

TEWKESBURY BOROUGH COUNCIL

Report to:	Overview and Scrutiny Committee
Date of Meeting:	2 May 2017
Subject:	Annual Review of Ubico
Report of:	Peter Tonge, Head of Community Services
Corporate Lead:	Peter Tonge, Head of Community Services
Lead Member:	Councillor J R Mason, Lead Member for Clean and Green Environment
Number of Appendices:	2

Executive Summary:

The report provides an update on the Ubico contract for waste and recycling service, street cleaning and grounds maintenance services following transfer of the services to Ubico on 1 April 2015.

The report details how the performance is monitored, the level of performance being delivered and any measures that Ubico has taken to improve their service delivery within the period 1 January 2016 to 31 December 2016.

Recommendation:

1. To **CONSIDER** the 12 month update on the services provided by Ubico.
2. **TO AGREE** that the annual report for 2017/18 be brought to the Overview and Scrutiny Committee in July 2018 in order to align with the financial year.

Reasons for Recommendation:

At a meeting of the Overview and Scrutiny Committee in April 2016 it was agreed that the performance of the Ubico contract be monitored by the Committee on an annual basis.

As the Quarter 4 performance and finance information is not available until May each year it is recommended that the report move to a later date in the committee year.

Resource Implications:

None

Legal Implications:

With regard to Paragraph 4.1 of the report any agreed change to the performance indicators will require a formal variation of Appendix E to the Specification Schedule of the services contract. Clause 22 of the contract provides a mechanism to accomplish this.

Risk Management Implications:

There are no significant new risks or opportunities arising within the period under review.

Performance Management Follow-up:

Performance is monitored and managed in conjunction with the Gloucestershire Joint Waste Team through the monthly client meetings, Environmental Service Partnership Board and the Overview and Scrutiny Committee.

Environmental Implications:

None

1.0 INTRODUCTION

- 1.1** At a meeting of the Overview and Scrutiny Committee in April 2016 it was resolved that a review of the performance of the Ubico contract be undertaken on an annual basis.

2.0 BACKGROUND

- 2.1** On 1 April 2015 the front line delivery of the waste and recycling collections, street cleansing and grounds maintenance services was transferred from the in house DSO to the local authority owned company Ubico Ltd, a separate legal entity wholly owned and controlled by the shareholders.
- 2.2** During 2015/16 the ownership of Ubico Ltd expanded from the original two authorities - Cheltenham Borough Council and Cotswold District Council - to include Forest of Dean District Council, Tewkesbury Borough Council and West Oxfordshire District Council. Stroud District Council and Gloucestershire County Council have also recently joined as shareholders.
- 2.3** One of the aims of the transition was for it to be seamless to residents. At the point of transition there was no change to service delivery. The Council retained the systems for handling customer contact and payments and are responsible for channelling customer queries and requests for services to Ubico. At Ubico, the Tewkesbury service is still run by the same management team but with direct reporting to the Managing Director of Ubico rather than the Head of Service at Tewkesbury Borough Council.

3.0 CONTRACT MONITORING

- 3.1** In December 2014, Tewkesbury Borough Council joined the Gloucestershire Joint Waste Committee (JWC). The JWC is the shared body overseeing the strategic direction of waste management. One of the delegated functions of the Joint Waste Team (JWT) is the shared responsibility for monitoring the effectiveness of its member authorities' waste and recycling and street cleaning contracts. The JWT carry out six weekly contract meetings with Ubico on behalf of the Council to monitor performance of the waste and street cleaning elements of the Ubico contract against contract specification, targets and legal compliance; resolve complaints and service delivery issues; develop customer communications opportunities; and health and safety compliance, best practice and contingency plans. The JWT also carries out health and safety monitoring of Ubico waste, recycling and street cleaning crews on a monthly basis. Any issues identified are fed back to the Ubico supervisors and actions recorded to ensure a closed loop process is in place. Health and safety information is then reported quarterly to the Council's 'Keep Safe, Stay Healthy' Group.
- 3.2** Grounds maintenance is not a delegated responsibility of the JWT and overseeing and monitoring of the contract remains with the Council. This function has been assigned to the Licensing Team Leader post.

