

CABINET

7 MARCH 2017

GATEWAY 5 COMBINED REPORT: WASTE COLLECTION AND DISPOSAL & HOUSEHOLD WASTE RECYCLING CENTRES CONTRACTS

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SUMMARY

This report provides an update on the activity carried out by the following contractors to Medway Council:

- Veolia Environmental Services - providing waste and recycling collection, waste disposal and street cleansing services
- FCC (formerly Waste Recycling Group) – providing management of the three household waste recycling centres.

This Gateway 5 report has been approved for submission to the Cabinet after review and discussion at the Procurement Board on 15 February 2017.

1. BACKGROUND INFORMATION

Budget and Policy Framework

- 1.1 This contract update is within the Council's policy and budget framework and ties in with all the identified Core Values, Strategic Priorities, Strategic Council Obligations and Departmental/Directorate service plans as detailed below.
- 1.2 These contracts follow the Council's core values to ensure we have services that put our customers at the heart of everything we do at the same time as giving value for money and fit with the strategic priority of a clean and green environment.

1.3 Such services need to support the Council's Waste Strategy that, in turn, provides the basis for targets in performance and community plans. The primary objectives are to:

- Ensure compliance with statutory duties
- Meet statutory performance targets
- Ensure continuity of a front line service
- Provide services within agreed budgets
- Meet requirements to achieve efficiency gains
- Provide environmentally sustainable services.

2. VEOLIA - WASTE AND RECYCLING COLLECTION, STREET CLEANSING SERVICES AND WASTE DISPOSAL

2.1 These contracts cover:

- Waste collection and street cleansing services (kerbside collection of residual waste, recycling and food/garden waste, bring sites, processing and sale of recyclables and cleansing of Medway's streets).
- Disposal of residual waste via a combination of landfill and energy from waste, ensuring the Council meets as a minimum, its landfill diversion targets as originally set down by Government prior to contract inception.

2.2 Both contracts started on 4 October 2010. The waste collection and street cleansing contract is for 9 years (the option to extend 2 years was agreed at Cabinet on 17 January 2012, decision number 8/2012) and the disposal contract is for the duration of 25 years.

2.3 Following Medway's successful bid to the DCLG for £14 million-worth of funding under their Weekly Collections Support Fund, a variation to the collection and street cleansing contract was agreed to facilitate weekly collections of food/garden waste and recycling as from 28 of October 2013 until contract expiry, 30th September 2019.

2.4 The contracts require Veolia to provide an annual report detailing the operation of the contracts.

2.5 Representatives from Veolia and the Council's Waste Services Team will be present at the meeting to provide any additional information or clarification that is required. The annual report is attached at Appendix 1.

3. Key contract achievements

3.1 Ensure compliance with statutory duties

The Council has a statutory duty to:

- Arrange for the collection of household waste from all properties (section 45 Environmental Protection Act 1990) and

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

These are measured via:

- Monthly contract meetings
- Annual report to Overview and Scrutiny Committee
- Monthly corporate monitoring via Covalent returns
- National waste dataflow returns
- National flycapture reporting
- Maintaining NI195 inspections despite this no longer being a formal reportable target to DEFRA.

All collection and disposal services have been delivered to meet the council's statutory duties.

3.2 Ensure continuity of a front line service

Service continuity has been maintained to date there has been no incidents of severe weather to impact on services.

3.3 Provide services within agreed budgets

Monthly budget monitoring is undertaken by the Head of Service and Corporate Finance Officer, which supports the corporate-wide budget monitoring rounds reported to the Directorate Management Team, Corporate Management Team and Cabinet.

3.4 Provide environmentally sustainable services

Undertaking recycling is a key feature of sustainable waste practices. The introduction of weekly recycling in October 2013 has helped Medway achieve an overall recycling rate of 42.7% during 2015/16.

Nationally recycling rates have seen a marked decrease from 44.8% in 2014/15 to 43.9% in 2015/16. This has also been reflected in Medway, with the rate dropping from 46.1% to 42.7%.

Financial year	Verified recycling rate
2010/11	36.3%
2011/12	37.9%
2012/13	41%
2013/14	41.2%
2014/15	46.1%
2015/16	42.7%

Locally this drop can be attributed to:

- seasonal changes - summer 2016 growing season was adversely affected by the dry weather resulting in less garden organic waste.
- Recycling outlets for hard plastic recyclates no longer exist due to competition from virgin materials and the falling oil price.
- Mattress recycling is not economically viable transferring approximately 1000 tonnes of mattresses into residual waste.

3.5 Partnership working

3.5.1 Working together, Medway Council and Veolia have carried out an audit of every block of flats to ascertain the provision of mixed recycling services currently being provided. This has resulted in identifying a further 80 blocks of flats suitable for the service which have now received recycling services.

3.5.2 Veolia continue to work with the Safer Communities team to increase the response time for the investigation and removal of fly tipped waste. Veolia continue to induct new Medway council staff so that they can safely access and utilise the Whitewall Road Transfer Station. Enforcement officers can investigate fly tips and remove the waste for local disposal.

3.5.3 Veolia, with Medway Councils agreement, have adopted a more proactive cleansing method of removing all weeds at each cleanse. This has also enabled a cost saving by reducing the need to spray weeds across Medway three times a year.

3.5.4 Veolia, working with Waste Services, are supporting Medway Councils digital transformation project to enable a better customer journey optimising self service for the bulky waste collection.

3.6 Waste collection contract

3.6.1 Tonnages of waste, recycling and street arisings:

Recycling tonnages	Total tonnes
Oct 2010 – Sept 2011	21,404
Oct 2011 – Sept 2012	18,342
Oct 2012 – Sept 2013	17,406
Oct 2013 - Sept 2014 (1 st year of weekly recycling collections)	18,555
Oct 2014 – Sept 2015	19,173
Oct 2015 – Sept 2016	18,682

Refuse	Total tonnes
Oct 2010 – Sept 2011	56,371
Oct 2011 – Sept 2012	56,731
Oct 2012 – Sept 2013	56,778
Oct 2013 – Sept 2014	55,037
Oct 2014 – Sept 2015	55,985
Oct 2015 – Sept 2016	57,297

Bulky Waste	Total tonnes
Oct 2010 – Sept 2011	762
Oct 2011 – Sept 2012	781
Oct 2012 – Sept 2013	824
Oct 2013 – Sept 2014	976
Oct 2014 – Sept 2015	1,052
Oct 2015 – Sept 2016 (introduced bulky waste charges April 2016)	707

Food & Garden waste	Total tonnes
Oct 2010 – Sept 2011	15,703
Oct 2011 – Sept 2012	16,313
Oct 2012 – Sept 2013	16,224
Oct 2013 – Sept 2014 (1 st year of weekly organic collections)	23,639
Oct 2014 – Sept 2015	21,018
Oct 2015 – Sept 2016	23,121

Bring Site glass	Clear	Mixed	Total tonnes
Oct 2011 – Sept 2012	306	386	692
Oct 2012 – Sept 2013	292	354	646
Oct 2013 – Sept 2014	248	278	526
Oct 2014 – Sept 2015	301	268	569
Oct 2015 – Sept 2016	202	281	483

Street cleansing tonnage	Litter	Mechanical sweepings	Fly tipping	Total tonnes
Oct 2011 – Sep 2012	1212	1324	283	2,819
Oct 2012 – Sep 2013	1286	3507	295	5,088
Oct 2013 – Sep 2014	1382	3947	372	5,701
Oct 2014 – Sep 2015	1504	2151	462	4,117
Oct 2015 – Sep 2016	1,695	1,953	515	4,163

3.6.2 In the absence of statutory recycling and street cleansing targets, Medway set local aspirations for the level of customer satisfaction. Measures of public satisfaction, assessed by the Council's corporate bi-annual Tracker Survey for 2015/16, are detailed below:

	Satisfaction Target	Satisfaction Achieved
Refuse Collection	91%	88.9%
Recycling	85%	85%
Street Cleaning	75%	56%

Please note the decrease in satisfaction is because the survey methodology has changed, therefore year-on-year comparisons cannot be made. Prior to 2015 – 2016 the Council Plan and Contract Measurements were obtained by the monthly tracker, this was a comprehensive electronic, paper and telephone survey. From April 2016 the satisfaction was assessed using the Citizen Panel paper tracker survey.

- 3.6.3 In the contract year 2015 – 2016 street cleansing crews have:
- removed 463 dead animals from the public highway.
 - removed 1,974 fly tips from public areas (reduction due to asbestos being removed by a different contractor)
 - attended 81 locations to remove needles & syringes from public areas.

