

Extract from minutes of The Overview and Scrutiny Committee held 28 October 2013

1. DEPOT CONTRACT SERVICES ANNUAL REVIEW 2013

(Report OS86 refers)

The Assistant Director (Neighbourhoods and Environment) introduced the Report, which set out the performance of the second year of the Environmental Services contract, which was operated in partnership with East Hampshire District Council.

The Assistant Director updated Members on the outcome of the meeting of the Joint Environmental Services Committee held the previous week, which had considered the Report set out as Appendix 1 to OS86. He advised that the meeting had particular regard to performance matters arising from changes to refuse vehicle collection routes and also aspects of shrub and grass maintenance regimes. The Joint Committee had also referred to issues relating to interpretation of the specifications to the contracts and work was underway to seek to resolve these matters.

The Assistant Director also referred to the establishment of the Joint Environmental Services Scrutiny Committee and he referred to suggestions in the Report as to its future operation.

At the invitation of the Chairman, Ms M Gill, Mr J Boyes and Mr T White from the Tenant Landscape Scrutiny Group addressed the Committee.

In summary, the representatives drew attention to their concerns about scheduled work not being carried out to a sufficient standard, an apparent lack of specialised equipment for operatives and of communication issues when requesting feedback when concerns were raised. The Tenant Landscape Scrutiny Group explained that it had implemented arrangements for Council tenants to monitor the contract at locations across the District.

At the invitation of the Chairman, Councillor Banister (a Ward Member for Olivers Battery & Badger Farm) addressed the Committee. In summary, she highlighted the frustration of residents and Ward Members when requests for assurances about aspects of scheduled work within the contract were not then acted upon. Councillor Banister was therefore concerned that the reputation of the Council might become compromised and also that of Ward Members, who were consequently unable to manage their constituents expectations as a result of this poor communication.

The Chairman thanked the Tenant Landscape Scrutiny Group and Councillor Banister for their comments and advised that the Committee would have regard to the points raised during its consideration of the Report. The Chairman also drew attention to his own survey work recently undertaken, the outcome of which was currently being considered by officers.

The Chairman welcomed to the meeting representatives of the Joint Client Team from East Hampshire District Council: Mr Brian Turner (Joint Environmental Services Client Team Manager) and Ms J Batchelor (Executive Head Environment and Neighbourhood Quality). Also present were representatives of The Landscape Group: Mr T Race (Assistant Director, Operational Support), Mr D Brew (Operations Director) and Mr D

Graham (Company Secretary). Biffa Municipal Ltd was represented by Mr D Kenny (Regional Director) and Mr B Ashby (Regional Manager).

Mr Turner (Joint Environmental Services Client Team Manager) explained that he felt that the majority of the main services within the joint contract were performing satisfactory in the second year of operation. Performance under the Contract was regularly reported to the Joint Committee. He reported that some residual issues remained from the mobilisation year and both proactive and reactive remedial measures had been implemented to help to address them. He considered that a monthly monitoring plan had, so far, successfully reversed complaint trends.

The Committee noted that, overall, the performance of Biffa had now reached satisfactory levels. Some collection rounds were nearing capacity and it was explained that this was being proactively investigated, due to significant new housing development coming forward in the two Districts.

With regard to the performance in year 2 of the operation of The Landscape Group, Mr Turner reported that the client team were aware of some issues that had occurred due to bad weather in 2012. Wet weather had significantly impacted on grass cutting regimes. However, the number of cuts (nine) had been reviewed during 2013 and had been adequate for conditions this year. A knock-on effect of the grass cutting issues was deterioration in shrub bed maintenance. Mr Turner also drew attention to some legacy impact from pre contract dilapidation of shrub beds, which had led to some having been re-categorised. It was hoped that remaining issues would be successfully overcome by April 2014.

Mr Turner reported that The Landscape Group had not completed weed/moss clearance as specified in the contract and, accordingly, a refund would be forthcoming.

Finally, Mr Turner drew Members' attention to the disputed interpretation by The Landscape Group of some of the areas tendered against within the contract specification (particularly with regard to street cleansing); this was currently being investigated. The outcome of this work would be reported to the Joint Committee in November 2013. Mr Turner also explained that changes to the local management of The Landscape Group had taken place in May 2013 and he was satisfied that there appeared to be more a more proactive approach to their work.

The Chairman invited representatives of the contractors to explain their role with regard to the operation of the Joint Environmental Services Contract.

Mr Kenny and Mr Ashby (Biffa Municipal Ltd) reported that they were satisfied that with a new local management team in place, Biffa had successfully overcome the challenges of the first year of the operation of the contract.

Mr Brew (The Landscape Group) reported on changes to the local management arrangements and also ways in which performance information was being captured, to make the most efficient use of operatives. There had also been investment in training and significant capital investment in equipment. Mr Brew acknowledged that the Contract, to date, had not been delivering financially for the Group but was now moving in the right direction.

Continuing, Mr Brew explained that there had been some specific operational issues, such as grass cutting, which would continue to be problematical to deliver upon, particularly during the peak growing season. The Landscape Group were looking to address issues related to shrub bed maintenance. Some landscaped areas, such as sloped embankments, required safety assessment and recommendations as to how employees could safely deal with them. Complaints related to street cleansing were reasonably low. Operatives would now deliver against a new priority list for areas for leaf clearance taking account of lessons learnt from last year. In conclusion, Mr Brew was satisfied that the operation of The Landscape Group elements of the Contract were improving and moving in the right direction.

