

Introduction:

In April 2015 Tewkesbury Borough Council joined the local authority owned company Ubico Ltd, whose shareholders also include Cotswold District Council, West Oxfordshire District Council, Forest of Dean District Council, Cheltenham Borough Council and Stroud District Council. Alongside waste and recycling collections, the company also provides street cleansing and grounds maintenance for the borough. This audit is carried out as part of the 2016/17 audit plan and will review the contract in place between the council and Ubico to ensure that adequate monitoring arrangements are in place. The contract provides general terms and conditions that must be met as well as detailed service specifications for Waste and Recycling, Street Cleansing, Grounds Maintenance and Fleet Management. A split opinion has been given based on each of these elements of the service.

Control Objectives (CO):

1. Adequate monitoring arrangements are in place in respect of the council's contract with Ubico Ltd for the provision of waste and recycling, street cleansing, grounds maintenance and other services.

Audit opinion:

In summary, there appears to be a fragmented approach across the organisation to the monitoring of the contract. The roles and responsibilities in respect of performance and budget monitoring need to be clearly defined in order to ensure that an effective approach is taken and that all elements of the service are adequately monitored. The audit concluded that performance monitoring meetings are taking place; however, these are not occurring in accordance with the contract and relate to waste and recycling only. It has therefore been recommended that performance monitoring meetings be established for the grounds maintenance service and if the current schedule of meetings is considered to be sufficient, then the contract should be amended to reflect the actual frequency of the meetings.

With regard to the general contract conditions that relate to the day to day operational activities, these are considered to be supply of financial information and health and safety. In respect of the former, given the value of the contract, the council currently receives limited financial information about the services provided by Ubico. A quarterly report is received which provides a high level budget overview and this is reviewed by Financial Services who facilitate the budget monitoring process. Environmental Services Partnership Board meetings demonstrate that budget overspends are identified and discussed in respect of waste and recycling; there is however currently no budget monitoring taking place in respect of grounds maintenance. In terms of the monthly contract charge, this has been raised accurately; however, quarterly reconciliation invoices/ credit notes are not being submitted to reflect the actual cost of the services, which is a requirement of the contract. With regards to health and safety, it is acknowledged that reporting mechanisms have recently been established and work is ongoing to improve the quality and completeness of the information provided in particular concerning grounds maintenance. As the Council and Ubico share personal data in carrying out its day to day business, it is recommended that, in line with the Information Commissioner best practice, a Data Sharing Agreement be established.

In relation to the delivery of the contract for specified services areas the following audit opinions are noted:-

Service	Assurance Level	Opinion
Waste & Recycling	Limited	Monitoring of the waste and recycling element of the contract is carried out by the Joint Waste Team. Reporting mechanisms are in place in the form of the Waste and Recycling Client Monitoring

		<p>Group who meet on a 6 weekly basis as well as an Environmental Services Partnership Board; both of which include representatives from Tewkesbury Borough Council, the Joint Waste Team and Ubico. A quarterly performance report is received by the appropriate officers and reported to these meetings. Performance data is also presented to the council's Overview and Scrutiny Committee.</p> <p>The Ubico contract includes a total of 6 performance indicators and at the time of the audit, data for only half of these indicators was being received through the quarterly performance report. It is acknowledged that additional statistics are provided on the volumes of reported incidents and requests received etc; however, the data received does not cover all aspects of the waste and recycling service and is not considered robust enough to provide full assurance in respect of service delivery and performance. For those elements of the service where performance indicators do not currently exist, minutes of the client monitoring meetings demonstrated that service delivery in these areas is discussed. There were however still some gaps identified i.e. stock control, bring sites, emergency planning; and it is recommended that a review of the performance indicators within the contract be carried out and appropriate indicators introduced in order to encompass all elements of waste and recycling. Where it is not considered appropriate to introduce a performance indicator, a formal agenda item should be included for discussion by the client monitoring group to ensure that these elements of the contract are monitored.</p> <p>In respect of stock control, robust procedures should also be established with Ubico in order to ensure that adequate stock levels are maintained, new bin orders are made promptly and to avoid delays to customers as experienced earlier in the year.</p>
Street Cleansing	Limited	<p>The street cleansing service provided by Ubico is also monitored by the Joint Waste Team through the above-mentioned client monitoring group. Only one performance indicator within the contract relates to street cleansing and data is not currently received in respect of this. As with waste and recycling, it is acknowledged that statistics are provided on the volumes of reported incidents and service requests received and that discussions are held at the client monitoring meetings around service delivery. However, the information currently received is not considered sufficient in measuring service delivery as this information is not correlated to collection timescales, for example the number of dead animals collected is reported but not against the target collection period of 24 hrs. Therefore a review of the key service delivery functions should be undertaken to establish target collection timescales and develop a set of measurable performance indicators.</p>
Grounds Maintenance	Unsatisfactory	<p>A monitoring officer has been identified for grounds maintenance; however, the current performance indicators within the contract do</p>