During the contract year 2015 - 2016 Medway Council monitoring officers have carried out 3012 street inspections as part of their contract monitoring duties, to ensure Veolia is complying with the contract and maintaining good standards. The inspections are graded as prescribed by the Government's 'Code of Practice on Litter and Refuse, 2005' with a good standard being reflected by grades A or B.

Council Monitoring Officers inspections 2015 - 2016

Service	Number of inspections (good standard)
Mixed recycling collections	1339
Organic collections	1282
Refuse	1429
Litter and canine bin emptying	1268
Health and safety	567

- 3.6.4 The total number of individual refuse, recycling and food/garden waste collections carried out was approximately 16.6 million. The number of individual collections reported as missed was 2844 (2852 in the previous reporting year).

Service 2015 - 2016	Approx number of collections	Number of missed collections
Refuse collection	5,878,080	1,315
Organic Collections	4,982,328	796
Mixed Recycling	5,827,276	733

- 3.6.5 Co-mingled kerbside recyclable materials (cans/plastics and glass) are currently taken to Southwark MRF (Materials Recycling Facility).
- 3.6.6 Paper and cardboard are delivered to UPM at Dartford for sorting and processing.
- 3.6.7 Securing end users for recycling continues to be a challenge for the market. The value of many materials has fallen significantly and the costs of processing it have increased. Veolia retain the value of all paper, metal, plastic and glass collected at kerbside while the Council pays a fixed processing fee for the co-mingled tonnage.

3.7 Waste Disposal Contract

- 3.7.1 All mechanical street cleansing arisings are sent for processing rather than landfill with **95%** being recycled and cost savings being passed to the Council. The materials recovered include:

- Black filter cake (compressed byproduct of street cleansing) – treated and used in land reclamation and restoration
- Sand – washed and used 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 production of heavy oils
- Reusable aggregates
- Grey water – used to wash aggregates on site

3.7.2 In addition to SELCHP (South East London Combined Heat & Power) energy from waste facility in South London, Veolia has now opened a RDF (Refuse Derived Fuel) plant near Canterbury. It is scheduled to accept up to 25,000 tonnes of residual waste per annum from the Medway contract and will provide an additional facility for Veolia to reduce waste to landfill whilst limiting the reliance on third party disposal facilities.

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

3.7.4 Total tonnage into Rochester Transfer Station:

2012/2013	104,106 tonnes
2013/2014	126,977 tonnes
2014/2015	110,100 tonnes
2015/2016	104,452 tonnes.

4. FCC ENVIRONMENT (FORMERLY KNOWN AS WASTE RECYCLING GROUP -WRG) - MANAGEMENT OF THE THREE HOUSEHOLD WASTE RECYCLING CENTRES (HWRC)

4.1 The HWRC contract broadly consists of the following elements:

- The management of three HWRCs;
- The haulage of all materials arising at the sites with the exception of Waste electrical and electronic equipment (WEEE) and household batteries, which are covered by producer compliance schemes (PCS);
- The marketing and sale of materials arising at the sites with the exception of residual waste, wood waste, and those detailed above;
- Achievement of a 50% recycling rate target at each site in the first 12 months after commencement and 60% for each following 12 month period;
- The provision and maintenance of containers necessary to provide the service to supplement those provided by the Council;
- The provision of all plant and equipment necessary to provide the service including remote access to the CCTV system, an electronic data management system and an automatic number plate reader (ANPR) system at each site.

4.2 The contract started on 1 October 2010 for the duration of seven years with the possibility of extension by two years with mutual agreement. This option has not been taken up. Instead, Medway Council is working towards entering into a service contract with its joint venture company Medway Norse for delivering the service from October 2017, following Cabinet's consideration and approval of the

Gateway 1 Procurement Commencement report on 27 September 2017 where the following decision was made:

The Cabinet approved Option 3, in accordance with the Teckal exemption Medway Council can execute with Medway Norse, for the future service delivery of the Household Waste Recycling Centres (decision no. 122/2016 refers).

- 4.3 The contract requires FCC to provide an annual report detailing the operation of the contract.
- 4.4 Representatives from the Council's Waste Services will be present at the meeting to provide any additional information or clarification that is required. The annual report is attached at Appendix 2.

5. FCC - key contract achievements

5.1 Ensure compliance with statutory duties.

- 5.1.1 The provision, and hence management, of the household waste recycling centre's is a statutory duty for the waste disposal authority of an area, of which Medway as a unitary authority holds this duty. The duty is imposed by section 51 Environmental Protection Act 1990 and requires the Council to make arrangements for HWRCs to be provided which are reasonably accessible to persons resident in its area. HWRCs must be available for the deposit of waste at all reasonable times (including at least one period on the Saturday or following day of each week except a week in which the Saturday is 25 December or 1 January).

The success of this contract is measured via

- Monthly contract meetings,
- Annual report to Overview and Scrutiny Committee
- Monthly corporate monitoring via Covalent returns
- National Waste Dataflow returns

This contract has been delivered to meet our statutory duties.

5.2 Meet performance targets.

- 5.2.1 During the contract year waste levels nationally have begun to rise again. Residual waste deposited at Medway HWRC's has increase for the first time since 2010 echoing the national trend. This can also be partly attributed to the introduction of the bulky waste charge in April 2016.
- 10,041 tonnes in the first contract year (Oct 2010 to Sept 2011)
 - 7,438 tonnes in the second contract year (Oct 2011 – Sept 2012)
 - 7,429 tonnes in year three (Oct 2012 – Sept 2013)
 - 7,060 tonnes in year four (Oct 2013 – Sept 2014)
 - 7,368 tonnes between October 2014 and September

2015/16 Contract Year Performance by Site	Total Tonnage received (t)	Materials recycled (t) ¹	Recycling percentage (%)
Capstone	6378	4138	64.9%
Cuxton	7883	4758	60.4%
Hoath Way	5960	3560	59.7%
Contract Total	20,221	12,456	
Overall Performance			61.6%

5.2.2 Measures of public satisfaction were taken via surveys at the three sites in May 2016, showing 96% of residents using the site were very or fairly satisfied with the facilities (75% being very satisfied) and services offered. There is very little change in general public satisfaction however satisfaction with queueing has decreased.

2015/16 Customer Satisfaction	Capstone	Cuxton	Hoath Way	Overall	(overall) Change from previous wave
Overall site	98%	99%	91%	96%	0%
Staff Helpfulness	96%	98%	84%	95%	-1%
Site Cleanliness	98%	99%	94%	97%	-1%
Queueing	97%	97%	42%	77%	-12%

5.3 Ensure continuity of a front line service

5.3.1 Service continuity has been maintained to date there has been no incidents of severe weather to impact on services

5.4 Provide services within agreed budgets.

5.4.1 Monthly budget monitoring is undertaken by the Head of Service and Corporate Finance Officer, which supports the corporate-wide budget monitoring rounds reported to the Directorate Management Team, Corporate Management Team and Cabinet.

5.4.2 This contract is operating within the agreed budget and is subject to RPI/Baxter indices uplifts each year. An income is derived from KCC for allowing access by their residents to our sites. This has offset the running costs for these sites.

5.5 Meet requirements to achieve efficiency gains.

5.5.1 Discussions have taken place with FCC regarding the possibility of taking up the 2-year contract extension (from 2017 to 2019). However, Cabinet decision

(122/2016) was to transfer this contract into the joint venture company Medway Norse to provide these services from October 2017.

5.6 Provide environmentally sustainable services

- 5.6.1 Undertaking recycling is a key feature of sustainable waste practices. Each year reports of energy and fuel usage are submitted to Medway as well as robust internal process for auditing their energy usage.

