

## **CABINET**

**14 APRIL 2015**

### **GATEWAY 5 REPORT: WASTE COLLECTION AND DISPOSAL CONTRACTS**

Portfolio Holder: Councillor Phil Filmer, Front Line Services

Report from: Robin Cooper, Director of Regeneration, Community and Culture

Authors: Sarah Dagwell, Head of Waste Services  
Linda Jones, Category Management

#### **SUMMARY**

This report seeks permission from the Cabinet to review the progress of the contracts currently delivered through Veolia.

This Gateway 5 Report has been approved for submission to the Cabinet after review and discussion at RCC Directorate Management Team meeting on 12 February 2015 and Procurement Board on 26 February 2015.

#### **1. BACKGROUND INFORMATION**

##### **1.1 Budget & Policy Framework**

1.1.1 This procurement post project appraisal and its subsequent review is within the Council's policy and budget framework and accords with all the identified Core Values, Strategic Priorities, Strategic Council Obligations and Departmental/Directorate service plans as highlighted within the Procurement Gateway 1.

##### **1.2 Contract Background Information**

1.2.1 The contracts cover the following:

**Waste Collection and Street Cleansing Services** – residual waste collection, recycling collection from kerbside and bring sites, materials, recycling facility provision and end markets for all recycling materials, food and garden waste collection and street cleansing. The contract commenced on 1 October 2010 for a period of 7 years with an option to extend for 2 years (agreed at Cabinet on 17 January 2012).

**Disposal of Residual Waste** via a combination of landfill and energy from waste to ensure the Council meets, as a minimum, its minimum landfill diversion targets as set down by Government. The contract commenced on 4 October 2010 for a period of 25 years with the option to extend for a further 5 years.

### **1.3 Funding/Engagement From External Sources**

#### *Weekly collections*

- 1.3.1 Having successfully won £14million of funding under the Government's 'Weekly Collections Support Fund', during the 2013-14 contract years, waste service has worked with Veolia to smoothly implement the weekly collection service.
- 1.3.2 This included the following key work streams,
- Purchasing of 46 new vehicles:  
Ownership during and after contract term remains with Medway, however all maintenance carried out by Veolia as part of contract price; on-board 360 degree safety cameras;
  - Legal, contract and finance review  
Establishing necessary changes to the existing contract wording and moving these to binding agreement; agreeing new payment mechanisms that take into account the changes in BoQ items and rates
  - KPIs  
Adjusting existing KPIs so that they are meaningful for the new service
  - Communications with the public  
Designing printed literature and consulting residents on its effect; deploying a borough-wide advertising campaign; door-stepping 11,000 homes during a face-to-face campaign; delivery 90,000 kitchen caddies to households allocated a brown bin.
- 1.3.3 On 28 October 2013 weekly collections commenced and have been running very smoothly assisting Medway to achieve satisfaction levels of 93.5% for refuse collections and 88.5% for recycling services. The implementation of weekly collections has also enabled Veolia to recruit for 42 new jobs.

## **2. STATUTORY/LEGAL OBLIGATIONS**

### **2.1 Statutory/Legal Obligations**

- 2.1.1 Such services need to support the council's Waste Strategy that in turn provides the basis for targets in performance and community plans.
- 2.1.2 The primary objectives being:-

- To ensure compliance with statutory duties as set out in paragraph 9.2 of this report
- Meet the required performance targets
- Ensure continuity of a front line service
- Provide services within agreed budgets
- Meet requirements to achieve efficiency gains
- Provide environmentally sustainable services.

### 3. BUSINESS CASE

#### 3.1 Procurement Project Outputs / Outcomes

3.1.1 The following procurement outcomes/outputs identified as important at Gateway 1 to the delivery of this procurement requirement and identified as justification for awarding the contract at Gateway 3, have been appraised in the table below to demonstrate how the procurement contract and corresponding supplier(s) has delivered said outcomes/outputs.

3.1.2 Following on from the successful bid for £14.5 million from the DCLG the new weekly service commenced on 28 of October 2013. Weekly collections have now reached the one year anniversary and in that time,

- An additional 42 jobs have been created
- 27% more material has been recycled when compared to the same period last year
- Customer satisfaction has hit an all time high of 88.5% for recycling
- New fleet fitted with 360 cameras providing safer working environment for staff and members of the public.