3.3 A customer service liaison meeting between Ubico's Operational Support Officer and the Tewkesbury Customer Services Manager takes place fortnightly. This is to resolve day to day issues and make continual improvements to the Achieve System (Report it online) which is used to log service requests. This helps to improve customer service and communication with residents.

3.4 The Environmental Services Partnership Board which includes representatives from the Council, the JWT and Ubico meets on a quarterly basis. The purpose of the meeting is to review the previous quarter's performance and budget, consider trends, strategic planning, receive service updates and an operational review of health and safety.

4.0 PERFORMANCE

4.1 Performance Indicators

4.1.1 The Ubico contract includes six performance indicators details of which are reported on a quarterly basis at the Environmental Services Partnership Board. The performance indicators are standard across all Ubico contracts and are detailed in Appendix 1.

4.1.2 In November 2016 a Tewkesbury audit made recommendations to review the performance indicators so that they are fit for purpose, robust and provide a measure for service delivery. The JWT has met with Ubico and it has been agreed to set up a Working Group in early 2017/18 to improve and develop a standard set of performance indicators across all contracts.

4.2 Residual household waste per household (kg/per year) and Household waste reused, recycled and composted

4.2.1 Whilst Ubico does have a role in reducing the amount of residual household waste per household, the JWC has the delegated responsibility for diverting waste from landfill and increasing the amount of waste reused, recycled and composted. Ubico, as the service delivery partner, works in partnership with the JWC to deliver campaigns to reduce waste and improve recycling performance.

	2015/16	2016/17 *projected outturn
Residual Household Waste per household (kg/per month)	427	410
Percentage of household waste reused, recycled and composted.	50.68%	53%

There has been a decrease in the amount of residual waste sent to landfill this year and an increase in the % of waste reused, recycled and composted which is positive given the backdrop of declining recycling rates nationally.

4.3 Percentage of Household Collections Completed on Schedule

The contract sets a target of 99% which is standard across the waste industry. Ubico is achieving a high level of performance as it has achieved the target month on month

throughout the contract. The type of issues that can impact on this include adverse weather, vehicle breakdowns, shortage of crews due to sickness etc. Missed collections must be considered in relation to the 86,000 collections made each week; which is million points of contact with customers per quarter.

4.4 Service Delivery Issues/Improvements

4.4.1 Bin Deliveries and Bulky Waste Collection

During 2016 there was a high demand for refuse and recycling containers which was largely due to the growth in properties. In addition demand for the bulky waste collection service rose. The JWT/ Tewkesbury Borough Council IT department and Ubico developed a plan to reduce the waiting times by redesigning the system to enable more delivery slots whilst maintaining the existing resource levels. This resulted in lead times reducing to an acceptable level.

4.4.2 Container Stock Levels

Stock levels of bins have also caused concern with bins running out on more than one occasion. The reason cited for the failure to maintain stock levels is the limited storage at Swindon Road. Ubico has made assurances to improve stock control and this is now monitored at the client meetings.

4.4.3 Street Cleansing

New health and safety guidance has been published for 'Safe Cleansing on the Highway'. This has implications for Ubico carrying out litter picking on high speed roads (over 50 miles) and on roads where there is less than 1.2 clearance from the roadside. This has led to some roads not being able to be litter-picked unless road closures are in place. Ubico has set up a project to identify the implications across all its contracts and is developing a proposal for a safe system of work to present to shareholders.

4.4.4 Grounds Maintenance

Ground maintenance is not managed or monitored by the JWT and is also delivered by Ubico. The new Head of Community Services has identified a shortfall in this area and is in the process of developing an action plan to rectify this situation as a matter of urgency. This will tie into the requirement to monitor the new fleet that has recently been purchased and become operational.