6. BUSINESS CASE

6.1 Procurement Project Outputs / Outcomes – Waste Collection & Disposal

Outputs / Outcomes	How was success measured?	Who measured success of outputs/ outcomes	When was success measured?	How has contract award delivered outputs/outcomes?
1. Ensure compliance with statutory duties	<p>- Collection of household waste from all properties (as defined under EPA 1990) and</p> <p>-At least 2 materials for recycling from all households via kerbside collections by 2010 (Waste Recycling Act)</p> <p>-Cleaning of streets as defined under the Clean Neighbourhoods Act</p>	<p>Head of Service</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Monthly corporate monitoring via 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>Monthly contract meetings</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Monthly corporate monitoring via Covalent returns</p> <p>National Waste Dataflow returns quarterly</p> <p>National fly capture reporting</p> <p>Maintaining NI195 inspections despite this no longer being a formal reportable target to DEFRA</p>	<p>All collections and disposal services have been delivered to meet our statutory duties</p> <p>There are no statutory recycling or street cleansing standards, however we have set local targets for recycling, street cleansing standards and customer satisfaction detailed in section 3 above.</p>
2. Ensure continuity of a front line	<p>Days service running</p> <p>Public satisfaction with</p>	<p>Head of Service</p>	<p>Monthly contract meetings</p>	<p>Service continuity has been maintained, as there were no major changes in contractor during 2015/2016; there were no</p>

service	service delivery	Annual report to Overview & Scrutiny Committee	Annual report to Overview & Scrutiny Committee	major breaks in service due to extreme weather Measures of public satisfaction are detailed in section 3 above.
3. Provide services within agreed budgets	Regular monitoring of service costs against budget	Head of Service & Corporate Finance Officer.	Monitored monthly at a local level by the Assistant Director and quarterly at Department Management Team, Corporate Management Team & Cabinet	The contracts have been operating within agreed budgets.
4. Provide environmentally sustainable services	Undertaking recycling is a key feature of sustainable waste practices. Through the purchase of 46 British built refuse trucks, increased fuel and emission efficiencies will be realised going forward. A reduction to landfill waste will potentially be realised through an increase in recycling collection frequency.	Head of Service Annual report to Overview & Scrutiny Committee	Monthly contract meetings Annual report to Overview & Scrutiny Committee Monthly corporate monitoring via Covalent returns	Undertaking recycling is a key feature of sustainable waste practices. The introduction of weekly recycling in October 2013 has helped Medway achieve an overall recycling rate of 42.7% during 2015/16. A target for at least 73% of residual waste to be diverted from landfill was achieved in 2015-16.

6.2 Procurement Project Outputs / Outcomes – Household Waste Recycling Centres

Outputs / Outcomes	How was success measured?	Who measured success of outputs/ outcomes	When was success measured?	How has contract award delivered outputs/outcomes?
<p>1. Ensure compliance with statutory duties</p>	<p>Our Statutory duty is: Civic Amenities Act 1967 and the Environmental Protection Act 1990 has required local authorities to provide free-to-use household waste recycling centres for their residents to dispose of 'household' rubbish and recycling.</p>	<p>Head of Service Annual report to Overview & Scrutiny Committee Corporate monitoring via Covalent returns National Waste Dataflow returns</p>	<p>Monthly contract meetings Annual report to Overview & Scrutiny Committee Monthly corporate monitoring via Covalent returns National Waste Dataflow returns quarterly</p>	<p>During the contract year, Medway has maintained the three sites open to all residents of Medway to dispose/recycle/deposit for reuse 'household' waste free of charge.</p>
<p>2. Meet contract performance targets</p>	<p>Target of recycling a minim of 60% during this contract year.</p>	<p>Head of Service Annual report to Overview & Scrutiny Committee Corporate monitoring via Covalent returns National Waste Dataflow returns</p>	<p>Monthly contract meetings Annual report to Overview & Scrutiny Committee Monthly corporate monitoring via Covalent returns National Waste Dataflow returns quarterly</p>	<p>Despite a slight increase in the residual waste tonnages at the three HWRC's this year, as detailed in section 5, and increasingly challenging markets for some recyable materials, the average recycling rate for the three sites has been maintained at over 60%.</p>

<p>3. Ensure continuity of a front line service</p>	<p>Days service running</p> <p>Public satisfaction with service delivery</p>	<p>Head of Service</p> <p>Annual report to Overview & Scrutiny Committee</p>	<p>Monthly contract meetings</p> <p>Annual report to Overview & Scrutiny Committee</p>	<p>Service continuity has been maintained, as there were no major changes in contractors or contractor during 2015/16; there were no major breaks in service due to extreme weather</p> <p>Measures of public satisfaction were also taken via surveys at the three sites in May, showing 96% of residents using the site were very or fairly satisfied with the facilities and services offered.</p>
<p>4. Provide service within agreed budgets</p>	<p>Regular monitoring of service costs against budget</p>	<p>Head of Service and Corporate Finance Officer</p>	<p>Monitored monthly at a local level by the Assistant Director and quarterly at Department Management Team, Corporate Management Team & Cabinet.</p> <p>The contracts are subject to RPI/Baxter indices uplifts each year</p> <p>An income is derived from KCC for allowing access by their residents to our sites. This has generated an income and offset the running costs of the sites.</p>	<p>This contract is operating within the agreed budget and is subject to RPI/Baxter indices uplifts each year. An income is derived from KCC for allowing access by their residents to our sites. This has offset the running costs for these sites.</p>

<p>5. Meet requirement to achieve efficiency gains</p>	<p>Prudent contract procurement practices, including negotiations for efficiencies during discussions on service improvements and possible contract extension.</p>	<p>Head of Service</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Corporate monitoring via Covalent returns</p>	<p>Monthly contract meetings</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Monthly corporate monitoring via Covalent returns</p>	<p>The tendering of this contract in 2010 realised savings in excess of £600,000 per year.</p>
<p>6. Provide environmentally sustainable services</p>	<p>Undertaking recycling is a key feature of sustainable waste practices.</p> <p>A reduction to landfill waste will be realised through an increase in recycling and reuse of bulky items that would have been landfill previously.</p>	<p>Head of Service</p> <p>Annual report to Overview & Scrutiny Committee</p>	<p>Monthly contract meetings</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Monthly corporate monitoring via Covalent returns</p>	<p>The average percentage of recycled materials remains above contracted target.</p> <p>Separation of residual wastes into categories suitable for energy recovery or landfill has helped Medway reduce the percentage of landfilled waste.</p>

7. RISK MANAGEMENT

7.1 Risk Management – Collection & Disposal Contract

1a Risk Category: Contractual Delivery	Likelihood: D	Impact: II
Outline Description: Default by Contractor needing emergency action		
Plans to Mitigate: Contractor to provide and/or pay for alternative action		
1b. Risk Category: Contractual Delivery	Likelihood: D	Impact: II
Outline Description: Termination of Contract due to default by Contractor		
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.		
1c. Risk Category: Contractual Delivery	Likelihood: C	Impact: III
Outline Description: volume of waste less than or greater than anticipated		
Plans to Mitigate: Allowance made for this in contract conditions		
2a. Risk Category: Service Delivery	Likelihood: E	Impact: II
Outline Description: Closure of plan or inability to provide Service due to Force Majeure or relief events		
Plans to Mitigate: Shared responsibility under contract conditions		
2b. Risk Category: Service Delivery	Likelihood: D	Impact: II
Outline Description: Failure of waste management services contractor to meet contract standards for service delivery to the Council		
Plans to Mitigate: KPI & 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.		
2c. Risk Category: Service Delivery	Likelihood: D	Impact: II
Outline Description: Interruption of availability of some facilities		

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		
2d. Risk Category: Service Delivery	Likelihood: C	Impact: III
Outline Description: Non-household waste entering MSW waste stream or waste incorrectly dealt with according to its category		
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		
3a. Health & Safety	Likelihood: D	Impact: I
Outline Description: Serious injury/death of staff or public while services are in operation		
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.		
4a. Risk Category: Legal	Likelihood: C	Impact: II
Outline Description: Changes in Government regulations/law		
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.		
5a. Risk Category: Financial	Likelihood: B	Impact: II
Outline Description: budgeted net expenditure exceeded		
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		

5b. Risk Category: Financial	Likelihood: E	Impact: III
Outline Description: Overpayment to contractor		
Plans to Mitigate: Robust contract procedures for checking contracts, validating invoices and recovering any overpayments. Staff training. Regular internal audit inspections		
5c. Risk Category: Financial	Likelihood: E	Impact: II
Outline Description: Contractor/employee fraud or corruption		
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		

7.2 Risk Management – Household Waste Recycling Centres

1. Risk Category: Contractual Delivery	Likelihood: D	Impact: II
Outline Description: Default by Contractor needing emergency action		
Plans to Mitigate: Contractor to provide and/or pay for alternative action		
2. Risk Category: Contractual Delivery	Likelihood: D	Impact: II
Outline Description: Termination of contract due to default by contractor		
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		
3. Risk Category: Contractual Delivery	Likelihood: C	Impact: II
Outline Description: Volume of waste less than or greater than anticipated		
Plants to Mitigate: Allowance made for this in Contract		

4. Risk Category: Service Delivery	Likelihood: E	Impact: II
Outline Description: Closure of plant or inability to provide Service due to Force Majeure or relief events		
Plans to Mitigate: Shared responsibility under contract conditions		
5. Risk Category: Service Delivery	Likelihood: D	Impact: II
Outline Description: Failure of waste management services contractor to meet contract standards to service delivery to the Council		
Plans to Mitigate: KPI & default system in place for financial compensation. Adequate contract monitoring and enforcement in relation to operations. In appropriate cases by including provision in the contract for deductions where these standards are not met		
6. Risk Category: Service Delivery	Likelihood: C	Impact: II
Outline Description: Interruption of availability of some facilities		
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		
7. Risk Category: Service Delivery	Likelihood: C	Impact: III
Outline Description: Non-household waste entering MSW waste stream or waste incorrectly dealt with according to its category		
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		
8. Risk Category: Health & Safety	Likelihood: D	Impact: I
Outline Description: Serious injury/death of staff or public whilst services are in operation		
Plans to Mitigate: Robust health & safety monitoring procedures in place; the HWRC's in Medway are regularly audited by the HSE as part of their routine inspections.		

