

Committee(s):	Date(s):
Port Health and Environmental Services	20 January 2015
Subject: Third Year Performance Review of the Domestic Waste Collection and Street Cleansing Contract	Public
Report of: Director of the Built Environment	For Information
Summary	
<p>This report outlines the performance of the Domestic Waste Collection and Street Cleansing Contractor for the third full year of the contract and the first full year of the contract following the purchase of Enterprise Managed Services (EMS) by Amey plc. Standards remain high with independent audits by Keep Britain Tidy showing another year of performance well above both the national and London average and better than set contract targets.</p> <p>The contractor performance continues to be regularly monitored by officers against a suite of twelve KPIs which are kept under review to ensure they continue to drive the desired performance from the contract, City officers and the contractor, continue to review the way the service is provided to ensure efficient service delivery and a drive towards continuous improvement.</p>	
Recommendation(s)	
Members are asked to:	
<ul style="list-style-type: none"> • Note the report 	

Main Report

Background

1. On 01 October 2011 the City Corporation's new Domestic Waste Collection and Street Cleansing Contract with Enterprise Managed Services Limited (EMS) commenced.
2. Following EU regulatory approval it was announced on 09 April 2013 that EMS had been acquired by Ferrovial S.A. and that EMS's immediate parent company will become Amey (UK) plc. At a local level there was minimal change excepting a rebranding of uniforms and vehicles. This has been the first full year that the contract has been under the management of Amey.
3. The contract is for eight years with an option to extend for another eight years. At the same time the contract for Police and Corporate Fleet Maintenance was also let to Amey (formerly EMS) but that contract is not considered within this report.
4. The contract specification saw a shift in focus from 'input' measures (e.g. the number of staff being specified) towards 'output' performance measures (e.g. the standard of cleanliness achieved). The intention was to avoid over staffing

the contract and to drive efficiencies through measures such as the provision of two sub-depots (Middlesex Street and Smithfield Market) and better utilisation of mechanical sweeping. The contract also included the transfer of the City's loss making commercial waste business to Amey for the term of the contract where after it will be returned to the City for a peppercorn payment.

5. The efficiency and other measures outlined above resulted in an award of contract at an annual revenue saving of £884,000 with the new annual contract value being £3.222 million.
6. This report reviews the performance of the Street Cleansing and Waste Collection elements of the contract for the period from 1 October 2013 to 30 September 2014.

Current Position

7. The third year of this contract has seen a further improvement in performance and standards in the street cleansing and waste operations. In the first full year of Amey managing the contract they have worked closely with City Officers to identify opportunities for more efficient working practices and improvements in the City's street environment standards.
8. Throughout the year the cleanliness of the City has also been independently monitored through sample inspection of our streets by Keep Britain Tidy (KBT). Every four months KBT conduct a series of random inspections based upon the methodology of what used to be a nationally reported performance indicator for street cleanliness (NI 195) based on an aggregated score of four markers (litter, detritus, flyposting and graffiti). Your Committee has set a target of no more than two per cent of streets inspected by KBT falling below the satisfactory standard of cleanliness. The data for the last four inspections is shown below and indicates the best in class across London (the London benchmark figure is 6.09%, the national benchmark is 10.41%)

	October 2013	March 2014	July 2014	October 2014
Target	2.0%	2.0%	2.0%	2.0%
City Score	0.25%	0.63%	0.58%	1.29%

9. Although well below City's own internal target the October 2014 inspection score was above previous levels. Analysis of the survey data showed that this increase was due to the inspections taking place in the east of the City at the same time as the Poppy exhibition at the Tower of London caused increased footfall, litter and made cleansing the area challenging. Although resources were reallocated and adjusted the cleansing operation was restricted by the sheer volume of visitors. However to still come in below the 2% target despite this is a credit to the service.
10. In 2014 Amey carried out a triennial benchmarking exercise, which was a key requirement laid out by the City at tendering stage. The report compared the waste management services provided by Amey for the City of London with those of other Amey contracts throughout the UK to determine how efficient

the contract is across all of its services. A full analysis into all streams of the service concluded that considering the City of London contract was less than 30% into its running time, along with the difficulties associated with working in a densely populated environment, it performs well alongside its counterparts, delivering an efficient and high quality waste management and street cleansing service. Including with the highest customer satisfaction score for Cleanliness of Streets and second highest in both Refuse collection and Recycling services.