		<p>not cover the grounds maintenance service and although meetings take place with the Ubico grounds maintenance team there are no formal measures reported upon which demonstrate that the company is delivering its service responsibilities. It is therefore recommended that appropriate performance indicators are established for the service in accordance with the contract specification and that formal client monitoring arrangements are introduced, attended by appropriate Council and Ubico representatives.</p> <p>The service specification within the contract does not include the maintenance of council owned cemeteries but this is covered by a separate service level agreement (SLA). Property services are currently monitoring delivery of the SLA through a regular review of the work diary. However, the SLA does not provide for escalation on non-compliance issues and the establishment of performance measurements for grounds maintenance will need to include this.</p>
Fleet Management and Maintenance	Unsatisfactory	<p>There is currently no monitoring officer identified for fleet management/maintenance and the contract does not include any performance indicators in relation to this element of the service. It is therefore recommended that appropriate performance indicators be established, a monitoring officer identified and formal client monitoring introduced for fleet management/maintenance. It is acknowledged that the vehicles contract, novated to Ubico, is due to end in March 2017 and that the Joint Waste Team are involved in preparations for the handover of the vehicles; the council will then purchase a new fleet of vehicles. Performance indicators should therefore be introduced based on this arrangement.</p>

Appendices

- A Recommendations
- B Contract Monitoring Summary

APPENDIX A: RECOMMENDATIONS

AUDIT:	Ubico Client Monitoring	DATE:	05 December 2016	AUDITOR:	A Grundy
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CO No	Rec No	Risk (of non-implementation)	Recommendation	Action to be taken	Officer Responsible	Implementation Date	Priority
1	1	Key elements of the service not monitored in terms of service delivery and performance/ issues not identified	As part of the annual review, the Key performance Indicators within the Ubico contract should be reviewed to ensure they are fit for purpose, robust and that all elements of the service provided by Ubico are monitored where appropriate.	1. In addition to waste and recycling, performance indicators should include: <ul style="list-style-type: none"> - Grounds Maintenance (including maintenance of equipment) - Vehicle and Fleet Management (including number of crew checks completed) - Trade Waste - Garden Waste - Bring Sites - Bulky Waste - Street Cleansing etc <i>Please refer to Appendix B.</i>	Interim Head of Community Services.	April 2017	E
1	2	Elements of the service provided by Ubico not covered by the contract	A KPI should be established to measure non completion of works in relation to the maintenance of Tewkesbury and Bishops Cleeve.	1. In conjunction with Property Services, a KPI should be set up in relation to completion of works diary by grounds maintenance for both Tewkesbury and Bishops Cleeve cemeteries as noted in the current SLA.	Interim Head of Community Services.	April 2017	E
1	3	Key elements of the service not monitored in terms of service delivery and budget/	Responsibilities across the organisation in respect of the performance and budget monitoring of the contract should	1. Monitoring of the contract should be robust and encompass all aspects of the service.	Interim Head of Community Services.	April 2017	E

		issues and overspends etc not identified.	be clearly defined in order to ensure that an effective approach is taken and that all elements of the service are adequately monitored.				
1	4	Non-compliance to the contract/ contract monitoring not robust.	Performance monitoring arrangements should be reviewed as follows:	<p>1. A decision should be made as to whether performance monitoring meetings should take place in accordance with the contract or if the meetings that currently take place are considered to be sufficient, then the contract should be amended to reflect the actual frequency of the meetings.</p> <p>2. Performance monitoring meetings, attended by appropriate Council and Ubico representatives should be established for the Grounds Maintenance service.</p> <p>3. The action identified through Programme Board should be progressed for contract monitoring training to be provided to appropriate staff.</p>	Interim Head of Community Services	April 2017	E
1	5	Negative reputational impact.	The Council should establish its requirements for robust stock control procedures with Ubico in order to ensure that adequate stock levels are maintained, new bin orders are made promptly and customers receive an acceptable level of service in	1. Robust stock control procedures should be agreed with Ubico.	Interim Head of Community Services	April 2017	N