8. CONTRACT MANAGEMENT

8.1 Contract Management

8.1.1 The contract management of this contract 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 Service team within Front Line Services (FLS). Additionally support is provided by the Community Officers under Safer Communities within FLS who act as the eyes and ears with local residents.
- Contract management: The structure of Veolia's & FCC's contract management has not changed since last years reporting.

8.1.2 Waste Services has daily contact with both providers and holds regular monthly meeting to discuss service delivery, health and safety, financial issues and recycling/customer services statistics.

9. CONSULTATION

9.1 Consultation was undertaken as part of the procurement process and in development of the waste strategy. Additional stakeholder consultation will only be required if significant changes in services are needed at some later date.

10. PROCUREMENT BOARD

10.1 The Procurement Board considered this report on 15 February 2017 and supported the recommendation as set out in paragraph 12 below.

11. SERVICE COMMENTS

11.1 Finance Comments

11.1.1 There are no financial implications at this stage for either contract. Finance has been made aware that in the coming months a Gateway 3 report for the new Household Waste Recycling Centre contract with Medway Norse will be presented, as set out in paragraph 4.2 above.

11.2 Legal Comments

11.2.1 The statutory position is set out in the body of the report and there are no legal implications arising directly from the contents of this report.

11.3 Procurement Comments

11.3.1 This report sets out the annual service delivery of both contracts. It should be noted that this is the penultimate report for the Household Waste Recycling Centre (HWRC) contract and that the Collection and Disposal contract has several years left to run. There are no procurement implications which fall within the scope of this annual review but it should be noted that negotiations regarding

the HWRC transfer are continuing with Norse and therefore a further Gateway 3 to this effect will be presented in due course, as set out in paragraph 4.2 above.

11.4 ICT Comments

11.4.1 There are no ICT implications at this stage of either contract.

12. RECOMMENDATION

12.1 The Cabinet is requested to note the content of this report including the annual service updates provided by the two contractors as set out in Appendices 1 and 2 to the report.

13. SUGGESTED REASONS FOR DECISION

13.1 This is on the basis of value for money and that both contractors have a track record of delivering high quality services for the residents of Medway with high satisfaction levels recorded.

13.2 Further to this, the contracts have been well managed by the client department, through the adoption of contract management and the forming of a strong working relationship.

LEAD OFFICER CONTACT:

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Appendices

Appendix 1 Veolia Annual Service Report
 Appendix 2 FCC Annual Report
 Exempt Appendix

Background papers

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

Description of Document	Location	Date
Options Appraisal for Waste Collection Services	http://democracy.medway.gov.uk/ie/DecisionDetails.aspx?ID=742	20 February 2007
	and	
Options Appraisal for Waste Collection Services	http://democracy.medway.gov.uk/ie/DecisionDetails.aspx?ID=932	5 August 2008

Waste Collection Services and Waste Disposal Services: Award of Contracts	http://democracy.medway.gov.uk/mgIssueHistoryHome.aspx?IId=3321	14 Jul 2009
Contracts for the Collection and Disposal of Waste Update	http://democracy.medway.gov.uk/mgIssueHistoryHome.aspx?IId=3351	22 Sep 2009
Gateway1 Options Appraisal: Management of Household Waste Recycling Centres	http://democracy.medway.gov.uk/mgIssueHistoryHome.aspx?IId=4078	26 January 2010
Gateway 3 Contract Award: Household Waste Collection and Disposal Contracts	http://democracy.medway.gov.uk/ieDecisionDetails.aspx?ID=1818	30 March 2010
Gateway 3 Contract Award: Household Waste Recycling Centres	http://democracy.medway.gov.uk/mgIssueHistoryHome.aspx?IId=4954	20 July 2010
Recycling Clear Bags report	http://democracy.medway.gov.uk/mgConvert2PDF.aspx?ID=8523	4 October 2011
Annual Review of Waste Contracts: Year 1	http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=9016	13 December 2011
Gateway 4 Procurement Post Project Completion Review: Household Waste Recycling Centres	http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=9264	17 January 2012
Gateway 4 Procurement Post Project Completion Review: Waste Collection And Disposal Contracts	http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=9262	17 January 2012
Gateway 4 Procurement Post Project Completion Review: Organic Waste (Garden And Kitchen) Processing	http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=9260	17 January 2012
DCLG Weekly Collection Support Fund – Medway’s Bid	http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=16104	28 June 2012
Gateway 5 Procurement Contract Management Report: DCLG Weekly Collections Support Fund (Medway Weekly Bid)	http://democracy.medway.gov.uk/mgConvert2PDF.aspx?id=18307	27 November 2012

Gateway 5 Procurement Contract Management Report: Waste Collection and Disposal, Household Waste Recycling Centres, Tree Maintenance and Highways Minor Works	http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=22113	17 December 2013
Gateway 5 Report: Household Waste Recycling Centres Contract (item 16)	https://democracy.medway.gov.uk/ie/ListDocuments.aspx?CId=115&MId=3368&Ver=4	9 August 2016
Gateway 5 Report: Street Cleansing, Waste Collection and Disposal Contracts (item 17)	https://democracy.medway.gov.uk/ie/ListDocuments.aspx?CId=115&MId=3368&Ver=4	9 August 2016
Gateway 1 Procurement Commencement: Household Waste Recycling Centres	https://democracy.medway.gov.uk/ie/ListDocuments.aspx?CId=115&MId=3370&Ver=4	27 September 2016

Appendix 1 Veolia Annual Service Report

ANNUAL SERVICE REPORT

- Medway Council's Refuse/Recycling/Street Cleansing and Disposal contract were awarded to Veolia and commenced on the 4 October 2010 until 2017 with an option to extend for 2 years which has already been agreed, this enabled full depreciation of the existing vehicles providing Medway Council with a saving of £260,000 for Collections and Street Cleansing
- The Disposal contract is for 25 years (2010-2035)
- The award of this contract builds upon the already strong relationship between the two organisations since the previous contract from 2002 to 2009 and extended until September 2010.
- The Annual Service Report is an integral part of the contract that exists between Veolia Environmental Services and Medway Council in so far as 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 October 2013 both the Recycling and Garden/food waste service moved 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 providing Medway Council with cost savings from reduction in waste to landfill, replace the existing fleet.

Recycling tonnages	Total tonnage <i>(increase or decrease from previous contract year)</i>
Oct 2010 – Sept 2011	21404 tonnes
Oct 2011 – Sept 2012	18342 <i>(down by 3062)</i>
Oct 2012 – Sept 2013	17406 <i>(down by 936)</i>
Oct 2013 - Sept 2014 (DCLG 1 st year)	18555 <i>(up by 1149)</i>
Oct 2014 – Sep 2015	19173 <i>(up by 618)</i>
Oct 2015 – Sep 2016	18682

Refuse	Total tonnage <i>(increase or decrease from previous contract year)</i>
Oct 2010 – Sept 2011	56371
Oct 2011 – Sept 2012	56731 <i>(up by 360)</i>
Oct 2012 – Sept 2013	56778 <i>(up by 47)</i>
Oct 2013 – Sept 2014 (DCLG 1 st year)	55037 <i>(down by 1741)</i>
Oct 2014 – Sept 2015	55985 <i>(up by 948)</i>
Oct 2015 – Sept 2016	57297

Bulky Waste	Total tonnage <i>(increase or decrease from previous contract year)</i>
Oct 2010 – Sept 2011	762
Oct 2011 – Sept 2012	781 <i>(up by 19)</i>
Oct 2012 – Sept 2013	824 <i>(up by 43)</i>
Oct 2013 – Sept 2014	976 <i>(up by 152)</i>
Oct 2014 – Sep 2015	1052 <i>(up by 76)</i>