4.5 Formal Complaints

4.5.1 The number of complaints relating to Ubico service delivery during 2016/17 are detailed below:

Complaint Type	No of complaints
Attitude of a member of staff	6
Standard of service:	14
Failure to provide a service	15
Damage to property	3

4.5.2 The context of these complaints represents a range of reasons. However reoccurring issues are the placement of containers after collections, repeated missed assisted and standard collections. All complaints have been referred to a manager at Ubico and action has been taken to address the issues with the relevant supervisors and members of staff.

4.5.3 Where damage to property has occurred, these have been investigated and actioned through remedial grounds maintenance work or through an insurance claim. Each complaint is discussed at contract monitoring meetings to identify the causes and where improvements can be made to prevent further complaints.

4.6 Health and Safety Performance

4.6.1 Health and safety is a high priority for Ubico due to the significant safety risks of the services they provide. Throughout the period Ubico has demonstrated a commitment to continual improvement of health and safety including:

- To support the existing health and safety support arrangements provided by Go Shared Services, a dedicated in house post of Quality Manager was created in 2016 with specific responsibility for development of Ubico Health and Safety Strategy and Policy and standardisation across the organisations contracts which should results in efficiencies and improved practices.
- Achieved CHAS accreditation in June 2016 and EXOR gold standard accreditation in December 2016 demonstrating capability in meeting Health and Safety Requirements.
- All managers and supervisors have attended the four day Institute of Safety and Health (IOSH) training course and have attained a Waste Collection Health and Safety Management qualification.
- A trial in Cheltenham and West Oxfordshire with onboard vehicle cameras that monitor the perimeter of the vehicle has proven to be successful in improving hazard spotting and the camera images that are recorded have allowed Ubico to determine whether claims from vehicle or property owners are due to collision from one of the vehicles or not. This technology has been specified for the Tewkesbury Borough Council new fleet.

4.7 Financial Performance

4.7.1 Ubico delivered the targeted efficiency savings in 2015/16 and an underspend of £71k which was mainly due to the drop in fuel prices.

- 4.7.2** In the original business plan, the second year efficiency savings were to be delivered by standardising the terms and conditions of staff. Due to the complexities of this process this has been delayed until 1 April 2017 and is not expected to deliver the original savings that were identified. However, Ubico has tried to deliver the second year savings through other means. The quarter three forecast is a £28,000 overspend.

5.0 PROJECTS

- 5.1** During the period Ubico supported the waste and recycling review project including cost modelling and round optimisation. Ubico was able to add value at no additional cost as it has the skill set and software to model a variety of services to inform the options appraisal and this represented considerable value for Tewkesbury Borough Council compared to the cost of external consultants.
- 5.2** In support of the new fleet procurement project, Ubico provided specifications to ensure fit for purpose fleet of vehicles across all services. Now Tewkesbury Borough Council has purchased the vehicle fleet Ubico will carry out the maintenance at the Swindon Road depot.
- 5.3** Ubico will be carrying out the transfer of recyclables at Swindon Rd when the new Material Recovery Facility (MRF) contract goes live on 14 April 2017 as direct deliver is no longer an option.
- 5.4** The joint review of the ownership, management and profitability of commercial waste services is in progress.

6.0 OTHER OPTIONS CONSIDERED

- 6.1** None

7.0 CONSULTATION

- 7.1** None

8.0 RELEVANT COUNCIL POLICIES /STRATEGIES

- 8.1** Joint Waste Committee Business Plan
Ubico Business Plan

9.0 RELEVANT GOVERNMENT POLICIES

- 9.1** None

10.0 RESOURCE IMPLICATIONS

- 10.0** None

11.0 SUSTAINABILITY IMPLICATIONS

- 11.0** None

12.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health & Safety)

- 12.1** None

13.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

13.1 None

Background Papers: Future Management of Councils Operational Services – Council 30
September 2014 (restricted documents)

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Appendices: Appendix 1 – Contract Performance Indicators
Appendix 2 – Ubico Commissioner Report Quarter 3