3.1.3 Next steps due to commence May 2015 will be to start the roll out of twin stream recycling to all flats in Medway.

Outputs / Outcomes	How was success measured?	Who measured success of outputs/ outcomes	When was success measured?	How has contract award delivered outputs/outcomes?
<b>1. Ensure compliance with statutory duties</b>	Collection of household waste from all properties (as defined under EPA 1990) and  -At least 2 materials for recycling from all households via	Head of Service  Annual report to Overview & Scrutiny Committee  Monthly corporate monitoring via	Monthly contract meetings  Annual report to Overview & Scrutiny Committee  Monthly corporate monitoring via Covalent returns  National Waste Dataflow returns quarterly	All collections and disposal services have been delivered to meet our statutory duties  There are no statutory recycling or street cleansing standards, however we have set local targets for recycling, street cleansing standards and customer satisfaction detailed below.

	<p>kerbside collections by 2010</p> <p>-Cleaning of streets as defined in section 89 Environmental Protection Act 1990</p>	<p>Covalent returns</p> <p>National Waste Dataflow returns</p> <p>National fly capture reporting</p> <p>Maintaining NI195 inspections despite this no longer being a formal reportable target to DEFRA</p>	<p>National fly capture reporting</p> <p>Maintaining NI195 inspections despite this no longer being a formal reportable target to DEFRA</p>	<p><u>Recycling</u></p> <ul style="list-style-type: none"> <li>• 2010/11 Target: 36% Achieved: 36.30%</li> <li>• 2011/12 Target: 40% Achieved: 37.90%</li> <li>• 2012/13 Target: 41% Achieved: 41.00%</li> <li>• 2013/14 Target: 42% Achieved: 41.20%</li> </ul> <p><u>Street cleansing inspections</u></p> <p><u>Litter</u></p> <ul style="list-style-type: none"> <li>• 2010/11 Target: 95%    Achieved: 97%</li> <li>• 2011/12 Target: 95%    Achieved: 96%</li> <li>• 2012/13 Target: 95%    Achieved: 96%</li> <li>• 2013/14 Target: 95%    Achieved: 97%</li> </ul> <p><u>Detritus</u></p> <ul style="list-style-type: none"> <li>• 2010/11 Target: 92%    Achieved: 95%</li> <li>• 2011/12 Target: 92%    Achieved: 95%</li> <li>• 2012/13 Target: 92 %    Achieved :95.3%</li> <li>• 2013/14 Target: 92%    Achieved: 96.5%</li> </ul>
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<p><b>2. Ensure continuity of a front line service</b></p>	<p>Days service running</p> <p>Public satisfaction with service delivery</p>	<p>Head of Service</p> <p>Annual report to Overview &amp; Scrutiny Committee</p>	<p>Monthly contract meetings</p> <p>Annual report to Overview &amp; Scrutiny Committee</p>	<p>Service continuity has been maintained, as there were no major changes in contractors or contractor during 2013/2014, there were no major breaks in service due to extreme weather</p> <p>Measures of public satisfaction (taken via the Medway Council corporate quarterly tracker and annual Residents Opinion Poll) for Contract Year 2013/2014:</p> <table border="1" data-bbox="1576 544 2141 767"> <thead> <tr> <th></th> <th>Target</th> <th>Achieved</th> </tr> </thead> <tbody> <tr> <td>Refuse Collection</td> <td>91%</td> <td>93.5%</td> </tr> <tr> <td>Recycling</td> <td>85%</td> <td>88.5%</td> </tr> <tr> <td>Street Cleaning</td> <td>75%</td> <td>72%</td> </tr> </tbody> </table>		Target	Achieved	Refuse Collection	91%	93.5%	Recycling	85%	88.5%	Street Cleaning	75%	72%
	Target	Achieved														
Refuse Collection	91%	93.5%														
Recycling	85%	88.5%														
Street Cleaning	75%	72%														
<p><b>3. Provide services within agreed budgets</b></p>	<p>Regular monitoring of service costs against budget</p>	<p>Head of Service &amp; Corporate Finance Officer.</p>	<p>Monitored monthly at a local level by the Assistant Director and quarterly at Department Management Team, Corporate Management Team &amp; Cabinet</p>	<p>The contracts have been operating within agreed budgets.</p>												
<p><b>4. Provide environmentally sustainable services</b></p>	<p>Undertaking recycling is a key feature of sustainable waste practices. Through</p>	<p>Head of Service</p> <p>Annual report to Overview &amp; Scrutiny</p>	<p>Monthly contract meetings</p> <p>Annual report to Overview &amp; Scrutiny Committee</p>	<p>Vehicle purchase and delivery completed on time.</p> <p>Percentage of recycled materials are increasing annually (see point 1 above)</p>												