			respect of bin deliveries.				
1	6	Non-compliance to the contract.	In accordance with the terms of the contract, it should be requested that Ubico submit quarterly reconciliation invoices/ credit notes within 14 days of the respective quarter to reflect the actual cost of the services incurred in the preceding quarter.	1. Quarterly reconciliation invoices should be requested as per the contract.	Interim Head of Community Services	April 2017	E
1	7	Non-compliance to ICO best practice.	A Data Sharing Agreement should be established between Tewkesbury Borough Council and Ubico.	In accordance with the Information Commissioner (ICO) best practice, a data sharing agreement should be put in place.	Interim Head of Community Services	April 2017	E
1	8	Contract appendices not up to date.	The Communications Protocol should be reviewed to ensure consistency with the contract and be amended to refer to Tewkesbury Borough Council.	Appropriate amendments should be made to the Communications Protocol appended to the Ubico contract.	Interim Head of Community Services	April 2017	N

APPENDIX B- Ubico contract- Performance Indicators

SERVICE	ELEMENTS PROVIDED BY THE SERVICE	PERFORMANCE INDICATOR SPECIFIED IN CONTRACT	TARGET	EXPECTED PERFORMANCE TARGET
Waste and Recycling	Kerbside collection of residual waste	Residual household waste per household (kg/year)	Target needed	See below.
	Kerbside collection of dry recycling	Household waste reused, recycled and composted (%)	Target needed	See below.
	Weekly food waste collection			See below.
	Fortnightly charged garden waste collection			See below.
		% number of collections completed on schedule (of total collections)	99%	Would expect a PI to measure the number of bins collected within 7 days of scheduled collection. This should be broken down into residual waste, dry recyclables, garden waste and food waste.
		% number of missed assisted collected completed on schedule (of total collections)	99.5%	
		% number of service complaints received against weekly collection (for total collections made)	1%	Would expect target repose for dealing with complaints and PI to demonstrate how many complaints dealt within this time. To also include number of complaints referred to Local Government Ombudsman?
	Charged collection of bulky household waste	Target to collect within 10 days of request being made.	10 days	Would expect a PI to demonstrate how many bulky waste collections have exceeded 10 days from booking. (Data should only include bulky waste collections and not bin deliveries which are done using the bulky round).
	Servicing of neighbourhood bring sites			PI should be introduced to ensure that waste is collected from all bring sites on a regular basis i.e. scheduled collections should be established for bring sites and performance monitored against the agreed number of collections. Consideration also needs to be given to the H&S and cleanliness of these sites and this needs to be measured through inspections.
Street Cleansing	Charged collection of commercial waste			Would expect a PI to demonstrate that the time between setting up a contract and the instruction to debtors to raise invoice is prompt e.g. set an appropriate target- 7 days?
	Clinical waste collection			Ensure clinical waste collections are included in % number of total collections. Consideration also needs to be given to H&S associated with these collections.
	Mechanical and manual cleansing of: <ul style="list-style-type: none"> Streets and highways Public open space Council owned land Public rights of way 	Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting litter)	Target needed	PI should be introduced to ensure that all zones have been cleaned at the agreed frequency. (Company responsibilities are <i>'cleansing of streets and highways within the zones categorised by the authority and the areas designated as each zone'</i>).
	Removal of graffiti			Would expect a target time to clear graffiti and a PI on the number of reported incidents dealt with within this timeframe.
	Removal of fly tipped materials			The number of fly tips reports currently reported needs to be enhanced. Would expect a target time to clear fly tips and a PI on the number of reported incidents dealt with within this timeframe. Also should include number of hazardous fly tips.
	Removal of road kill	Removal of dead animals from the highways (foxes, badgers, deer and anything of a similar size) within 24 hours and make appropriate arrangements for the removal of larger animals.	24 hrs	The number of dead animals currently reported needs to be enhanced to show how many were collected within 24 hours.
	Emptying of litter and dog bins	All bins should be emptied at a frequency to prevent overflowing.	Target needed	The dog/ litter bin reports currently reported needs to be enhanced. The frequency of emptying litter and waste bins should be established in order to prevent overflowing and the number of bins emptied should be