Oct 2015 – Sept 2016	707 <i>(decrease in line with bulky charging)</i>
----------------------	---

Garden & food waste	Total tonnage <i>(increase or decrease from previous contract year)</i>
Oct 2010 – Sept 2011	15703
Oct 2011 – Sept 2012	16313 <i>(up by 610)</i>
Oct 2012 – Sept 2013	16224 <i>(down by 89)</i>
Oct 2013 – Sept 2014 (DCLG 1 st year)	23639 <i>(up by 7415)</i>
Oct 2014 – Sep 2015	21018 <i>(down by 2621)</i>
Oct 2015 – Sept 2016	23121 <i>(increased 2103)</i>

Glass tonnages (Bring Sites)	Clear	Mixed	Total tonnage <i>(increase or decrease from previous contract year)</i>
Oct 2011 – Sept 2012	306	386	692
Oct 2012 – Sept 2013	292	354	646 <i>(down by 46)</i>
Oct 2013 – Sept 2014	248	278	526 <i>(down by 120)</i>
Oct 2014 – Sep 2015	301	268	569 <i>(up by 43)</i>
Oct 2015 – Sept 2016	202	281	483 <i>(down by 86)</i>

Veolia WEEE Compliance Scheme

Due to commercial pressures for outlets of the WEEE this project will be ending in November 2015, the collections of the bulky WEEE items will revert to the contract arrangement and be collected on the same day as refuse and normal bulky items.

Street cleansing

The teams have collected 562 dead animals from highway areas
 Dealt with 2575 reports of fly tipping
 Removed 96 Needles & syringes

Street cleansing tonnage	Litter	Mechanical Arisings	Fly- tipping	Total tonnage
Oct 2011 – Sep 2012	1212	1324	283	2819
Oct 2012 – Sep 2013	1286	3507	295	5088
Oct 2013 – Sep 2014	1382	3947	372	5701
Oct 2014 – Sep 2015	1504	2151	462	4117
Oct 2015 – Sep 2016	1695	1953	515	4163

Disposal Contract

- All mechanical street cleansing arisings are sent for processing rather than landfill with 95% being recycled.
- Black filter cake (compressed byproduct of street cleansing) – 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 the
- Veolia have now opened a RDF (Refuse Derived Fuel) plant near Canterbury this is scheduled to accept up to 25,000 tonnes of waste per annum from the Medway contract, providing an additional facility for Veolia to reduce waste to landfill and the use of third party facilities. This is addition to the SELCHP ERF facility 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.
- Disposal outlets continue to be challenging with increased processing costs for recyclable materials, especially paper, plastics and glass. Mattress recycling schemes have resulted in increased use of Pitsea.

Total tonnage into Rochester Transfer Station

2012/2013 104,106 tonnes
 2013/2014 126,977 tonnes
 2014/2015 110,100 tonnes
 2015/2016 104,452 tonnes

Recycling performance

- 2010/11 Target: 36% Achieved: 37%
-
- 2011/12 Target: 40% Achieved: 37%
- 2012/13 Target: 41% Achieved: 38%
- 2013/14 Target: 39% Achieved: 40%
- 2014/15 Target: 44% Achieved: 46%
- 2015/16 Target: 45% Achieved: 42.7%

Street cleansing Inspections (% of roads satisfactory)

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%
- 2014/15 Target: 95 % Achieved: 97%
- 2015/16 Target 96% Achieved: 97 %

Detritus (this is no longer a corporate target and is not measured)

- 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%
- 2014/15 Target: * Achieved: 97 %.

*there is no longer a corporate target for NI195, we only report on the % of land clear of litter

Public satisfaction

Measures of public satisfaction (taken via the Corporate quarterly tracker and annual Residents Opinion Poll) for Contract Year 2015 / 2016

Refuse collection

- Target 91%
- Achieved: 88.9%

Recycling

- Target 85%
- Achieved: 89%

Street cleansing

- Target 75%
- Achieved: 56%

During the contract year Medway Council monitoring officers conduct pro active monitoring inspections to ensure that Veolia are meeting the contract requirements

From October 2015 to September 2016 Officers have carried out 3012 street cleansing inspections that have given a positive result of the standard being achieved as A/B grade as detailed by the code of practice on litter and refuse 2005.

Collections

The following are the numbers of inspections relating to the collection services carried out by Medway Council Monitoring officers to ensure Veolia is complying with the collection contract and a high standard is being achieved.

Dry recycling 1339
 Organics 1282
 Refuse 1429
 Litter and canine bin emptying 1268
 Health and safety compliance 567

Missed Collections during the contract year

Veolia have serviced 113,040 properties throughout the year (property count Oct 2016). The following numbers of missed collections were reported:

1319 missed refuse collections
 799 missed organic collections
 734 missed recycling collections

Partnership working

During the contract year Veolia has been working with Medway Councils safer communities team to increase the response time for the investigation and removal of fly tipped waste.

By utilising the Whitewall Road transfer station, enforcement officers can investigate fly tips and remove the waste where possible from the scene and deposit it for disposal.

Veolia and Waste Services have worked together to identify sites where it is possible to reduce the number of litter and canine bins that are placed on the highway. This reduces on street clutter and has saved costs. We have introduced a combined litter and dog waste bin that enables residents to use the one bin for both waste types.

Veolia Company Information

Our values for all staff

Customers

Truth

Focus

Deliver

Teamwork

Empowerment

Measure

Innovate

We are no longer just a waste management company, with the integration of Energy and Water and the constant drive for new technologies to turn waste into a resource. 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 brand continues to expand and we are part of the largest composting company within the UK and now offer an increased range of products, soil conditioner, multi-purpose compost, lawn conditioner, bark chips, wood chip mulch, top soil.

Other products now available are Pro Salt in handy 25kg bags and caddy liners and even a children's story book Munch and the Funny Tummy aimed at 5-7 year olds to teach the importance of recycling.

Veolia can deliver the benefits of district heating through the use of a centralised energy plant to provide heat and potentially electricity and cooling for groups of buildings - ranging from private developments, social housing, community, educational and commercial buildings, campuses or even whole cities. Veolia can also manage the distribution network installation and scheme management through a dedicated Energy Services Company (ESCO) arrangement Typical applications include housing, business parks, and hospital sites.

Veolia Environmental Trust

Over 261 projects have received funding between January 2014 – March 2015 of £8.5 million pounds (£5.9 million from Veolia Landfill Tax credits) including :-

Ranscombe Farm Reserve nr Rochester

This rare and valuable chalk grassland habitat has been protected and restored through the establishment of a grazing regime on a large wildflower meadow.

To make the site suitable for grazing, a water supply, fencing and a pen were installed as well as visitor signage. Local volunteers were trained in animal welfare and handling so they could look after the health and wellbeing of the livestock on a daily basis.

The field is now a high-quality, species-rich grassland thanks to sheep eating the grass and making more room for flowers to grow and multiply.

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 are one of the largest employers nationally with 14000 staff (globally over 200,000), 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.
- We use 22,000 litres of diesel every week

Staff development

- Veolia continue to provide our HGV driver scheme to encourage promotion within the contract/company 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
- Smoking cessation materials

ACCIDENT TOTAL	Days since a Lost Time Accident (23.10.2015)
34	486

No RIDDOR reportable injuries in the last Contract year.
New H & S initiatives

New induction pack to be delivered to all staff minimum every 2 years
All manual handling minimum every 2 years

After DCLG

Increased training has been delivered to all staff to ensure consistent standards
Changes have made to the Supervisory structure to increase staff knowledge and ability to manage a variety of tasks.

More staff than ever have been trained to multi skill

CPC driver training has been delivered to all 7.5 tonne and above

T1 Highway training delivered to staff and Council Officers

Charities

Wear it Pink – Breast Cancer – Medway raised over £300

Wisdom Hospice – following the death of one of HGV drivers earlier in the year

Medway HWRC Contract Year 6
Annual Service Report 2015 / 2016

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1. Executive Summary

The Annual Service Report (ASR) provides a detailed review of the performance of the Medway Council / FCC Environment (FCC) contract over the previous twelve months. This is the 6th ASR, following the commencement of the Contract on the 1st October 2010. The intention of this report is to provide details on the historical performance of the contract and to set new objectives through to the exit of the contract in September 2017.