	<p>the purchase of 46 British built refuse trucks, increased fuel and emission efficiencies will be realised going forward.</p> <p>A reduction to landfill waste will potentially be realised through an increase in recycling collection frequency</p>	Committee	Monthly corporate monitoring via Covalent returns	<p>Percentage of Landfilled waste are decreasing annually. Below details how the contract has been performing against its contractual landfill diversion targets:</p> <ul style="list-style-type: none"> <li>• 2011/12 Target 55.5% diversion Achieved 53%</li> <li>• 2012/13 Target 67.9% diversion Achieved 72%</li> <li>• 2013/14 Target 67.6% diversion Achieved 71%</li> </ul> <p>Working in partnership with Veolia a new service was introduced during 2013 to treat mechanical street arisings rather than send to landfill with 95% being recycled. This includes:</p> <ul style="list-style-type: none"> <li>• Black filter cake – treated and used in land reclamation and restoration</li> <li>• Recovered sand – rewashed for use in concrete</li> <li>• Organic waste – treated and used in land reclamation and restoration</li> <li>• Screened litter – hand sorted and 100% diverted from landfill</li> <li>• Oil &amp; concentrates from separation – reprocessed for use in production of heavy oils</li> <li>• Grey water – used as aggregate wash on site in addition to production of aggregate for re-use</li> </ul>
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#### 4. RISK MANAGEMENT

4.1 **Risk Categorisation** – The following risk categories have been identified as having a linkage to the procurement contract at this Gateway 5 stage./ There are no risks associated with this procurement contract at this Gateway 5 stage.

<b>1a Risk Category: Contractual Delivery</b>	<b>Likelihood: D</b>	<b>Impact: II</b>
<b>Outline Description: Default by Contractor needing emergency action</b>		
<b>Plans to Mitigate: Contractor to provide and/or pay for alternative action</b>		
<b>1b. Risk Category: Contractual Delivery</b>	<b>Likelihood: D</b>	<b>Impact: II</b>
<b>Outline Description: Termination of Contract due to default by Contractor</b>		
<b>Plans to Mitigate: Adequate contract provision to enable the Council to take effective action when necessary. Clause in contract to enable Medway to reclaim losses.</b>		
<b>1c. Risk Category: Contractual Delivery</b>	<b>Likelihood: C</b>	<b>Impact: III</b>
<b>Outline Description: volume of waste less than or greater than anticipated</b>		
<b>Plans to Mitigate: Allowance made for this in contract conditions</b>		
<b>2a. Risk Category: Service Delivery</b>	<b>Likelihood: E</b>	<b>Impact: II</b>
<b>Outline Description: Closure of plan or inability to provide Service due to Force Majeure or relief events</b>		

<b>Plans to Mitigate: Shared responsibility under contract conditions</b>		
<b>2b. Risk Category: Service Delivery</b>	<b>Likelihood: D</b>	<b>Impact: II</b>
<b>Outline Description: Failure of waste management services contractor to meet contract standards for service delivery to the Council</b>		
<b>Plans to Mitigate: KPI &amp; default system in place for financial compensation. Adequate contract monitoring and enforcement in relation to operations. In appropriate cases by including provisions in the contract for deductions where these standards are not met.</b>		
<b>2c. Risk Category: Service Delivery</b>	<b>Likelihood: D</b>	<b>Impact: II</b>
<b>Outline Description: Interruption of availability of some facilities</b>		
<b>Plans to Mitigate: Adequate contract monitoring and enforcement in relation to maintenance, security, health and safety, staff training. Contractual provision of back-up equipment and facilities. Fire insurance. In appropriate cases by including provisions in the contract for deductions where such interruptions occur</b>		
<b>2d. Risk Category: Service Delivery</b>	<b>Likelihood: C</b>	<b>Impact: III</b>
<b>Outline Description: Non-household waste entering MSW waste stream or waste incorrectly dealt with according to its category</b>		
<b>Plans to Mitigate: Robust monitoring arrangements should be undertaken as part of contract management for checking/validating wastes and issuing appropriate defaults. Failure will have significant financial implications</b>		
<b>3a. Health &amp; Safety</b>	<b>Likelihood: D</b>	<b>Impact: I</b>
<b>Outline Description: Serious injury/death of staff or public while services are in operation</b>		
<b>Plans to Mitigate: Robust health and safety monitoring procedures in place, the waste services contracts in Medway were audited by the HSE in 2011/12 as part of their routine inspection.</b>		