11. In addition to this benchmarking exercise in May 2014 the City of London engaged The London Waste and Recycling Board (LWARB) to carry out an efficiency review of its waste management services. This review was part of a London wide efficiencies programme which offered every London Borough a free-of-charge high level review of their services to identify if any significant savings could be made. At the time that the City of London's review was completed LWARB had undertaken 14 reviews covering 20 London Boroughs.
12. The overall feedback from both LWARB was very positive. They recognised the complex nature of the City and the intricate collection schedules and resourcing required servicing these unique needs. They considered our service delivery to be so close to optimum efficiency that they were unable to identify any areas where significant improvements could be made. Therefore they did not recommend progressing their work to a second phase (as they had for all of the other boroughs which they reviewed).
13. The City of London was also recognised for its street cleansing service at the prestigious Clean Britain Awards, which is now in its 25th year and which recognise those local authorities performing at the highest levels in delivering high quality local environments. The scheme helps them to promote their successes and works to raise awareness of the issues caused by litter. The City achieved a Silver Award in the medium population category.

Continuous Improvement Achievements

14. From its inception in 2011 the contract has always strived for continuous improvement, over the past year of the contract there have been a number of changes made to improve efficiency and performance.
15. **Revision of KPIs:** In order to accurately reflect the service and provide more relevant management information, in-line with the provision made in the contract the decision was made to amend two of the contract KPIs. Both of these amendments have been discussed at the Partnership Board and are currently in trial phases to ensure they are robust enough to form part of the suite of KPIs. The amended KPIs include a target time for collection from our solar powered bins once they are shown as being full and the GPS tracking of mechanical sweeper routes to confirm they have completed a pre agreed route.
16. **Health and Safety:** Health and Safety is central to the corporate objectives of Amey and the City of London. Driven by the Target Zero ethos, the City of London contract has risen to the challenge of making the working environment as safe as possible. The renewed focus on Health and Safety

implemented by Amey has seen a dramatic improvement in close call reporting, up 230% from 2012-2013.

17. Joint Bi-weekly depot inspections between CoL and Amey continue alongside the established method of monitoring operative health and safety, the “Inspection Management System” (IMS) carried out both independently by Amey and in joint inspections with the City.
18. In addition to this Amey has introduced a process of Visible Felt Leadership (VFLs). These are intended as informal discussions between the Senior Management Team and operatives, ensuring that safe practice is being followed, and that employees are happy in their working conditions. One of these inspections is required each month.
19. **Service Delivery and Innovation:** The partnership trialled a number of new innovations this year including mobile gum removal packs which can be deployed to focus on specific areas and raise awareness amongst members of the public. As part of a fleet review Ashwood Hybrid vehicles fitted with hybrid technology to provide clearer driver metrics and assist in reducing carbon output were chosen to replace the aging Cabac fleet. Amey are also in the process of trialling limited Sweeper Barrow GPS tracking software.
20. The City has experienced a recent growth in the frequency and size of events such as charity runs and one off public exhibitions such as the poppy display at the Tower of London. In addition to this seasonal variations in weather and visitor numbers and their distribution was identified as an area where cleansing could be improved. In order to manage the inevitable challenges for street cleaning these events and variations in the weather cause, a seasonal beat has been established. This beat is deployed to wherever the need is perceived to be highest and this has proved extremely beneficial.
21. **Best Practice:** As part of an benchmarking initiative amongst several large European Cities that the City has been instrumental in creating, Officers from the City have met with counterparts from across Europe to understand their waste collection and street cleansing services. As a result of the meeting a number of cities have agreed to collate information on cleansing services to establish benchmarks on staffing levels, value for money and equipment. The City was also visited by Ferrovial’s (Amey’s parent company) “Smart Cities” team as they look to share best practices from across the Amey business portfolio.
22. Amey have been utilising their corporate Graduate trainee programme to place graduates on the City of London contract. So far three Graduate Managers have so far worked on the contract and a Trainee Manager (Amey Talent Tracker programme) has been appointed. They have provided valuable contributions to the contract in the development of a number of projects such as contract benchmarking, operational performance management and vehicle availability.
23. Amey have also been very supportive of the City’s objective to reduce road accidents and this year have achieved the Silver Fleet Operator Recognition Scheme (FORS) standard from TfL along with becoming a CLOCS (Construction Logistics and Cyclist Safety) Champion with all their driving staff have now completed the Safer Urban Driving Scheme.

