer deems the breach to be other than minor and it is not possible to remedy the deficiency or failure to the Satisfaction of the Supervising Officer then an Irremediable Default Notice will be served. An IDN will have the same consequence to the Provider as a Category C Default Notice.

5.16 Default and Irremediable Default Procedure

5.16.1 As a guide, the PMR operates a three stage Default model. Failure to rectify a Service Failure within the required timescales or where a breach is deemed to be other than minor, this results in a first stage Category "A" Notice.

5.16.2 Should the Category A Default Notice not be remedied within the timescales specified or should a similar reoccur within 6 months this results in the issue of a Category "B" Default Notice. Failure to rectify the same breach within 24hrs or if the issue reoccurs within a further 6 months, this will result in the issue of a Category "C" Default Notice. Further failures of the same will result in a Category C Default Notice being issued every 24 hours until the Supervising Officer is satisfied, that the Default has been remedied or alternatively that the Default is no longer relevant or present.

5.16.3 Each stage /category reflects the additional administrative and re-inspection costs incurred by the Council, such sums shall be deducted from the Provider's monthly statement following the review of performance at the monthly Contract meeting.

5.16.4 CATEGORY A - The Supervising Officer, or any other Council Officer responsible for monitoring, will have expended administration and inspection time or resource, investigating, reporting or organising the remedying of any Default therefore the deduction from the Contract Sum shall be:-

- i. £75.00 (Seventy Five Pounds Sterling) per Default. This is classified as a Category 'A' Default Deduction.

5.16.5 CATEGORY B - Where a Default has not been remedied or has recurred within 6 months the Council determines that a Category B Default Deduction will be made from the Contract Sum. The additional expended administration and inspection time or resource, investigating, reporting or organising the remedying of any Category B Default is deemed to be:

- i. £100.00 (One Hundred Pounds Sterling). This is classified as a Category 'B' Default Deduction.

5.16.6 CATEGORY C - Where the Supervising Officer determines that a Default continues to recur at the expense of the required performance of the Services, identified in any Contract documents, the Specification, or Variation Order. Then this will be deemed a Category C Default. The additional expended administration and inspection time or resource, investigating, reporting or organising the remedying of any Category C Default is deemed to be:

- i. £150.00 (One Hundred and Fifty Pounds Sterling) per 24 hours. This is classified as a Category 'C' Default Deduction.

5.16.7 The calculation of the reduction in the value of the Services to the Council under this PMR shall be final. The 3 stage model and associated deductions are summarised in Table 1

Table 1

Category	Reasons for Default	Default Deduction
A	<ul style="list-style-type: none"> • Rectification not remedied within specified timescales • Service failure deemed other than minor, first default notice • Re-occurrence within 6 months 	£75
B	<ul style="list-style-type: none"> • Category A Default not remedied within specified timescales of the Category A Default Notice • Further re-occurrence within 6 months 	£100
C	<ul style="list-style-type: none"> • Category B Default not remedied within 24hrs of the issue of the Category B Default Notice. • 24 hour failure to remedy. • Further re-occurrence within 6 months • An Irremediable Default 	£150

6. Hotspot List

6.1 Where deficient Service or a Service Failure occurs more than twice at one address or location in any period of six (6) months or where a higher level Default has previously arisen the Supervising Officer shall be entitled, at their discretion to place an address(es) or locations on the 'Hotspot List'. Address(es) will remain on the 'Hotspot List' at least until the required Service standard has been achieved for a period as defined by the Supervising Officer.

6.2 The Provider's supervisory staff will be required to visit the addresses on the 'Hotspot List' following a scheduled service and sign a declaration to the effect that the Service has been provided to the standard required. Subsequent Service Failures at addresses on the 'Hotspot List' will automatically be deemed to be a Category 'C' Default.