<b>4a. Risk Category: Legal</b>	<b>Likelihood: C</b>	<b>Impact: II</b>
<b>Outline Description: Changes in Government regulations/law</b>		
<b>Plans to Mitigate: incorporated into the contract which is likely to be a known change. Clear ground rules have been incorporated into the contract conditions for negotiating future changes in law. However waste industry is likely to be affected substantially in future. Especially for the 25 year waste disposal contract. The impact of these would be subject to review at the time of establishing whether the financial implications are the responsibility of the Council or shared.</b>		
<b>5a. Risk Category: Financial</b>	<b>Likelihood: B</b>	<b>Impact: II</b>
<b>Outline Description: budgeted net expenditure exceeded</b>		
<b>Plans to Mitigate: Prudent budgeting. Robust arrangements for management within budget. Prompt and accurate assessment of unbudgeted proposals and developments. Early negotiations undertaken with contractor when impacts of budget pressures are apparent</b>		
<b>5b. Risk Category: Financial</b>	<b>Likelihood: E</b>	<b>Impact: III</b>
<b>Outline Description: Overpayment to contractor</b>		
<b>Plans to Mitigate: Robust contract procedures for checking contracts, validating invoices and recovering any overpayments. Staff training. Regular internal audit inspections</b>		
<b>5c. Risk Category: Financial</b>	<b>Likelihood: E</b>	<b>Impact: II</b>
<b>Outline Description: Contractor/employee fraud or corruption</b>		
<b>Plans to Mitigate: Robust contract provisions for controlling payments and assets. Adequate supervision and transparency for contract management and negotiations. Staff training. Regular internal inspections</b>		

## **5. CONTRACT APPRAISAL/PERMISSIONS REQUIRED**

### **5.1 Contract Appraisal**

5.1.1 To continue with the current contracts for the remainder of the contract terms and subjecting the contracts to further Gateway 5 requirements:

- Ongoing reporting to Procurement Board/Cabinet to enable a clear auditable trail of contract monitoring
- Opportunity for the contracts to be examined and reviewed on an annual basis.

### **5.2 Permissions Required**

5.2.1 Continue with the current disposal and collection contracts with a requirement for further Gateway 5 reporting at the end of year five.

## **6. CONTRACT MANAGEMENT**

### **6.1 Contract Management**

6.1.1 The contract management of these contracts will continue to be resourced for the remainder of the term through the following contract management strategy:

- Client management: These contracts are managed by the Waste Services team within Front Line Services (FLS).
- Additional support is provided by the Community Officers under Safer Communities within FLS who act as the 'eyes and ears' with local residents providing on the ground daily monitoring of standards, in particular fly tip reporting and issues such as 'refuse out early'.
- Contract management: The structure of Veolia's contract management has not altered since last years reporting.

6.1.2 Waste Services has daily contact with Veolia and holds regular monthly meetings to discuss service delivery, health and safety, financial issues and recycling/customer services statistics e.g. missed bins / recycling rate.

6.1.3 In order to achieve value-for-money from the Veolia contract, it is imperative that the client team retain sufficient human resources to monitor its performance. Despite increasing the number of collections, Waste Services will have not increased the current 3xFTE monitoring officer posts. These posts cover 33% of the whole borough each and are responsible for monitoring the following contract areas:

- Street Cleansing
- Refuse, recycling and organic waste collection
- Clinical waste collection
- Household waste & recycling centre operations

- 6.1.4 The team liaise with residents and the contractor in order to resolve problems, requests and complaints along with conducting a proactive schedule of contract monitoring.
- 6.1.5 The contract monitoring team works along side the waste development team (3FTEs) whose responsibility it is to over see projects such as the introduction of the weekly services and increasing recycling participation, and statutory reporting of waste statistics. During 2015/16 this team will be working with Veolia to introduce the twin stream recycling services at flats as well as encouraging more recycling with a target to ensure Medway reaches a minimum 44% recycling rate.
- 6.1.6 The Veolia Annual Service Report is attached at Appendix 1.

## **7. CONSULTATION**

### **7.1 Internal (Medway) Stakeholder Consultation**

- 7.1.1 As part of this ongoing procurement contract management, the following mandatory internal stakeholder consultation is required:
- Department Management Team.

### **7.2 External Stakeholder Consultation**

- 7.2.1 Communication with the public – Since the launch of weekly recycling on 28 October 2013, 11 articles and adverts were published in Medway Matters encouraging residents to recycle and minimise their waste. Press releases were issued promoting home composting and recycling. A short video was produced in September 2014 to reinforce the recycling message (promoted on the Medway Matters website and broadcast on the Big Screen). Kitchen caddy liner sales were promoted on the council website carousel.

## **8. PROCUREMENT BOARD**

- 8.1 The Procurement Board considered this report on 26 February 2015 and supported the recommendations set out in paragraph 11 below.

## **9. SERVICE COMMENTS**

### **9.1 Finance Comments**

- 9.1.1 The procurement requirement and its associated delivery (as per the recommendations at Section 11) will be funded from existing revenue budgets.

- 9.1.2 Further detail is contained within the Financial Analysis of the Exempt Appendix.

### **9.2 Legal Comments**

- 9.2.1 As this is a High Risk Procurement, a Gateway 5 report must be made to Cabinet pursuant to Contract Procedure Rule 2.4.6. The

Procurement Board may make recommendations to Cabinet to inform the Cabinet decision.

