

WEST OXFORDSHIRE DISTRICT COUNCIL
ENVIRONMENT OVERVIEW & SCRUTINY 12TH FEBRUARY 2015
REVIEW OF PERFORMANCE INDICATORS
REPORT OF THE INTERIM SHARED HEAD OF ENVIRONMENT AND
COMMERCIAL SERVICES

(Contact: Monica Stephens, Tel: (01993) 861301)

(The decisions on this matter will be resolutions)

1. PURPOSE

To propose changes to a number of existing performance indicators that are currently used to measure the performance of the waste service contract.

2. RECOMMENDATIONS

- (a) That the proposed revisions to the existing Performance Indicators (PIs) are adopted for the 2015/16 financial year; and
- (b) That the new PI's are reviewed at the end of quarter 2 to ensure that they are appropriate and that they reflect the needs of the service. Adjustments can then be tested and proposed for 2016/17 if required.

3. BACKGROUND

Background information

- 3.1. Performance within Environmental Services is measured through 8 Performance Indicators (PI's); these are detailed in Appendix A.
- 3.2. At the request of the Environment Overview and Scrutiny Committee in November 2014 the PIs for the service have been reviewed to establish whether they are fit for purpose, give an accurate reflection of service performance and are relevant to the contract requirements.
- 3.3. The review has established that of the 8 indicators, 5 are suitable and provide sufficient, relevant information to measure and scrutinise performance but that 3 – SS2, SS6 and SS7 need to be reviewed to better reflect the performance of Kier, the Waste contractor and the overall performance of the service.
- 3.4. The Kier contract does not specify an acceptable or targeted level of missed collections to link with a performance indicator. Method Statement 3 of the contract – Proposals for dealing with Missed Collections – states “Data regarding missed collections will be gathered and reported to West Oxfordshire District Council as part of the contract reporting system. We have historically low missed collection rates through our refuse service in the London Borough of Ealing where we are currently achieving less than 25 missed collections per 100,000”

Performance indicators

3.5. SS2 - Residual household waste per household (kg)

- The quarterly target for this indicator is currently set at 89kgs per household with a tolerance level of 5%, allowing a variance of up to 93.45kgs.

- The tolerance level equates to 4.45kgs over a 3 month period and therefore equates to approximately 250 grams a week which realistically is too small to directly influence.
- Information from Defra – Waste Data Flow 2013/14 extract - shows that the average annual household waste amount collected in England was 555kg. This equates to c. 138kg per quarter. WODC internally reported figures for the same year show an annual household amount of 371.22kg or 92.80kg per quarter,
- Referring to past performance reports and taking in to account national trends this one option is that the kg per household target remains inspirational at 89kg for 2015/16, but that the tolerance level is increased to plus /minus 10kg.
- Alternatively the target could be rebased to reflect past performance and set at 93kg per quarter with a tolerance of plus/minus 10kg.

3.6. **SS6 - Number of collections missed per 100,000 collections of household waste and SS7 - Number of collections missed per 100,000 collections of recyclable Waste.**

- The Performance Levels for these indicators are set at 6.25 misses for residual waste and 8 misses for recycling per 100,000 collections. These have been set by WODC Managers and are not a contractual requirement – see 3.4 above.
- Performance in quarter 3 (2014/15) has been reported as follows:
 - SS6 – 33.32 misses per 100,000 (red)
 - SS7 – 11.28 misses per 100,000 (amber)
- Prior to Kier/MG taking on the contract, the targets for Veolia were set at 15 misses per 100,000 for residual and 25 misses for recycling.
- For example the targets for Vale of White Horse and South Oxfordshire, the UK best recycling performers, are set at 40 misses for waste and 40 for recycling. The average outturn is 38 misses per 100,000. Cherwell do not set a target for this PI.
- Reviewing past performance data, the targets at WODC for both of these PIs have only ever been achieved occasionally and in the last year Kier have consistently failed to achieve them.
- As well as reviewing the target itself, a review of how the data is collected has also been undertaken. The review confirms that only **actual** misses are used in the calculation of these two PI's. The data reported does not include any cases that are cancelled due to it being reported on the wrong day or before crews have arrived. Therefore all misses used to calculate PI's are 'actuals' so it is a genuine record.
- The targets we set should be realistic and it would appear that the current levels of 6.25 and 8 are unachievable. They also do not appear to reflect industry norms as they are extremely low.
- The recommendation of this report is to benchmark against the top performing authorities – Vale of White Horse and South Oxfordshire - and increase both targets as follows:
 - SS6 Household waste – 40 misses per 100,000
 - SS7 Recycling – 40 misses per 100,000
 - Threshold levels set to plus/minus 10

4. ALTERNATIVES/OPTIONS

The committee may decide to retain the current performance indicators and continue to under achieve or delete performance indicators that are providing no benefit.

5. FINANCIAL IMPLICATIONS

The current levels of PI mean that the service regularly fails to achieve target because either tolerances are too tight or the target levels are set too low and the expected standard to attain is proving to be impossible to achieve. This means that any defaults due to be charged to the contractor are constantly banked and not directly applied because to do so would make the service provision for Kier financially unviable. Improved and more accurate targets will ensure that defaults can be more effectively applied when service falls below the expected standard.

6. RISKS

None

7. REASONS

This report has been prepared at the request of the committee. The use of performance indicators accords with the priority to be recognised as a leading Council that provides efficient, value for money services.

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Background Papers:

None

APPENDIX A
 Environmental Services Performance Indicators

Reference no.	Performance Indicator
SS1	Carbon emissions from the Council's travel, buildings, internal use of natural resources and domestic waste and recycling collection service (%)
SS2	Residual household waste per household (kg)
SS3	Percentage of household waste sent for reuse, recycling and composting
SS4	Percentage of household waste arisings which have been sent by the authority for recycling
SS5	Percentage of household waste sent by the Authority for composting or treatment by anaerobic digestion
SS6	Number of collections missed per 100,000 collections of household waste
SS7	Number of collections missed per 100,000 collections of recyclable waste
SS8 (NEW)	The percentage of incidents of graffiti where enforcement action is taken, when the graffiti has not been removed within 4 weeks of it being reported.