The ASR aims to concentrate the information requirements of the Contract Specification with the tender submission into a single report, providing a comprehensive overview of all aspects of the HWRC service. The ASR is a working document which is complimented by a monthly 'dashboard' of key contract requirements which can be tracked through the year, allowing greater visibility of our contract management, self-monitoring and reporting processes with the aim of continuous improvement to the Contract.

The requirement to provide the Annual Service Plan is detailed in clause 16.2 of the specification, schedule 4, and reference in the specification and method statements section 4.2.3.

Key achievements for contract year 2015/2016 are as follows and further detailed in the report below:-

Continuing the success of the Sue Ryder Charity to improve re-use 56.96 tonnes of material was diverted to reuse in 2015-16. Medway Council receive a financial benefit for the scheme, by way of a discount on the management fee.

A Customer satisfaction survey was completed during May, the results for overall satisfaction remain high at 96% for the year.

2. Report on progress for the Contract year 2015/16

In 2015/16 Medway Council are able to report a service that are delivering above the national recycling target, the national target for yr 2020 is 50% and this year we achieved 61%.

The reuse scheme continues to grow and over this year we can report 77t over the contract diverted to the Reuse Scheme and Bike Recycling Partnership.

FCC has provided the Council with a high quality service with exceptionally high levels of customer service and satisfaction. Overall satisfaction is reported at 96% however this is countered with user dissatisfaction at queuing times, particularly at Hoathway & Cuxton in the main a reflection on site layout and the maximum throughput capability at peak use.

The Health and Safety of our clients, customers and staff are of paramount importance to FCC and to this end we have been rigorous in our approach to Health and Safety Management. Following the introduction of SafeGuard in 2015 there has been a drive on the identification of hazards / potential hazards. Over the report period a total of 105 items were recorded.

3. Summary of Performance

This report provides an overview of FCC's performance of the Contract during 2015/16. This includes performance against recycling targets, performance against the Service Delivery Plan and the target material streams. It is also intended to give an overview of how the Contract is managed by FCC Environment, together with a look forward and target setting for the contract year 2015 / 2016.

3.1. Overall Waste Input / Output Analysis

Section 3.2 of the Contract Specification sets out the minimum recycling levels to be achieved by the HWRC contractor;

Contract Year	Contract Recycling Target
2010 / 2011	>50%
2012 / 2017	>60%

Table 1: Recycling Rate Targets

3.2. Analysis of Overall Waste Inputs

Table 2 - sets out the total tonnage received at each site and for the contract as a whole as a comparison against the tonnage sent for recycling or composting: The total tonnage recycled excludes hardcore and soils, and does not include difficult waste which is reported separately.

Site	Total Tonnage received (t)	Materials recycled (t) ¹	Recycling percentage (%)
Capstone	6884	4431	64%
Cuxton	8115	4945	60%
Hoath Way	6231	3677	59%
Contract Total	21230	13053	
Overall Performance			61%

Table 2 Performance against Contracted Targets

The table below shows the volume of materials segregated for reuse recycling and disposal at the sites in the year 2015/16:

Site	Tonne
Hoath Way	14t
Cuxton	29t
Capstone	25t
TOTAL	68t

Table 3 Recyclate Levels by Site

The table below shows the volume of materials segregated for reuse / recycling and disposal at the sites in the year 2015/16:

All Sites	%	All Sites	%
Landfill	29.77%	Car Batteries	0.23%
Hardcore	23.92%	Asbestos	0.22%
Wood	21.57%	Co-mingled Recycling	0.19%
Garden Waste	6.48%	Waste Oil	0.17%
Metal (Ferrous)	5.83%	Tyres	0.13%
Paper & Card	3.18%	Re-use Bikes	0.03%
SDA (E-WEEE)	2.92%	Metal (Non Ferrous)	0.02%
Plasterboard	1.38%	Cooking Oil	0.02%
Textiles	0.88%	Household batteries	0.01%
Fridges/Freezers (B-WEEE)	0.82%	Fluro tubes (D-WEEE)	0.01%
Televisions (C-WEEE)	0.82%	Print Cartridges	0.01%
LDA (A-WEEE)	0.70%	Rigid Plastic	0.01%
Glass Mixed	0.34%	Chemicals	0.001%
Gas Bottles	0.31%	Mattresses	0.00%
Re-use	0.24%		

Table 4 Waste Streams and Volume %

All material movements on behalf of the HWRC service are managed by FCC and designed so as to allow the sites to operate with the least disruption as possible to the general public. Containers are moved during non-operational and operational hours. During operational hours, containers are moved by following safe systems of work such as the use of barriers to segregate the general public from the collection operation being used.

FCC has strict guidelines and procedures that consider the health and safety of the general public and our workforce at all times. In the event that we consider it unsafe to collect a container with the site open, we close the site for the shortest possible time, and deploy one of our staff to advise the waiting cars of the anticipated closure time. This ensures that inconvenience to the site users is kept to a minimum and if they are held up, we communicate the approximate time of reopening to reduce conflict and confrontation.

3.3. Details of Waste Outputs, Destination, Treatment, Reprocessing, Re-use or Disposal

The table below identifies the tonnages of materials that have been collected across the HWRC service over the last Contract year and the destinations of where these materials have been sent for processing.

Material	Total Tonnage	Destination	Process	Contract Basis
Cardboard & Paper	896	Kemsley Mill, Sittingbourne	Reprocessed	Long-term National
Soil & Hardcore	6800	Site Remediation, Strood	Reprocessed	Ad-hoc agreement
Glass (mixed)	96	Countrystyle Ridham, Docks, Sittingbourne, Kent, ME9 8	Reprocessed	Ad-hoc agreement
Green Waste	1826	Tamar Organics Swanley	Re-use	Internal, Ad-Hoc Disposal
Wood	6069	Countrystyle, Ridham	Treatment	Medway contract
Batteries (auto)	65	EMR	Reprocessed	National contract
Metal Ferrous	1647	EMR	Reprocessed	National / Ad-hoc

Florescent tubes	3	Mercury Recycling	Disposal/Re-use	Ad-hoc contract
Fridges	231	Repic via Light Bro's.	Reprocessed	Medway contract
Gas bottles	86	Roud Recycling	Re- use	Ad-hoc contract
Mixed Recycling (MDR)	66	Viridor, Crayford	Reprocessed	FCC Contract
Textiles	247	LMB Textiles, London	Reprocessed	Ad-hoc contract
Tyres	37	Pountney tyres, Worthing	Reprocessed	Ad-hoc contract
WEEE (small)	822	SWEEP, Sittingbourne (Veolia/DHL contract)	Reprocessed	Medway contract
WEEE (large)	189	SWEEP, Sittingbourne (Veolia/DHL Contract)	Reprocessed	Medway contract
Televisions	231	SWEEP, Sittingbourne (Veolia/REPIC Contract)	Reprocessed	Medway contract
Plasterboard	389	Countrystyle, Ridham Dock	Reprocessed	Ad-hoc contract
Oil – Motor	47	Eco-Oil, Kingsnorth	Reprocessed	Ad-hoc contract
Household Batteries	5	Waste Care, Manchester	Reprocessed	Ad-hoc contract
Rigid Plastics	3	Countrystyle - Strood	Reprocessed	Ad-hoc contract
Printer Cartridges	3	Take Back, Norfolk	Repro'd/Re-used	Ad-hoc contract
Re-Use	69	Abacus Charity, Sue Ryder Charity	Re Sold	Contract Pending
Bikes	8	Abacus And Rochester Prison	Re sold	Contract
Cooking Oil	6	Slickers	Reprocessed	National /Ad Hoc
Metal Non-Ferrous	7	EMR	Reprocessed	National / Ad-hoc

Table 5 Recyclate streams, volumes, outlets and contract terms

All materials are sold into re-processors on annual or ad-hoc contracts in order to minimise transport, maximise revenues and guarantee quality off-takers with high service levels. FCC continually re-evaluates our off-takers, auditing their operations so as to ensure that we always provide our customers with the highest quality of service whilst minimising our impact on the environment.

3.4. Analysis of Overall Recycling Performance

During the year 2015/16 FCC has consistently strived to improve the level of recycling achieved at each of the HWRC's.

HWRC	Recycling % in Contract Year 2010/11	Recycling % in Contract Year 2011/12	Recycling % in Contract Year 2012/13	Recycling % in Contract year 2013/14	Recycling % In Contract year 2014/2015	Recycling % In Contract year 2015/2016
Capstone	51%	62%	65%	70%	67%	64%
Cuxton	51%	59%	62%	65%	60%	60%
Hoath	56%	64%	62%	64%	61%	59%
Overall	52%	62%	63%	66%	62%	61%

Table 6 : Recycling rates by Site

3.5. Waste Input / Output Analysis by Site (individual HWRC)

Table 7 summarises all materials accepted for recycling and disposal on a site by site basis.

