

SHAREHOLDER CABINET SUB-COMMITTEE	AGENDA ITEM No. 3
16 SEPTEMBER 2019	PUBLIC REPORT

Report of:	Steve Cox - Executive Director Place & Economy, Cambridgeshire and Peterborough	
Cabinet Member(s) responsible:	Councillor Marco Cereste - Cabinet Member for Waste and Street Scene	
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ARAGON DIRECT SERVICES

R E C O M M E N D A T I O N S	
From: Councillor Marco Cereste Cabinet Member for Waste and Street Scene	Deadline date: N/A
It is recommended that the Shareholder Cabinet Sub-Committee note the contents of this report.	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Shareholder Cabinet Sub-Committee on the progress of the Aragon Direct Services contract by the Cabinet Member for Waste and Street Scene.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The report is being presented to the Shareholder Cabinet Sub-Committee to provide an overview of all the key areas of the Aragon Direct Services contract. It will also provide an overview of KPI's (Key Performance Indicator) along with a general update on the mobilisation and performance of each of the departments within the contract.
- 2.2 Aragon Direct Services has taken on a like for like contract as was previously delivered by Amey, this contract delivers a breadth of services including:-
- Street Cleansing
 - Waste Management and Recycling
 - Grounds Maintenance and Arboriculture
 - Home to School Transport
 - Property Maintenance
- 2.3 This report is for Shareholder Cabinet Sub-Committee to consider under its Terms of Reference No. (a) *'To monitor performance and financial delivery of the companies, partnerships and charities set out above in line with Cabinet approved business plans by means of monthly performance monitoring and scrutiny'*.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

- 4.1.1 Aragon Direct Services had a phased mobilisation with Building Cleaning transferring in February 2019, Waste Management and Recycling in April 2019 and the remainder of the services transferred in May 2019. All staff received new PPE (Personal Protective Equipment) and received refresher training including Health and Safety. It should be noted all staff were also fully re-inducted before commencing any front line duties.
- 4.1.2 Aragon Direct Services has liaised with Peterborough City Council (PCC) and Amey throughout the transition to ensure a smooth mobilisation of staff through TUPE, they have also worked to transfer all fleet vehicles and assets to ensure that front line services have not been affected during the mobilisation period.
- 4.1.3 Back office support is being provided to Aragon Direct Services through current PCC departments and partners covering, Procurement, Legal, ICT, and Accounts Payable. HR is being provided by Vero HR and they have an onsite presence which has greatly improved service to employees.

Aragon Direct Services continue to bring on new suppliers, they currently have a core supplier base but they are looking to expand this to ensure when quotes are raised PCC are getting competitive rates and there are also the specialist contractors required on the system.

- 4.1.4 Aragon Direct Services is run by a board of directors including senior Aragon Direct Services officers and Councillors, the board is in place to oversee the running of the company and to also have an overarching view on spend and business development.

PCC have fortnightly contractual meetings with the Managing Director of Aragon and fortnightly operation meetings with the senior managers of Aragon Direct Services. Ultimately any changes to the governance or structure of Aragon Direct Services including performance will be reported into the Shareholder Cabinet Sub-Committee.

On a daily basis the contract will be monitored by the Head of Environmental Partnership who will also use contractual KPI's to ensure Aragon Direct Services are delivering cost effective services.

- 4.1.5 Growth of the company is key and as a result Aragon Direct Services have appointed a new Managing Director who will commence her post in September 2019; this role will be to look at how we can expand the services that Aragon Direct Services offer and increase third party works to increase external revenue.
- 4.1.6 Aragon Direct Services have invested in new software for both Waste and Recycling and Property Services this software should help to streamline the works carried out and offer more real time information on works completed. With regards to the Waste and Recycling it offers greater in-cab technology to allow crews to record when bins are not presented or if they are rejected for collection why this is this case, also allowing tracking of routes to see if they are completed. This results in Peterborough Direct having more information to inform residents when they call in as to why their bin may have been missed or if the crews are still working and have not completed their rounds.

Further work is being done to look at software for Street Cleansing and Grounds Maintenance again looking to provide real time information and reorganise work by priority / reducing the need for double keying when works are completed.

4.2 OVERVIEW OF SERVICE AREAS AND PERFORMANCE

4.2.1 Street Cleansing

- 4.2.1.1 Aragon Direct Services undertakes street cleansing throughout the city, they currently empty 1,341 litter bins and 305 dog waste bins and since May 2019 Aragon have already collected 340.14 tonnes of street sweepings.