6.3 The Council recognises that excessive numbers of Rectification and Default Notices often go hand in hand with high levels of public dissatisfaction and Complaints and these impact upon the reputation of the Council generating additional administration costs and senior officer input. Accordingly, the following additional amounts will be deducted in relation to Rectification Notices:

Rectification Notice Thresholds

i.	0 - 99 Rectification Notices in 1 week	No deduction
ii.	100 - 199 Rectification Notices in 1 week	£5 per Notice
iii.	200 - 249 Rectification Notices in 1 week	£10 per Notice
iv.	250 - 299 Rectification Notices in 1 week	£15 per Notice
v.	300 or more Rectification Notices in 1 week	£20 per Notice

6.4 In each case the Rectification Notice shall be deemed to arise in the week in which the act/omission resulting in the Rectification Notice occurred. A week being Monday to Sunday. The administration charge per notice will apply to all notices occurring in that week once the threshold is reached.

6.5 Remediation

6.5.1 Should the accumulation of deductions accumulate to a value of 2% of the monthly Contract Sum in two consecutive months or three months in any six month period. This will be deemed a Persistent Breach. The Council will serve a Remediation Notice where the following will occur:-

- i. The Supervising Officer may require the Provider's senior manager responsible for this Contract (Director level or above) to attend a 'Performance Failure Meeting'. Such meeting will be held within ten working days of written notification by the Supervising Officer. At this meeting the Provider will be required to account for the performance failure and provide a Remediation Plan to be completed within one (1) month detailing the Providers actions that will return the Service to the required Contract Specification and standard and;
- ii. The Supervising Officer will increase monitoring at the Councils' discretion for a period of twelve (12) weeks. Additional expenses will be at the cost of the Provider and/or;
- iii. Failure to provide either a satisfactory Remediation Plan or to complete the actions in the Remediation Plan may result in the Council invoking the termination provisions under the Conditions of Contract, Clause 15.2.1.

6.5.2 The Provider will be liable for the costs of all activities undertaken by the Council in inspecting, collecting information, attending meetings and any other costs the Supervising Officer deems relevant with respect to this performance review, by way of liquidated and ascertained damages. This sum will be notified to the Provider and deducted from the Provider's next monthly invoice.

6.5.3 Failure of the Provider to provide a senior manager to attend the meeting will not be accepted as a valid reason for delay and the meeting may be held in their absence. The Supervising Officer may then schedule a further meeting at the Council's discretion and at further cost to the Provider.

7. Substituted Performance

7.1 If the Provider for whatever reason regularly fails to perform the works in whole or in part strictly in accordance with the terms of the Contract, or in performing the Services there is an unacceptable level of deficient works, then without prejudice to any other remedy available to the Council, the Supervising Officer may upon prior written notice to the Provider, make arrangements for the Council to provide and perform, by its own staff or the staff of another Provider, such works which the Provider fails to perform or performs deficiently.

7.2 The Supervising Officer will initiate 'Step In Rights', where appropriate and the possibility of utilising alternative contractors at the Providers expense. The cost of providing 'Step In Rights' Services will be deducted from the payments to the Provider, including any additional Council administrative or legal costs.

7.3 In the event of a performance failure and the initiation of 'Step In Rights' the Council shall be permitted to use any of the Provider's equipment in addition to any equipment owned by the Council, to complete deficient works or works that have not been completed by the Provider.

7.4 Where the failure to provide and perform the Services is in the opinion of the Supervising Officer due to the failure of the Provider's management or supervisory staff to perform their work adequately or at all, or is due to the absence of or insufficiency of such staff, the Supervising Officer may effect that part of the Services be managed and supervised by the Council's own staff, or the staff of another professional organisation. In the event that the Council's own staff are used, the Provider shall be charged the hourly rate for those staff including any reasonable on costs or overheads.

7.5 Where another professional organisation is used to perform such part of the Services, the full costs thereof, together with any administration costs, shall be charged to the Provider. The Provider shall ensure that all of its staff utilised in the performance of the Contract co-operate fully with persons appointed to manage or supervise the Services under this Condition.

7.6 Where the failure to provide or perform the Services is in the opinion of the Supervising Officer due to the failure of the Provider to provide adequate equipment, materials and consumables to perform the work properly (including but not limited to insufficiency of equipment, or materials of an inferior quality), the Supervising Officer may provide adequate equipment, materials and consumables to be used by the Provider's staff in the performance of the works.