9.2.2 The Council has a statutory duty to:

- Arrange for the collection of household waste from all properties (section 45 Environmental Protection Act 1990);
- Arrange for the collection of at least two types of recyclable waste from all households via kerbside collections (section 45A Environmental Protection Act 1990); and
- Arrange for cleaning of streets to keep them free from litter and refuse (section 89 Environmental Protection Act 1990).

### **9.3 TUPE Comments**

9.3.1 No TUPE comments required.

### **9.4 Procurement Comments**

9.4.1 This procurement contract and its associated delivery as per the recommendations at Section 11, has no further procurement implications which Procurement Board must consider.

9.4.2 The contract has delivered against the objectives set out as part of the original tender specification and as part of the Gateway 3 contract award process. The supplier, through a robust internal contract management process, continues to provide the service in line with the contract terms and conditions and continues to deliver to the appropriate key performance indicators. This demonstrates that that the Gateway 3 contract award decision was both correct and based upon a robust procurement process that has enabled the contract to be delivered effectively throughout the contract.

9.4.3 Category Management team advises Procurement Board to appraise this contract through a minimum of one Gateway 5 per annum to ensure that the contract, which is considered of strategic importance to the Council, continues to deliver effectively throughout the contract term.

### **9.5 ICT Comments**

9.5.1 There are no ICT implications.

## **10. OTHER INFORMATION**

### **10.1 Other Information**

10.1 For the collection contract, procurement project management will need to be reviewed in late 2016 to commence processes for the next waste collection contract to start in 2019. This will be supported by the Category Management team.

- 10.2 The waste disposal contract is a 25-year, with a potential for a 5 year extension, and so additional procurement project management is unlikely to be required for another 15-20 years. This aspect of the contract will be monitored as required to ensure it is performing well.
- 10.3 Building on the success of weekly collections funding, Veolia have pledged to work with Medway to explore additional cost savings, primarily from schemes that avoid landfill and its associate tax.

## 11. RECOMMENDATIONS

11.1 Cabinet is requested to:

- Note the progress made to date with the collection and disposal contracts.
- Agree that the Council continue with the current disposal and collection contracts with a requirement for further Gateway 5 reporting at end of year five.

## 12. SUGGESTED REASONS FOR DECISION

- 12.1 The recommendations contained within Section 11 'Recommendations' above are provided on the basis of value for money and that Veolia have a track record of delivering high quality services for the residents of Medway with very high satisfaction levels recorded.
- 12.2 Further to this, the contract has been well managed by the client department, through the adoption of contract management and the forming of a strong working relationship between Veolia and the Council.

## LEAD OFFICER CONTACT

<b>Name</b>	<b>Sarah Dagwell</b>	<b>Title</b>	<b>HEAD OF WASTE SERVICES</b>
<b>Department</b>	<b>WASTE SERVICES</b>	<b>Directorate</b>	<b>RCC</b>
<b>Extension</b>	<b>1597</b>	<b>Email</b>	<b>sarah.dagwell@medway.gov.uk</b>

## BACKGROUND PAPERS

The following documents have been relied upon in the preparation of this report:

Description of Document	Location	Date
Full Council Gateway 3 report and decision	<a href="http://democracy.medway.gov.uk/ielIssueDetails.aspx?Ild=3654&amp;PlanId=0&amp;Opt=3#A12387">http://democracy.medway.gov.uk/ielIssueDetails.aspx?Ild=3654&amp;PlanId=0&amp;Opt=3#A12387</a>	15 Apr 2010
Cabinet Gateway 4 report and decision	<a href="http://democracy.med">http://democracy.med</a>	17 Jan

	<a href="http://www.gov.uk/mg/IssueHistoryHome.aspx?IId=7895">way.gov.uk/mg/IssueHistoryHome.aspx?IId=7895</a>	2012
Cabinet Gateway 5 report and decision	<a href="http://democracy.medway.gov.uk/mg/IssueHistoryHome.aspx?IId=10019">http://democracy.medway.gov.uk/mg/IssueHistoryHome.aspx?IId=10019</a>	15 Jan 2013
Cabinet Gateway 5 report and decision	<a href="http://democracy.medway.gov.uk/mg/IssueHistoryHome.aspx?IId=11861">http://democracy.medway.gov.uk/mg/IssueHistoryHome.aspx?IId=11861</a>	17 Dec 2013



# VEOLIA ANNUAL SERVICE REPORT

## Year 4: October 2013-September 2014

Medway Council's Refuse/Recycling/Street Cleansing contract was awarded to Veolia and commenced on the 4th October 2010 and runs until September 2019. The option to extend the contract by two year has already been taken with associated saving of £260,000 agreed for Collections and Street Cleansing.