The street hot washing of the city centre has not been conducted in Cathedral Square and Bridge Street so far this year as the current Hot Wash vehicle that Aragon Direct Services has is inoperable and is no longer supported for parts. Aragon Direct Services has been speaking with the market providers and hopes to have a new machine on site within the coming months and will then commence street washing, again it is also hoped that the temperature of the new machine will also help to remove chewing gum.

4.2.1.2 Aragon Direct Services have been liaising with the ‘Discarded Needles Group’ meetings and have procured new post / wall mounted needle bins that are going to be installed in hot spot areas across the city. They are also liaising with a company to see if sensors can be fitted to these bins which will inform them when they are 80% full, this will mean that there are never overflowing bins but also that we do not have unproductive time emptying bins that are not being used.

4.2.1.3 Fly tipping continues to be an issue across the city, Aragon Direct Services are working hard to clear it within the KPI timeframe of 24 hours for hazardous and 48 hours for non-hazardous once this is reported to them. Aragon Direct Services have also been providing information to the cross party working group on fly tipping and the current areas they find to be Hot Spots. Aragon Direct Services are also working with the PES team to look at the possibility to have in most case a single visit resolution, (in most cases) a fly tip requires an enforcement officer to attend before it can be removed. However we are looking at some of the more routine fly tips if Aragon Direct Services operatives can removed any evidence in situ so that fly tip can be remove quicker and completed in one visit.

Since May 2019 Aragon Direct Services have collected the following fly tips: -

May – 582

June – 653

July - 741

4.2.2 **Waste Management and Recycling**

4.2.2.1 Aragon Direct Services operate a fortnightly collection of residual and recycling waste from circa 85,000 properties with food waste being weekly. They continue to operate a chargeable Garden Waste scheme with 21,381 already subscribed which is only 59 subscriptions off what we achieved last year.

4.2.2.2 We are currently recycling 43.1% and the tonnage of kerbside recycling collected by Aragon Direct Services since mobilisation is shown below: -

May - 1,555.81 tonnes

June - 1,129.80 tonnes

July - 1,483.59 tonnes

The following tables shows the tonnage collected per waste stream since Aragon Direct Services has mobilised this is compared to the same 3 months last year which shows on average Aragon Direct Services are collecting the same recycling tonnages and the mobilisation has not had any detriment on service delivery.

	May-18	Jun-18	Jul-18
Kerbside Food	354.7	340.86	306.28
Kerbside DMR	1,453.48	1,480.82	1,420.98
Kerbside Garden	1,086.54	1,005.70	553.45
Kerbside Residual	3,833.88	3,454.67	3,136.52
	May-19	Jun-19	Jul-19
Kerbside Food	384.66	333.32	319.09

Kerbside DMR	1,555.81	1,129.80	1,483.59
Kerbside Garden	964.44	927.96	998.56
Kerbside Residual	3,762.47	3,215.82	3,568.77

4.2.2.3 The current fleet of Refuse and Recycling vehicles will be coming to the end of their economic life within the next two years. Aragon Direct Services are working with PCC to look at future options for new vehicles which could include electric RCV's. This work is in tandem with waiting on the government's paper on how they would like authorities to collect waste moving forwards as this could have a major impact of the types of vehicles that are procured.

4.2.2.4 Aragon Direct Services continue to deliver waste services in line with PCC policy that no residual side waste will be picked up and not collecting contaminated bins. However, they are finding that more HMO's and social landlords recycling bins are being contaminated and then left to overflow instead of contaminate being removed. Working with Cllr Cereste they are approaching social landlords to offer a collection service for an annual charge which means we will always clear the bins away rather than the current situation where the landlord has to pay a contractor each time they take a contaminated bin. This should help the landlords but also mean that bins stores and communal areas should not become overflowing and benefit the tenants.

4.2.2.5 Aragon Direct Services will continue to offer waste education to areas that have poor recycling rates and high levels of contamination; they will also be looking to carry out further events in schools.

4.2.3 **Grounds Maintenance - Parks and Open Spaces**

4.2.3.1 Aragon Direct Services are currently undertaking the 7th grass cut of the city with all the biodiversity areas having all had their annual cut. One biodiversity area suffered from several arson attempts this year which resulted in an additional cost to remove the arising's, PCC and Aragon Direct Services are exploring options for next season to see if there is a more cost effective way of carrying out the cut but also removing the arising's.

Aragon Direct Services have retained Green Flag status at 4 parks across the city and continue to work with friends of groups to improve park facilities, this also includes working closer with the groups to apply for external funding for improvements and events within the parks.