				measured against this timeframe.
Grounds Maintenance	Routine grass cutting and edge trimming			A schedule of routine maintenance should be established for all elements of grounds maintenance work. PI should be introduced to ensure that maintenance has been carried out at the agreed frequency as per the schedule.
	Maintenance of perennial planting			
	Maintenance of all seasonal displays			
	Application of pesticide to hard landscape areas			
	Cleansing of green space, play areas, cemeteries etc			A schedule of tree inspections should be established and a PI introduced to ensure that inspections have been carried out at the agreed frequency to ensure that the target % of trees are inspected each year.
	Annual tree inspections and maintenance and management of trees			
	Carry out works to trees as instructed by the council			Dependant on the risk posed by the tree, a timeframe within which works should be carried out should be established. A PI should therefore be introduced to ensure that all works have been carried out within the agreed timeframe.
Fleet Management	Vehicle Maintenance	LGV MoT pass rate.	95%	Taken directly from CP Davidson contract- this information should be reported to the council from Ubico.
		Non LGV MoT pass rate.	97%	
		Post maintenance correction notices.	Maximum 3	
		LGV down time.	Less than 2%	
		Non LGV down time.	Less than 1%	
		Adherence to manufacturer/ ICME repair times.	100%	
		Adherence to service and inspection schedules.	100%	
		Adherence to response times.	95%	
		Fully VOSA compliant maintenance records.	100%	
	Tyre Management	Replacement tyre available when required.	99%	
		Adherence to response times.	95%	
		Provision of a 24 hour 365 day tyre repair service.	100%	
		Provision of detailed management reports.	100%	
	Accident and damage management	Compliance with Thatcham Times System published repair times.	100%	
		Fully compliant documentation/ records.	100%	
	Crew checks	Number of crew checks completed per month.	Target needed.	

INDICATORS CURRENTLY REPORTED BUT NOT SPECIFIED IN THE CONTRACT:				
SERVICE	ELEMENT OF THE SERVICE	INDICATOR CURRENTLY REPORTED	TARGET	EXPECTED PERFORMANCE TARGET
All	Health and Safety	Number of reported RIDDOR incidents within period.		
		Number of reported lost time incidents within period.		
		Number of reported non lost time incidents within period.		
		Number of reported near misses within period.		
		Number of crew inspections within period.		
		Number of reported vehicle related accidents within period.		
All	Customer Service	Missed collections- Ubico figures.		The waste and recycling KPI (% number of collections completed on schedule) essentially gives the sum of missed bins. This should be broken down into residual waste, dry recyclables, garden waste and food waste.
		Number of green bin requests.		Would expect a KPI around the average waiting time for customers to receive their bin following the request.
		Number of blue bin requests.		
		Number of brown bin requests.		
		Number of other bin requests.		
		Number of kerbside caddie requests.		
		Number of kitchen caddie requests.		
		Receptacles not placed back.		These would potentially already be covered by complaints. See waste and recycling KPI (% number of service complaints received against weekly collection). Would expect a target response for dealing with complaints and PI to demonstrate how many complaints dealt with within this time.
		Mess left by collections.		
		Recycling bank reports.		The recycling banks service specification states that health and safety checks are carried out, faults should be reported to the council and sites should be cleansed. Reporting measures therefore need to be built around these.
		Litter/ street cleaning reports.		See street cleansing KPI (improved street and environmental cleanliness). Streets and highways are to be cleaned in zones and therefore this should be measured rather than the number of reports.
		Fly tipping reports.		Rather than just the number of reports, the indicator should indicate in respect of the number of instructions the council has sent to Ubico that they have all been picked up within a target timeframe.
		Graffiti reports.		
		Fly posting reports.		
		Dog fouling reports.		
		Dog/ litter bin overflowing.		This would potentially already be covered by complaints. In terms of service delivery see comments on street cleansing above whereby all bins should be emptied at a frequency to prevent overflowing. This frequency needs to be established and the KPI measured against this timeframe.
		Dead animal reports.		Rather than just the number of reports, the KPI should demonstrate how many dead animals were removed within 24 hours as per the contract.

		Grounds maintenance reports.		See comments on grounds maintenance above. KPI's need to be established for this service.
		Complaints including re-issued tickets.		See KPI on complaints (% number of service complaints received against weekly collection). To also include number of complaints referred to Local Government Ombudsman.
		Actual official complaints.		
All	Human Resources	FTE days lost per FTE- company total.		
		FTE days lost- Tewkesbury contract.		
		Agency hours.		