Material Type	Capstone		Gillingham		Cuxton	
	Tonnes	%	Tonnes	%	Tonnes	%
Landfill	2453	27.09%	2554	30.52%	3170	29.73%
Hardcore	2150	23.75%	2120	25.34%	2530	23.73%
Wood	2040	22.54%	1837	21.96%	2192	20.56%
Garden Waste	629	6.95%	451	5.39%	746	7.00%
Metal (Ferrous)	536	5.92%	522	6.24%	589	5.52%
Paper & Card	285	3.15%	242	2.90%	371	3.48%
Small appliances	259	2.87%	280	3.35%	283	2.65%
Plasterboard	233	2.57%	0	0.00%	156	1.47%
Textiles	82	0.90%	75	0.90%	90	0.85%
Televisions	75	0.83%	78	0.94%	78	0.73%
Fridges/Freezers	70	0.78%	66	0.78%	96	0.90%
Large appliances	45	0.50%	4	0.05%	140	1.31%
Tyres	37	0.41%	0	0.00%	0	0.00%
Gas Bottles	29	0.32%	27	0.32%	30	0.28%
Glass Mixed	21	0.24%	18	0.21%	57	0.53%
Re-Use (Sue Ryder)	21	0.23%	12	0.15%	24	0.22%
Asbestos	20	0.22%	17	0.20%	17	0.16%
Car Batteries	19	0.21%	19	0.22%	27	0.26%
Waste Oil	17	0.19%	13	0.15%	17	0.16%
Co-mingled Recycling	14	0.16%	21	0.26%	31	0.29%
Metal (Non Ferrous)	4	0.05%	0	0.00%	2	0.02%
Re-use (Abacus)	4	0.05%	2	0.03%	6	0.06%
Rigid Plastic	3	0.03%	0	0.00%	0	0.00%
Cooking Oil	3	0.03%	2	0.02%	2	0.02%
Re-use Bikes	2	0.02%	3	0.04%	4	0.03%
Print cartridges	1	0.01%	0	0.00%	2	0.01%
Fluro tubes	1	0.01%	1	0.01%	1	0.01%
Houshold batteries	1	0.01%	3	0.03%	1	0.01%
Mattresses	0	0.00%	0	0.00%	0	0.00%

Table 7 Recycled Data by Site

3.6. Recycling Performance by Material Type

Table 8 shows the all materials accepted for recycling and disposal by tonnage.

Material Type	Total Tonnage	Percentage
Landfill	8177	29.12%
Hardcore	6800	24.21%
Wood	6069	21.61%
Garden Waste	1826	6.50%
Metal (Ferrous)	1647	5.86%
Paper & Card	899	3.20%
Small appliances	822	2.93%
Plasterboard	389	1.39%
Textiles	247	0.88%
Televisions	231	0.82%
Fridges/Freezers	231	0.82%
Large appliances	189	0.67%
Tyres	37	0.13%
Gas Bottles	86	0.31%
Glass Mixed	96	0.34%
Re-Use (Sue Ryder)	57	0.20%
Asbestos	54	0.19%
Car Batteries	65	0.23%
Waste Oil	47	0.17%
Co-mingled Recycling	66	0.24%
Metal (Non Ferrous)	7	0.02%
Re-use (Abacus)	12	0.04%
Rigid Plastic	3	0.01%
Cooking Oil	6	0.02%
Re-use Bikes	8	0.03%
Print cartridges	3	0.01%
Fluro tubes	3	0.01%
Houshold batteries	5	0.02%

Table 8 Recycling Performance by Material

3.7. Report on Handling of Hazardous Wastes

Two Hazardous Waste streams are managed at the sites, asbestos and chemicals. Asbestos is accepted at all three HWRC sites, and garden chemicals at Cuxton.

During 2015/2016 **54** tonnes of asbestos has been received by members of the public or Veolia's collections of fly tipped material at the 3 HWRC's, this material is disposed off via Pindens.

Our hazardous chemicals disposal company has collected **57** items of various chemicals from Cuxton recycling centre summarised in table 9. Weed killer is the most common chemical (20 incidences, 44.75kg) followed by insecticide (5 incidences,) and oil based liquid (3 incidences). By weight, the largest single deposit was a 45kg container of acid and 5 separate 25kg deposits.

Chemical Description	Qty	Size (kg)
Acid	1	45
Ant killer	1	0.5
Carbno Tetrachloride	1	0.5
Chlorine tablets	1	2.5
Corrosive UN1760	1	25
Cuprinol Fence Preserver	1	5
Empty Ex Brown Sludge	1	1.25
Ethylene Glycol	1	25
Insecticide	5	2.5
Kerosene	1	5
Proactive C Insecticide - Cypermethrin	1	5
Sunspot pH Plus - Sodium Carbonate	1	1
TFR 100 Traffic Film Remover	1	25
Water Clarifier Concentrate	1	1
Weed killer	20	44.75
White Spirit	1	0.75

Chemical Description	Qty	Size (kg)
Acrylic Varnish	1	2.5
Calor Gas	1	5
Creoste	1	5
Curo M300 - Methyl Ethyl Ketone Peroxide	1	5
Furniture Oil	1	1
HS Hardener	1	0.5
Hydrochloric Acid	1	0.5
Isopropanol	1	25
Model Engine Fuel	1	5
Nitromoors Paint and Varnish Remover	1	5
Oil based liquid	3	35
Poolstore pH Minus - Sodium Bisulphate	1	5
Sodium Hypochlorite	1	25
Sulphuric acid and Hyrdofloric Acid	1	25
Sunpool - Hydrochloric acid	1	5
Wickes Water Repellant	1	5

Table 9 Hazardous Chemical at Cuxton

3.8. Commercial (Trade) Waste

.FCC is proactively managing Trade Waste abuse and has worked closely with Council Officers in the development of a protocol for dealing with Traders.

One of the key challenges relating to Trade Waste abuse at the sites is identifying the traders using the sites. We are monitoring the ANPR data to identify regular users, and then where appropriate targeting suspected traders. Suspected trades people are proving difficult to discourage and deter as, when challenged, staff are confronted with aggressive and abusive behaviour from these customers, putting the site staff in potentially stressful and in some cases dangerous situations.

3.9. Reporting of Monitoring and Achievement of Performance Standards

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Contract Performance deductions	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0

Table 10 Contractual Deduction 2015/16

4. Customer Satisfaction / Site Surveys

The most recent Customer Satisfaction Survey was undertaken in May 2016.

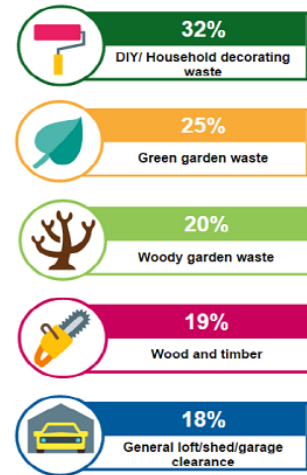
Overall Key findings

KPIs	Overall
Overall site	96%
Staff helpfulness	95%
Site cleanliness	97%
Queuing	77%

HWRC USER SURVEY 2016



Top five waste and recycling items taken to the site



Results of the survey indicate that overall user satisfaction for the service has fluctuated slightly by 1% but still remains fairly constant. The last survey in May 2016 gave a figure of 96% of customers being very or fairly satisfied overall, continuing on the good work already achieved from contract commencement in 2011. The illustration above reflects the key user satisfaction levels as given in the Customer Satisfaction Reports.

The following conclusions were drawn from the latest Customer Satisfaction Survey:

- The most common users of the sites were white males, between the ages of 45 and 54 who have no disabilities. This remains similar to the previous year's customer surveys.
- The most recent customer survey completed in May 2016 indicates that overall satisfaction has remained constant at 96%. The May 2016 customer survey figures for the top percentage type of waste delivered to site was as follows: -
 - DIY/General decorating waste 32%
 - Residual waste 18%, and green garden waste 14%

- 76% of customers came from the Medway area during the May 2016 survey. The most common area for those coming from outside of Medway was Tonbridge and Malling Borough Council (6%) and Maidstone (3%). These figures are broadly in line with previous survey data.

A full copy of the survey has been provided to the Medway waste team.

Data from the ANPR system giving peak times and number of customers visiting site for 2015/16.