This financial year they are proposing to plant 220 trees across the city, Aragon Direct Services have also been using watering bags to allow the community to be involved with the tree planting and helping to ensure they survive, this has worked well in many areas of street tree planting. Aragon Direct Services are also continuing to liaise with both PECT and the PCC Tree Officers on the Woodland for Peterborough scheme looking at areas that would be suitable for Whip planting.

4.2.3.2 Capital investment has been made in a number of play areas across the city. Following the annual Health and Safety audit this highlighted a number of parks that need further investment in the coming years. PCC and Aragon Direct Services are jointly working to prioritise these works but also look at what external funding can be raised to help deliver these works.

A great example of this is the new park delivered by Aragon Direct Services in the CanDo area called Connect Park, this was built in an area of land that previously had issues with ASB and drug dealing. The park turned an area of grass into a great space for families to both play and socialise by providing new equipment such as table tennis, outdoor gym facilities and new shrub and tree planting.

This was in addition to the state of the art outdoor gym installed in New England Recreation area which was the first of its kind in Peterborough. The equipment offers better resistance

training and can use the kinetic energy produced through the equipment to charge mobile phones through a USB port.

4.2.4 **Home to School and Community Link**

4.2.4.1 Aragon Direct Services currently operate 24 Home to School routes for the City Council PCC, these are both main stream and SEN, they are also in the process of taking on a further 6 routes. They additionally operate the Community Link Service that takes residents who cannot use public transport to get their shopping and back home, this continues to be a well-used service and utilises the staff in between their school runs to undertake the work.

Aragon Direct Services are also looking to upskill their staff members as they have seen a lack of skilled PSV drivers in the market for the hours required to cover Home to School routes, as such they are training non PSV drivers and Passenger Assistants to obtain their PSV licence. This will allow greater flexibility in the services deliver and also offer the resilience needed to cover for sickness etc.

4.2.5 **Property Maintenance**

4.2.5.1 Aragon Direct Services Offer a Repairs and Maintenance helpdesks function for all PCC properties with a 24 hour on call service where required, they also ensure that all our statutory servicing obligations on our properties are fulfilled and a 3 yearly condition survey of our estate is conducted.

This is seen as an area of the business that can be further expanded with some school already signing up to SLA's with Aragon Direct Services, however further work is needed both commercially and with legal to get a more off the shelf contract that can be quickly put in place when signing up new customer.

4.2.6 **KPI's and Customer Interactions**

4.2.6.1 Aragon Direct Services have adopted the old KPI's that formed part of the Amey contract however they have taken these and added in some further KPI's to make them more robust; an example of this is adding in KPI's to cover Property Maintenance, Building Cleaning and the Courier Service. We are also looking to retain a financial penalty for each of the KPIs, how these will be calculated is described in the report attached in Appendix 1.0. As new software has had to be implemented for the daily running of these front line services to date we do not have meaningful KPI data, this is currently being cross checked and Aragon Direct Services hope to start producing monthly KPI data in the coming months.

Aragon Direct Services offer a dedicated Members email address to log any issues or concerns and this team also manages any complaints that come into Aragon Direct Services, the following tables show the current level of customer interactions (note the complaints figures have both justified and unjustified included).

	May	June	July
CLlr Requests	53	51	10
Customer Complaints	14	5	113

5. **CONSULTATION**

5.1 No further consultation has been undertaken beyond that of the Shareholder Cabinet Sub-Committee.

6. **ANTICIPATED OUTCOMES OR IMPACT**

6.1 It is anticipated that any comments of the Shareholder Cabinet Sub-Committee will be fed back to aid in future improvements to the services delivered.

7. REASON FOR THE RECOMMENDATION

7.1 The reason for the recommendation is to ensure that the Shareholder Cabinet Sub-Committee are up to date on the operation of the Aragon Direct Services and have an overview of the mobilisation and current service delivery.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 The alternative option was to not present this report to the Shareholder Cabinet Sub-Committee, this option was not taken forwards as it was important that the new contract arrangements will benefit from the input of the committee

9. IMPLICATIONS

Financial Implications

9.1 This report is to give an overview / progress update as such there are no financial implications.

Legal Implications

9.2 This report is to give an overview / progress update as such there are direct legal implications. As regards specific projects, legal advice has been sought on a case by case basis.

Equalities Implications

9.3 This report is to give an overview / progress update as such there are no anticipated equality implications.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 None.

11. APPENDICES

11.1 Appendix 1.0 - Proposed KPI's