Continuous Improvement – Objectives

24. As part of the on-going desire to improve the service delivered in partnership with our contractors Amey, an annual improvement plan is produced which highlights areas where the contract can be improved in the coming year. The following are key areas which we will be aiming to develop.
25. **Individual staff performance and recognition** the next year of the contract will see the launch of a performance leader board for managers and operatives. This will generate improved statistical and general information on the performance of the contract at street level. This will be complemented by rewards and recognition, in particular for the “Eyes and Ears” element of reporting which aims to embed the practice of defect and incident reporting across all City services the general duties of all cleansing staff.
26. **Driving Further efficiencies** Now that the contract has been running for some years, the partnership feel that it is prudent to carry out a comprehensive review of night time cleansing operation. This will involve an analysis of all work carried out at night to ensure areas are receiving the appropriate frequencies of sweeping and to establish if current resources could be deployed more effectively.
27. **Enhanced Integration of systems** The planned integration of Amey’s Works Manager Interface used to allocate and track the progress of work with City’s Customer Relationship Manager (CRM) system is due to be completed in the coming year. This will allow for easier interrogation of performance information.

Conclusion

28. In summary, Amey have continued to deliver well in terms of overall cleanliness of the street environment. The KPI system is proving effective in driving performance and also enables City officers and the contractor to see where performance needs to be improved.

Appendices

- Appendix 1 – KPI performance table for 2013/14

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Appendix 1 - KPI performance table for 2013/14

		Targets		Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14
		'13	'14												
1	Percentage of streets meeting the enhanced Grade A Standard, including removal of all accessible minor graffiti, when inspected within 15 minutes of the nominated daily clean.	96%	97%	98.8 %	99.0 %	98.1 %	97.5 %	98.3 %	98.3 %	98.1 %	98.8 %	98.6 %	99.3 %	97.5 %	97.5 %
2	Number of random inspections recorded per week, within agreed limits for services/days/shifts and a total of at least 800 per month.	800	800	841	861	835	833	861	843	818	832	835	813	818	814
3	Percentage of independent verification inspections (initially 80 per month) that confirm the results of contractor inspections.	90%	95%	91.7 %	98.8 %	100 %	93.8 %	95.2 %	97.6 %	100 %	96.6 %	98.0 %	96.8 %	95.1 %	97.9 %
4	Percentage of urgent service requests that are attended with the required time limit.	96%	97%	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
5	Percentage of complaints that are second or subsequent complaints (defined to exclude both duplicate complaints and at the other extreme those more than six months apart).	15%	10%	0%	20%	0%	0%	0%	0%	0%	16%	0%	8%	0%	0%
6	Percentage of shifts from which an accurate feedback report is obtained.	95%	97%	96.2 %	95.7 %	96.7 %	96.8 %	97.5 %	97.6 %	98.4 %	97.5 %	97.9 %	97.6 %	97.5 %	98.0 %

Appendix 1 - KPI performance table for 2013/14

		Targets		Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14
		'13	'14												
7	Number of occasions per month when refuse collection street cleansing vehicles are tracked operating above the optimum speed for cleansing.	4	2	0	0	0	0	0	0	0	0	0	0	0	0
8	Number of defaults issued in the month.	0	0	0	2	0	0	1	0	0	0	0	0	1	1
9	Number of failures to complete scheduled work, allowing if necessary for agreed contingency arrangements contained within the method statements.	0	0	0	0	0	0	1	0	0	0	0	0	0	1
10	Number of changes to working methods implemented without prior agreement or in an emergency, agreed within two hours.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Number of occasions of failing to respond to the urgent client requests for information (highlighted for immediate attention).	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Number of pavement collection points found to have bags not collected when the embargo starts.	9	7	1	1	2	1	1	4	7	3	0	9	3	2
	Total passed	10		12	10	12	10	10	12	12	11	12	11	11	10