By site:

	Total	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Capstone	157214	23248	19123	18133	18957	19605	29682	28466
Cuxton	150664	23817	19784	19181	18449	18942	25582	24909
Hoathway	176098	27345	22985	22457	22147	22552	30911	27701
TOTAL	483976	74410	61892	59771	59553	61099	86175	81076

	Total	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Capstone	32%	15%	12%	12%	12%	12%	19%	18%
Cuxton	31%	16%	13%	13%	12%	13%	17%	17%
Hoathway	36%	16%	13%	13%	13%	13%	18%	16%
TOTAL	100%	42%	35%	34%	34%	35%	49%	46%

Table 11 Total visitors to site and volumes by day

CAPSTONE	Oct	Nov	Dec	Jan	Feb	Mar
	7%	3%	6%	6%	6%	8%
APR	May	Jun	Jul	Aug	Sept	
	10%	13%	9%	11%	9%	

CUXTON	Oct	Nov	Dec	Jan	Feb	Mar
	7%	7%	5%	6%	6%	8%
APR	May	Jun	Jul	Aug	Sept	
	9%	11%	10%	11%	9%	

HOATHWAY	Oct	Nov	Dec	Jan	Feb	Mar
	8%	7%	6%	7%	7%	10%
APR	May	Jun	Jul	Aug	Sept	
	11%	12%	11%	10%	8%	

Table 12 Peak Period by Site & Month

5. Environmental and Other Considerations

5.1. Environmental Agency (EA) Inspections

During 2015/16 the EA undertook 2 Site Inspections one at Cuxton and one at Capstone. Some changes relating to the storage of fluorescent tubes were made following the Capstone visit and no issues found at the Cuxton visit.

Cuxton received two notifications of noise complaints from neighbouring properties and a complete cessation of movement was introduced prior to 8am at this site, moving into 2016/17 there are continuing reports of noise via the EA. On each of these occasions we have shown that the noise levels are within the operating hours of the site and we have conducted a noise survey for presentation to the EA.

5.2. Audits

No Environment Agency Audits were conducted this Contract year.

5.3. Site Security and Related Issues

All three HWRC sites continue to be monitored by Onwatch Security during both operational and non operational hours. The security system includes the use of infrared and motion detection which, if triggered, notifies the control centre who automatically inform the local police and FCC. Any intruders found guilty of trespass and theft shall be dealt with in accordance to the law.

Each of the sites have seen a recurring problem where a vehicle pulls up to the Television disposal point and the occupants load (steal) units rather than leave waste, in each instance they have been challenged and left site however their behaviour has been threatening, on each occasion the incident has been reported to the Council & Authorities.

The Cuxton facility has experienced some theft of batteries during the night.

5.4. Health and Safety, and Environmental Compliance

The health and safety of all staff and visitors to the sites is of paramount importance to FCC. Accidents, incidents and near misses are reported to the contract manager who investigates, and records findings on FCC's internal recording system. Every report is investigated, with the findings reported back to site staff in monthly team meetings. This feedback ensures staff are made aware of actions being taken to resolve issues raised.

	Capstone	Cuxton	Hoathway	Transport	TOTAL
Accident	2	17			19
Environmental			2	1	3
Near Miss	36	24	4	2	66
Incident	2	3	9		14
Highway Incident				3	3
				TOTAL	105

Table 13 H&S and Environmental Incidents by Site

During the Contract Year 2015/16, 105 incidents were reported by site staff for a variety of issues ranging from non conforming waste (asbestos), slips trips & falls and minor cuts. Near misses are actioned by the Contract Manager and are logged with FCC Safety, Health and Environment department.

During the contract year there were two notable incidents. At Hoath Way there was a container fire suspected to be from a disposed of battery into the household container. On compaction it is likely the battery was pierced. The incident was attended by the emergency services and was well managed by the site staff. The use of extinguishing materials can lead to environmental issues but again this was contained well by site staff. At Cuxton a transport lorry overturned whilst picking up a container. This was within the compound in a secure area where current safe working practices ensured no other members of staff or public could be affected. The subsequent investigation highlighted recommendations for change in material handling and the incident was subject to Director level review within FCC. Further actions were noted for consideration to be applied nationwide.

Capstone, Cuxton, and Hoath Way HWRC, under this Contract, continue to be operated to ISO14001:2004 standard under FCC's Integrated Management System (IMS) and ISO 9001:2008 for its Quality Management Systems.

All aspects of the HWRC Service are assessed for risks to ensure that any hazards that are identified can be removed where possible or mitigated to keep the task safe. This task is recorded with the completion of a risk assessment and a safe working procedure detailing the specific issues and how the work should be managed.

All staff undertaking operational tasks are continually trained on the risk assessments and work instructions related to their roles. Each employee has a signed training log which is kept with the risk assessment to demonstrate that operatives understand the activity.

5.5. Risk Assessments

All operational activities that are undertaken as part of the Contract are subject to Risk Assessment, a process that establishes the hazards and risks associated with a particular activity and aims to reduce the risk by taking mitigating or preventative action.

Risk Assessments are reviewed annually and any change of process or new activities are assessed prior to being implemented. The Assessments are available for the Council to inspect at any of the three HWRC sites.

5.6. Staffing and Welfare

A new Contract & Transport Manager, Paul Fitzpatrick, joined the business during August 2016 overseeing the commercial, operational and logistics aspects of the contract

The Contract Manager is supported by site based supervisors, team leaders and site staff, along with internal support services such as H&S, HR and Fleet Departments.

All permanent and Agency staff receive induction and ongoing training to allow them to fulfil their roles effectively.

Current staffing levels are as proposed in the initial SDP with the structure slightly changed

- Contract manager
- Admin
- Senior supervisor
- Two supervisors
- Three team leaders
- Six fixed site staff
- Two floating staff
- Additional staff hired from agency pool as required

6. Review of Administration of Service

The provision of data provided by FCC to the Council is regularly discussed and reviewed as part of the Contract meeting held with the Medway Council waste team.

Prior to FCC raising a monthly invoice, the data is agreed with the Council, and supporting information provided. The annual bonus for year 6 of the contract has been agreed between both parties resulting in a bonus of £6k for the sites. The annual indexation has been reviewed.

7. Infrastructure, Plant and Equipment Maintenance

The infrastructure of the sites remain in good condition with grounds maintenance, litter picking and statutory inspections all completed during the contract year.

7.1. Routine Maintenance

All facilities used in the service of the Contract were maintained to a high standard during 2015/16, including fixed and mobile plant and site infrastructure. Planned maintenance ensured that plant down-time was minimal through the year with little or no disruption to Medway or the general public. Maintenance records are available for inspection by Medway upon request.

One compactor at Capstone had a major malfunction and was deemed to be financially unviable for repair, Medway council has provided the funding to replace this machine. A review of the age of all the compactors has been carried out and the information supplied to Medway waste team.

7.2. Business Continuity

Local Authorities are coming under increasing pressure to have robust business continuity systems in place to protect their major services. The waste management service provided by FCC under this Contract is one such contract and therefore contingency arrangements are vital to ensure continuation of service in the event of business interruption. The table below shows the contingency facilities in place in case of severe business interruption (e.g. major fire or flood or long-term plant unavailability). A more detailed contingency plan has been submitted to the Medway council but in the first instance an alternative site would be utilised as below.

Facility	Waste Types	Contingency 1	Contingency 2
Capstone HWRC	MDR and Residual waste	Hoath Way HWRC	Cuxton HWRC
Cuxton HWRC	MDR and Residual waste	Capstone HWRC	Hoath Way HWRC
Hoath Way HWRC	MDR and Residual waste	Capstone HWRC	Cuxton HWRC

Table 14 Contingency facilities

7.3. Fixed and Mobile Plant

Service and maintenance agreements are in place for all mobile and fixed plant on the sites. This reduces the likelihood of failure and guaranteeing the attendance of an engineer the same working day to commence repairs. In the event of a more substantial mobile plant failure, a hire machine can be brought onto site the same day.

8. Invoicing

All invoices were paid in the 2015/2016 contract year.

9. Amendments to SDP

There have been no amendments to the SDP in 2015 / 16

10. Aims for 2016/2017

10.1. Report on Recycling Bonus Incentive Scheme

- As we enter the exit phase of the contract focus will be on assisting Medway Council in the smooth transfer of responsibilities to the new service provider and ensuring that there is no legislative exposure to the Council with regards to the availability of records etc.
- FCC will co-operate fully with the new service provider and facilitate communications to ensure retention of staff during the transfer of responsibilities.

10.2. Infrastructure improvements and routine maintenance

There are no major improvement plans for contract year 2016 / 17.