

# Report to Cabinet

**23 February 2022**

<b>Subject:</b>	Recommendations of the Scrutiny Review of the Performance and Management of the Waste Partnership Contract
<b>Cabinet Member:</b>	Cabinet Member for Environment Councillor Ahmad Bostan
<b>Director:</b>	Director of Law and Governance Surjit Tour  Director of Borough Economy Alice Davey
<b>Key Decision:</b>	No
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## 1 Recommendations

- 1.1 That Serco sets out within its Service Delivery Plan 2022/23 how it will increase recycling rates, including options for recycling in communal living areas.



- 1.2 a) That Serco provides a contractually compliant communication and engagement plan and that this is aligned to the Council's functions;
- b) that the plan is monitored through the agreed governance structures for the monitoring of the contract, including the Waste Partnership Board.
- 1.3 That arrangements for the reintroduction of food waste collections in 2022 be shared and agreed with the Authorised Officer by end of March 2022.
- 1.4 That Serco works with the Director of Borough Economy to develop a plan for the promotion of re-use options (i.e. for furniture), including working with voluntary sector partners.
- 1.5 a) That Serco reviews its approach to street cleansing, and submits a Street Cleansing Improvement Plan to the Director of Borough Economy by end March 2022, setting out a revised approach that moves away from the current and ineffective zone based approach and takes into account population density, seasonality and data on areas of highest need;
- b) that the Plan is monitored and improvement progress/delivery/KPIs is reported and monitored through the agreed governance structures for the monitoring of the contract, including the Waste Partnership Board.
- 1.6 a) That Serco completes an audit of Sandwell's street litter bin stock and its condition by end of March 2022;
- b) that Serco submits plans for consideration of a pilot scheme to implement smart technology linked to suitable locations for street bins;
- 1.7 a) That the progress made with the Fleet Replacement Programme is maintained and that Serco submits the delayed Fleet Replacement Programme, which should be aligned with operational requirements and the Street Cleansing Improvement Plan, and include options for a more sustainable fleet, to the Director of Borough Economy by end of April 2022



- b) that the delivery of the Fleet Replacement Programme is monitored through the agreed governance structures for the monitoring of the contract, including the Waste Partnership Board.
- 1.8 That both Serco and the Council consider reviewing the resources and funding provided to Litter Watch, with a view to increasing these if possible.
- 1.9 That Serco informs the Authorised Officer of any changes to its senior management teams, in connection with the contract, within 10 days of the new post-holder's start date.
- 1.10 a) That Serco provides an update to the Scrutiny Board, in six months, on the progress made to improve morale and resolve workforce issues, including the establishment of the joint internal working group referred to in evidence gathering;
- b) That the Director Borough Economy ensures that Serco is carrying out its contractual requirements in relation to undertaking regular staff surveys and that the results of such surveys are acted upon appropriately.
- 1.11 That the constitution and terms of reference of the Waste Partnership Strategic Board are reviewed, and consideration is given to including the relevant scrutiny Chair as a member of the Board.
- 1.12 That the Director of Law and Governance ensures that the Joint Consultative meets regularly (e.g. quarterly) to enable any staffing issues in relation to the contract to be addressed in a timely manner.
- 1.13 a) That the Governance and Constitution Review Committee is asked to recommend to the Council that an additional scrutiny board is established, with effect from the 2022/23 municipal year, to monitor the management and performance of the Council's contracts with Serco, Sandwell Children's Trust and Sandwell Leisure Trust;
- b) That the new board considers how stakeholders and the public can contribute to its work and monitoring processes.
- 1.14 That the Director of Borough Economy reviews the structure of the Waste Client Team to ensure that it is sufficiently resourced to support a higher level of oversight and contract monitoring.



1.15 That a review is undertaken and a process established, within 12 months, to ensure that there is clarity between the Council and Serco in terms of ownership and responsibility in the public realm.

## 2 Reasons for Recommendations

2.1 In response to both public and political concern, the Economy, Skills, Transport and Environment Scrutiny Board decided to undertake review of the performance and management of the waste partnership contract.



2.2 The repercussions of Covid-19 have undoubtedly provided additional challenges for Serco in delivering its contractual requirements. That aside, the Scrutiny Board feels that significant issues remain with the performance and management of the contract.

2.3 The findings and recommendations set out in the attached report are based on evidence gathered between October and December 2021, from a variety of sources.

2.4 The waste partnership contract is a high value contract. The risk of default would have a significant impact on both Serco and the Council, and ultimately our Council taxpayers, if the contract were to fail.

2.4 The Cabinet is requested to consider the recommendations and determine what action it wishes to take. In accordance with the Localism Act 2011, the Cabinet is requested to respond to the recommendations of the scrutiny board within two months, setting out any approved recommendations and how they will be implemented.

## 3 How does this deliver objectives of the Corporate Plan?

	<p>Strong resilient communities – It is vital to ensure that the Council is effective in its enforcement powers in terms of waste services and maintenance of Sandwell’s street scene. The services benefit whole communities, local neighbourhoods, families and creates a cohesive borough.</p>
	<p>Quality homes in thriving neighbourhoods – The review has given the Board an understanding of the issues faced by residents in terms of waste services and maintenance</p>



around Sandwell and recommendations have been made to try to address these issues.