The Disposal contract, awarded at the same time, is for 25 years (2010-2035). The successful retaining of these contracts built upon the already strong relationship between the two organisations, since the previous contract that ran from 2002 until September 2010.

The Annual Service Report is an integral part of the contract that exists between Veolia Environmental Services and Medway Council. It is the agreed mechanism for the delivery of continuous improvement and is fundamental to the contracts performance management framework.

Following the successful bid of £14.5 million from the DCLG fund on the 28<sup>th</sup> October 2013 both the recycling and garden/food waste service moved, as of 28<sup>th</sup> October 2013, from fortnightly to weekly - the same as refuse collections. The primary aim of the service change was to increase recycling and subsequently reduce the amount of refuse being collected. This provided Medway Council with cost savings from reduction in waste to landfill and removed the refuse vehicle purchase costs from the annual service charge and replaced the existing tired fleet with new fit for purpose vehicles.

### **Refuse and recycling: The New Service - One year on**

The new weekly service was delivered on time, commencing 28<sup>th</sup> October 2013. The service has been a success providing the residents of Medway with weekly services at no extra cost to Medway Council.

- Additional 42 local jobs have been created.
- 27% more material being recycled than the same period the previous year
- Every year 17.3 million collections are made (not including bulky collections).
- Customer satisfaction has hit 88.5% for recycling, the highest ever.
- 360 cameras providing safer working environment for staff, members of the public and has helped to reduce spurious complaints and insurance claims

Next steps are to roll out the twin stream service to all suitable flats, providing the same collection service to more residents , to increase recycled material and reduce refuse. This requires a change of containers and a site by site assessment to ensure the correct type and number of bins are provided and that contamination is minimised. Project due to commence March 2015.

<b>Recycling tonnages</b>	<b>Total tonnage</b>
Oct 2010 – Sept 2011	21,404 includes 3822 tonnes paper & cardboard
Oct 2011 – Sept 2012	18,342 includes 6,957 tonnes paper & cardboard
Oct 2012 – Sept 2013	17,406 includes 5,656 tonnes of paper and cardboard kerbside
Oct 2013 - Sept 2014 (DCLG)	18,555 includes 6,290 tonnes paper and card (+ 1783 tonnes on pervious contract year)

<b>Refuse</b>	<b>Total tonnage</b>
Oct 2010 – Sept 2011	56371
Oct 2011 – Sept 2012	56731 (+ 360 on pervious contract year)
Oct 2012 – Sept 2013	56778 (+ 47 on pervious contract year)
Oct 2013 – Sept 2014	55037 (- 1741 on pervious contract year)

<b>Bulky Waste</b>	<b>Total tonnage</b>
Oct 2010 – Sept 2011	762
Oct 2011 – Sept 2012	781 (+ 19 on pervious contract year)
Oct 2012 – Sept 2013	824 (+ 43 on pervious contract year)
Oct 2013 – Sept 2014	976 (+ 152 on pervious contract year)

<b>Garden &amp; food waste</b>	<b>Total tonnage - plus increase/decrease from previous contract year</b>
Oct 2010 – Sept 2011	15,703
Oct 2011 – Sept 2012	16,313 (+ 610 on previous contract year)
Oct 2012 – Sept 2013	16,224 (- 89 on previous contract year)
Oct 2013 – Sept 2014 (DCLG)	23,639 (+ 7415 on previous contract year)

<b>Glass tonnages (Bring Sites)</b>	<b>Clear (tonnes)</b>	<b>Mixed (tonnes)</b>	<b>Total tonnage</b>
Oct 2011 – Sept 2012	306	386	692
Oct 2012 – Sept 2013	292	354	646 (- 46 on pervious contract year)

Oct 2013 – Sept 2014	248	278	526 (- 120 on pervious contract year)
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<b>Veolia Waste Electronic and Electrical Equipment (WEEE) Compliance Scheme</b>	Tonnage from Rochester Transfer Station
<b>2013</b>	<b>24.56</b>
<b>2014</b>	<b>26.16</b>

Additional to this, WEEE collections continues to be supported by the Veolia WEEE Compliance Scheme with bring banks, schools collections and kerbside collection for residents.