7.7 In the event that the Council supplies equipment, materials and consumables for the performance of the works, the Provider shall be charged the full cost of that equipment (either the purchase price or hire charge as appropriate) and/or the full cost of those materials and consumables (including, if necessary, the whole of the bulk purchase if it is common to obtain such materials and consumables in this manner), together with any administration and management costs.

8. Payment Mechanism

8.1 Any performance related Deductions will be presented at the monthly Contract meeting and taken from the monthly Contract Sum due in accordance with the payment terms set out in the Conditions of Contract.

8.2 No payment will be made for variable or ad-hoc works which are not completed to the satisfaction of the Supervising Officer.

8.3 The Council agreed to not unduly withhold moneys due to the Provider in the event of a dispute regarding performance Deductions. In this instance the due Contract Sum will be paid minus the deemed Deductions, until a final figure is agreed.

8.4 The Council and the Provider agree that payment for the Services outlined in the Specification will be adjusted throughout the Contract Period to reflect the performance of the Provider in accordance with the Performance Management Regime Deductions.

8.5 All Deductions will be subject to inflation using the indexation as described in the Conditions of Contract.

9. Other Financial Deductions

9.1 The Council has determined that some requirements set out in the Specification have sufficient impact on Service delivery to be managed outside of the Performance Management Regime. This is to ensure there is no material financial benefit to the Provider by not providing the relevant element of the Specification.

9.2 This may include withholding of any sum due for those Services, and the additional costs to the Council of providing or administering those elements of the Service.

10. Continuous Improvement

10.1 The Council wishes to see a continuous improvement in performance where the performance of the Provider leads to Deductions. It is expected that the Provider will outline at the monthly Contract meeting steps which they intend to put in place to reduce occurrences of Service Failure or improve on unsatisfactory or deficient work.

10.2 The KPI's outlined in Appendix 2 to this Schedule will be monitored and reviewed annually and will identify areas of stable performance, continuous improvement or drops in performance. The Service Delivery Plan will be used by the Provider as a mechanism for outlining proposals and actions which will support Service improvement.

10.3 Any action agreed as part of the annual Service Delivery Plan review will be subject to this PMR,

Formal Complaints Waste and Recycling Services

Jan				
01/01/2018 - 05/01/2018	08/01/2018 - 12/01/2018	15/01/2018 - 19/01/2018	22/01/2018 - 26/01/2018	29/01/2018 - 02/02/2018
0	1	1	0	0
Feb				
05/02/2018 - 09/02/2018	12/02/2018 - 16/02/2018	19/02/2018 - 23/02/2018	26/02/2018 - 02/03/2018	
1	0	0	2	
Mar				
05/03/2018 - 09/03/2018	12/03/2018 - 16/03/2018	19/03/2018 - 23/03/2018	26/02/2018 - 30/03/2018	
1	1	1	2	
Apr				
02/04/2018 - 06/04/2018	09/04/2018 - 13/04/2018	16/04/2018 - 20/04/2018	23/04/2018 - 27/04/2018	
1	1	1	3	
May				
30/05/2018 - 04/05/2018	07/05/2018 - 11/05/2018	14/05/2018 - 18/05/2018	21/05/2018 - 25/05/2018	28/05/2018 - 01/06/2018
2	1	6	25	25
June				
04/06/2018 - 08/06/2018	11/06/2018 - 15/06/2018	18/06/2018 - 22/06/2018	25/06/2018 - 29/06/2018	
16	7	9	14	
July				
02/07/2018 - 06/07/2018	09/07/2018 - 13/07/2018	16/07/2018 - 20/07/2018	23/07/2018 - 27/07/2018	
32	48	47	54	
Aug				
30/07/2018 - 03/08/2018	06/08/2018 - 10/08/2018	13/08/2018 - 17/08/2018	20/08/2018 - 24/08/2018	27/08/2018 - 31/08/2018
59	49	54	46	15

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