## 4 Context and Key Issues

- 4.1 In November 2010, the Council awarded a 25-year contract to Serco to collect, receive and manage all waste and maintain the cleanliness of streets within the Borough.
- 4.2 In response to both public and political concern, the Economy, Skills, Transport and Environment Scrutiny Board decided to undertake review of the performance and management of the waste partnership contract.
- 4.3 The impact of the pandemic exacerbated the existing problems with domestic and commercial waste collection, adding to the Borough-wide refuse issues.
- 4.5 **The Working Group**
- 4.6 Following increasing concerns, initial investigations showed a deterioration in the service provided by Serco in recent years. Consequently, this prompted the Board to take a closer look at the situation.
- 4.7 The working group formed during the meeting of the Economy Skills Transport and Environment Scrutiny Board on 22<sup>nd</sup> July 2021. Membership of the working group included Councillor Moore (Chair, Abrahams (Vice Chair), S S Gill, Hughes, Kaur and C Padda, however input from all Board members was welcomed and considered.
- 4.8 The review aimed to gather evidence to understand the current issues that had contributed to the current performance and delivery of the contract:
- develop an understanding of the refuse issues in the borough;
  - understand the real impact of the pandemic on the service;
  - assess the services delivered by Serco and their effectiveness and ability to meet local demand and need;
  - understand the issues faced by waste services and Serco to ensure that concerns surrounding the cleanliness and maintenance of the Borough are addressed;
  - capture residents' perspectives on waste services and the appearance and upkeep of the Borough;



- ensure that the Council is coordinated and responsive in addressing the impacts on the cleanliness of the borough, in light of the pandemic;
- scrutinise the Street Cleansing, Refuse Improvement and Street Scene plans.

4.9 Evidence gathering took place between August 2021 and December 2021. The Board's report outlines the methodology used and the detailed findings to support the recommendations. In summary, though, the working group gathered evidence across four dates as follows:-

- 14<sup>th</sup> October 2021
  - Session 1 - Presentation on the contract overview
  - Session 2 – Overview of performance data.
- 5<sup>th</sup> November 2021
  - Session 1 - Litter Watch
  - Session 2 - Representatives from Union and GMB.
- 11<sup>th</sup> November 2021
  - Session 1 - Unison.
  - Session 2 - Senior management from Serco
- 2<sup>nd</sup> December 2021 – A site visit was conducted at the Materials Recycling Facility (Eagle Lane) and the Household Recycling Centre (Shidas Lane Depot), followed by a final session summarising the findings and recommendations.

4.10 The working group also regularly communicated and worked alongside the former Interim Director of Borough Economy and the Waste and Fleet Service Manager as members believed it was essential to monitor the situation and emerging information, given the active trade dispute with Serco during to the time of the review.

#### 4.11 Consultation

Three working group sessions were conducted to consult with officers, trades unions and Serco in order to inform the group's recommendations to Cabinet.



## 4.12 Alternative Options

The waste partnership contract is a high value contract. The risk of default would have a significant impact on both Serco and the Council, and ultimately our Council taxpayers if the contract were to fail.

To do nothing is not an option. Whilst the former Interim Director Borough Economy had begun to address some of the areas of concern, this review has strengthened and complemented that work.

## 4.13 Conclusions

- 4.14 The repercussions of Covid-19 have undoubtedly provided additional challenges for Serco in delivering its contractual requirements. That aside, the Board feels that significant issues remain with the performance and management of the contract and these are addressed in the recommendations. However, Serco still needs to take urgent action, working in conjunction with the Council, to get the contract back on track quickly.
- 4.15 The waste partnership contract is a high value contract. The risk of default would have a significant impact on both Serco and the Council, and ultimately our Council taxpayers, if the contract were to fail.
- 4.16 The report focused and identified areas for Sandwell Council and Serco to review and improve in to ensure that Serco was delivering its contractual requirements and Sandwell Council adopted a more proactive approach with contract management and monitoring going forward.
- 4.17 The working group also highlighted the recent 'Value for Money Governance Review' undertaken by the Council's external auditors, with many of the issues highlighted in this report being recognised by Grant Thornton.
- 4.18 The draft report and the recommendations was discussed and agreed by the Economy Skills Transport and Environment Scrutiny Board on the 11th February 2022, where it was agreed that the report would be submitted to Cabinet at its next scheduled meeting on the 23rd February 2022 for consideration.



## 5 Implications

<b>Resources:</b>	There will be resource implications for both the Council (Director Borough Economy) and Serco to address, should the Cabinet approve the recommendations.
<b>Legal and Governance:</b>	<p>As a Waste Collection Authority (WCA), under the Environmental Protection Act 1992, the Authority is required to provide a collection of household waste in its area.</p> <p>In accordance with the Localism Act 2011, the Cabinet is required to respond to the recommendations of the scrutiny board within two months, setting out any approved recommendations and how they will be implemented.</p>
<b>Risk:</b>	There are no specific risk implications arising from this report. Any risk implications as a result of the recommendations will be considered by the Executive, should they be approved.
<b>Equality:</b>	There are no specific equality implications arising from this report.
<b>Health and Wellbeing:</b>	Effective and efficient waste collection services contribute to the wellbeing, cohesion and resilience of Sandwell's communities.
<b>Social Value</b>	<p>The implementation of the recommendations will add social value in a variety of ways, including:-</p> <ul style="list-style-type: none"> <li>• Improved recycling rates.</li> <li>• Third sector engagement.</li> <li>• Supporting small business and charities through the development of re-use and upcycling options for unwanted furniture</li> <li>• Reduced cost of waste disposal</li> </ul>





## 6. Appendices

Scrutiny Review of the Performance and Management of the Waste Partnership Contract

## 7. Background Papers

None.