### **Recycling performance**

- 2010/11 Target: 36% Achieved: 37%
- 2011/12 Target: 40% Achieved: 37%
- 2012/13 Target: 41% Achieved: 41%
- 2013/14 Target: 42% Achieved: 41%

### **Street cleansing**

The street cleaning service runs 365 days a year and continually removes litter, detritus, fly tipping, dead animals, needles/syringes and any other items; off 154 miles of public highway, 61 miles of public alleyways, 12 miles continuously in shopping precincts and 44 acres of car parks. Below details some of the key statistics of the service:

- The Response Teams have assisted with 119 Community Clearances in addition to their normal duties.
- We have collected 614 dead animals
- Removed 5200 incidents of flytipped items (2013/14)
- Removal of 89 incidents of needles & syringes

<b>Street cleansing</b>	<b>Litter (tonnes)</b>	<b>Mechanical Arisings (tonnes)</b>	<b>Fly-tipping (tonnes)</b>	<b>Total tonnage</b>
<i>Oct 2012 – Sep 2013</i>	1286	3507	295	5088
<i>Oct 2013 – Sep 2014</i>	1382	3947	372	5701 (+ 611 on pervious contract year)

### **Street cleansing Inspections (% of roads satisfactory)**

The Waste Services contract monitoring team carry out regular street cleansing inspections across Medway to ensure Veolia are meeting their contractual obligations. The data below shows the percentage of streets that

were Graded B or above - predominantly free of litter and refuse except for some small items.

### **Litter**

- 2010/11 Target: 95% Achieved: 97%
- 2011/12 Target: 95% Achieved: 96%
- 2012/13 Target : 95% Achieved: 96%
- 2013/14 Target: 95% Achieved : 97%

### **Detritus**

- 2010/11 Target: 92% Achieved: 95%
- 2011/12 Target: 92% Achieved: 95%
- 2012/13 Target: 92 % Achieved :95.3%
- 2013/14 Target: 92% Achieved: 96.5%

Following the introduction and success of the weekly collection services our focus has moved to the Street Cleansing service. Improvements are being implemented including:

- Increased training has been delivered to all staff to ensure consistent standards
- Significant work has been started reviewing all of the current schedules/types of resource allocated to particular zones to ensure that the quality and productivity of the service is the most effective. Due to the number of variable frequencies on the Street Cleansing service, this will require considerable resources, however our aim for this review to be fully completed by mid-2015.
- As part of this review, feedback will be provided to Medway Council on bin locations and cleansing frequencies to potentially identify any costs savings which may be made while retaining the current level of resources.

## **Public satisfaction**

Measures of public satisfaction (taken via the Medway Council corporate quarterly tracker and annual Residents Opinion Poll) for Contract Year 2013/2014:

	<b>Target</b>	<b>Achieved</b>
Refuse Collection	91%	93.5%
Recycling	85%	88.5%
Street Cleaning	75%	72%

## **Disposal Contract**

The Waste Disposal Contract not only disposes of all residual waste from the collection contract, but it also disposes of all residual waste collected at the three Household Waste Recycling sites (run by FCC). Materials are deposited into different bay; those suitable for energy recover vs. those that still require landfill.

Total tonnage into the Transfer Station:

- 2012/2013 104,106 tonnes
- 2013/2014 126,977 tonnes

Below details how the contract has been performing against its contractual landfill diversion targets:

2011/12 – Target 55.5% diversion – Achieved 52.52%

2012/13 – Target 67.9% diversion – Achieved 72.15%

2013/14 – Target 67.6% diversion – Achieved 70.71%

As a new service, introduced in 2013, all mechanical street cleansing arising's are also now sent for processing rather than landfill with 95% being recycled.

This includes:

- Black filter cake – treated and used in land reclamation and restoration
- Recovered sand – rewashed for use in concrete
- Organic waste – treated and used in land reclamation and restoration
- Screened litter – hand sorted and 100% diverted from landfill
- Oil & concentrates from separation – reprocessed for use in production of heavy oils
- Grey water – used as aggregate wash on site in addition to production of aggregate for re-use

Veolia are opening an RDF (Refuse Derived Fuel) plant near Canterbury, which will be operational by May 2015. This plant will be able to accept up to 20,000 tonnes of waste from the Medway contract, providing an additional facility for Veolia to reduce the use of third party facilities. This is addition to our SELCHP Energy Recovery Facility (ERF) in South London.

Shift patterns have been changed to ensure more staff are available to sort materials delivered into the Transfer Station to further increase recycling and further reduce landfill tonnage.

Co-mingled kerbside recyclable materials (cans/plastics and glass) are currently taken to our Southwark MRF (Materials Recycling Facility).

Paper and cardboard are delivered to UPM at Dartford for sorting and process.

### **Staff development**

Veolia continue with our HGV driver scheme to encourage promotion within the contract and increase the staff skills.

CPC driver training is also being delivered to allow drivers to retain/achieve their 7.5 tonne licence

All staff have been offered the chance to complete the Skills for Life training with our in-house Campus providing one to one support for staff to improve their literacy and numeracy skills.