The Committee asked a number of detailed questions of officers and representatives of the contractors etc.

Mr Turner advised that the Contract had been specified for what was required 'horticulturally' and therefore what was appropriate at the optimum time. Therefore, for example, grass cutting could be suspended in time of drought and resources redirected as appropriate. Mr Brew (The Landscape Group) advised that stopping and resuming planned grass cuts might cause operational challenges in some cases.

Members raised concerns about some specific quality issues related to the delivery of elements of The Landscape Group contract. The Assistant Director reminded the Committee that such complaints should be lodged via the Winchester City Council Customer Services Centre. These were then monitored on behalf of both Councils.

A Member suggested that there might be issues related to the supervision of the Contract, as evidenced by residents (including the Tenants' Landscape Scrutiny Group) and Ward Members, who suggested that requests for assurances about aspects of scheduled work within The Landscape Group element of the Contract were then not acted upon. In response, the Assistant Director explained the existing processes to oversee the Contract and that additional strategic performance information would help drive forward further improvements where necessary. The Committee raised concerns about the strategic approach to management of aspects of the Contract related to The Landscape Group, and requested assurances that there was consistency with regard to penalties when performance was unsatisfactory. The Assistant Director advised that the Council's contingency budget for unforeseen operational requirements not included in the Contract had been programmed to end after year 2.

Mr Turner responded to Members' comments that the Council's recycling rates had reduced since the start of the Contract. He detailed how factors beyond the immediate control of both the contractor and the Councils had impacted upon this. This had included the economic downturn, changes to retailers' packaging and also recent changes to regulations with regard to the composting of leaves. Mr Turner also detailed initiatives to promote recycling and he doubted the accuracy of anecdotal reports of operatives deliberately mixing loads.

In response to further discussion, Mr Turner advised that aspects of the Contract were under review, so that any apparent failures were likely to be of a more significant strategic level rather than at detailed operational level. Ms Bachelor advised that a Contract Specification Working Group was also exploring aspects that were potentially

'over engineered', where savings might be achievable and to redeploy resources more appropriately.

Mr Turner also acknowledged that the client team was now better placed to deploy resources to monitor the Contract, as they were more familiar and experienced in its workings. He described a system in place that sampled a random selection of work undertaken. Mr Turner also acknowledged and welcomed the work of the Tenant Landscape Scrutiny Group and advised that East Hampshire District Council sought qualitative feedback from a citizen's panel and also utilised recycling champions within the community.

Mr Brew (The Landscape Group) also welcomed the work of the Tenant Landscape Scrutiny Group, although he explained that ideally they would need to be aware of detailed aspects of the contract requirements when submitting evidence. Mr Race (The Landscape Group) acknowledged some instances of operatives parking on verges and that reinstatement had subsequently taken place where damage had been caused.

A Member emphasised that specific aspects of the Contract were likely to require attention. For example, some streets with a great deal of on-street parking were impossible to sweep properly and, therefore, this aspect of the Contract might need to incorporate prior notification to residents to move their vehicles. There might also be some flexibility necessary with regard to leaf clearance, to have regard to natural leaf fall rather than number of sweeps. The Member also queried whether there was any best practice available from other areas with regard to the managing of communal bins, to help stop contamination and to maximise recycling levels.

In response, Mr Kenny (Biffa) advised that he would investigate any advice with regard to communal areas from across other contracts. Mr Turner reported on some recent intervention work at Knowle Village where evidence of apparent success could be rolled out to other areas. With regard to leaf clearance, it was usually the case that the final leaf fall would be dealt with by the usual road sweeping schedule.

At the conclusion of discussion, the Committee acknowledged the progress made by Biffa Municipal Ltd, however it remained concerned at apparent issues specifically related to the strategic performance of The Landscape Group.

The Committee also welcomed the introduction of the Joint Environmental Services Scrutiny Committee, however, it was agreed that it should be able to report areas of particular and immediate concern direct to the Joint Environmental Services Committee and/or respective Cabinets.

RESOLVED:

1. That the performance information in the Report be noted.
2. That Cabinet and the Joint Environmental Services Committee refer to the points raised in discussion as set out above and in particular as follows:
 - (i) concern about aspects of the delivery and supervision of The Landscape Group's grounds maintenance elements of the contract, as

evidenced by comments from the Client Team, from residents (including the Tenants Landscape Scrutiny Group) and Ward Members, who suggested that requests for assurances about aspects of scheduled work within The Landscape Group element of the contract were not then acted upon

(ii) concern about apparent disputes by The Landscape Group of some of the areas tendered against within the Contract specification (particularly with regard to street cleansing)

(iii) concern about the general strategic direction of aspects of the management of the Contract related to The Landscape Group

3. That the following principles are recommended to the Joint Environmental Services Scrutiny Committee for inclusion in the proposed terms of reference:

(i) the Committee report areas of particular and immediate concern direct to the Joint Environmental Services Committee and/or respective Cabinets / Portfolio Holders, or otherwise to the parent scrutiny committees, as appropriate.

(ii) an annual report be produced by the Joint Environmental Services Scrutiny Committee and reported to the parent scrutiny committees of each Council.

(iii) any matters of concern be referred to the parent Councils if requested by resolution by the Joint Environmental Services Scrutiny Committee or by at least two or more Members from either authority.