### **Health & Safety & Staff Welfare**

- Simply Health - provides benefits to staff for dental, medical and optical insurance
- Back in Action physiotherapy services – weekly clinic with on-site Physiotherapist
- Health Management – occupational health
- Medway Council Workplace Health site visits
- Employee Assistance Programme – free-phone confidential service on all aspects of life from Debt, Health, Bereavement, Divorce etc.
- Online Health Matters portal for all staff

Oct 2013- September 2014		
ACCIDENT TOTAL	TOTAL STAFF	TOTAL HOURS WORKED
36	3300	560431

## **Veolia Company Information**

Below is a brief overview of what, as a company, has been happening in Veolia in the last 12 months.

Veolia is not just about picking up bins and sweeping streets. We have created a unified Veolia which includes our services in Water, Waste and Energy. Under our strapline and vision of 'Resourcing the World' we can provide a fully integrated environmental service to our customers that includes our expertise in all three areas.

Our services range from the destruction of 194 metric tonnes of chemicals from Syria to prevent their use in the manufacture of chemical weapons. Decommissioning and demolition of eight off-shore oil and gas installations in the North Sea.

There is a huge amount of knowledge and resources investing in latest technologies for the benefit of all of our customers while maintaining our commitment to improving the quality of life for local communities.

Pro Grow (a soil conditioner made from garden waste collected in Hampshire) is just one example of ensuring that waste is wherever possible turned into a reusable commodity.

Our Energy Recovery and Landfill Gas to Energy network supplies 1.3 MWh to the National Grid – enough to power 340,000 homes

Our Sheffield District Energy Network is one of the leading examples of its type in the UK and includes more than 27 miles of underground pipes supplying over 140 buildings across the city with green energy.

Our services touch the lives of nearly one third of the UK'S population, which puts us in an excellent position to work with all of our Municipal & Commercial customers to identify ways to reduce waste, increase recycling and work on both small and large innovative projects such as district heating schemes.

Veolia have been awarded the prestigious Queens Award for Enterprise in Sustainable Development

*In 2014, Veolia was awarded the Queen's Award for Enterprise in Sustainable Development "the UK's highest accolade for business success." The award was received for setting the sustainability benchmark for our new business strategy focused on manufacturing green products and energy. Equally important, we were recognised as a social sustainability leader for our work in the community.*

*The company recycles over one million tonnes of waste annually and convert non-recyclable waste into energy, sufficient to provide electricity and heat to over 300,000 homes.*

*Beyond satisfying statutory requirements, Veolia distinguished itself as a social sustainability leader; devoting annually 20,000 hours to charity work, donating £50 million pounds to community projects, systematically engaging with schools and helping unemployed people, including ex-offenders, back into work.*

*In 2013, Medway Council was successful in obtaining funding from Veolia Environmental Trust for Borstal Open Space. The £30,343 grant project running from September 2013 to June 2014 included site signage, site access improvements, the creation of a mile trail with markers and boundary improvements.*

Below are just some other examples from the Veolia Trust report for 2013 where funding has been provided for local community projects.

If you are considering another project in Medway get in touch with them at Veolia Trust.

1st Yetminster Scout Group	Rushmoor Borough Council
Active Games for All	Seale Village Hall Management Committee
Alderholt Recreation Association	Shirley Warren Action Church
Arun District Council	St Elisabeth's PCC
Berwick PCC	St Michael and All Angels Church, Paulsgrove
Butser Education CIC	St Michael's Methodist Anglican Church Centre
Chilbolton Parish Council	South Warnborough Parish Council MUGA Committee
Durley Parish Council	Tangmere, Boxgrove and Oving Community Action Project
Elstead Parish Council	Telscombe Town Council
Fair Oak and Horton Heath Parish Council	The Clive Vale Residents Association and Hastings Borough Council
Goodworth Clatford Environmental Group and Goodworth	The Green Bank Trust
Clatford Parish Council	The St Cuthbert's Trust, Portsmouth
Girlguiding Fleet Division	The Waterways Trust and Stroud District Council
Greenhithe PCC	The Woodland Trust
Hampshire & Isle of Wight Wildlife Trust	The Woodland Trust
Hastings Borough Council	TN2 Community Trust
James Street Church	Town Farm Residents Association
Medway Valley Countryside Partnership	Trinity Community Arts Ltd
Ringmer Parish Council	Rushmoor Borough Council

#### CR Index for Responsible Business in the Community

*Veolia was placed second in Business in the Community's 2013 Corporate Responsibility Index, with a four star rating. This is the UK's leading voluntary benchmark of corporate responsibility. Being placed second in the UK is testament to the extent to which Veolia measures, manages and integrates responsible business practice.*

Veolia are one of the largest employers nationally with 12,000 staff, this provides an ideal opportunity to provide local employment where we have contracts. Currently circa 285 staff on the Medway Contract.

Veolia has the 2nd largest HGV fleet in the UK and a total fleet of 7200 vehicles; there are 95 vehicles on the Medway Contract – not including plant.