



Annex 4

# **Surrey Waste Service**

Value for Money Baseline Assessment & Improvement Opportunities





### Contents

- VfM Position Analysis
  - Approach
  - Service Overview
  - VFM Overall Conclusions
  - Current Reality

#### Improvement Opportunities

- Overall Priorities for Improvement
- Economy
- Efficiency
- Effectiveness
- Strategic Value
- Stakeholder Value
- Next Steps





# Value for Money Analysis

#### Identifying & Proving "Best Value" Services: The Framework Applied



Research Programme (CVRC, 2011) © Proving, Farquharson & Wilson 2011





#### **Baseline VfM Assessment**

- VfM "shallow dive" analysis.
  - Consolidated stakeholder scoring.
  - Maximum scores ([Score] and [Confidence]) restricted as no evidence sought.
  - Based on the perceptions of stakeholders at the point of scoring.
- Detailed scoring guidelines and protocols were shared with all stakeholders prior to the Workshop
- Each factor was scored according to:
  - Performance Stakeholders' views as to the current performance
    - As the workshop was completed using a 'shallow dive' approach the extremes of 'Excellent' and 'Poor' were avoided other than by exception.
  - **Confidence** Stakeholders' confidence in their assessment of current performance
  - **Opportunity** Stakeholders' assessment of the opportunity for improvement





#### Value Analyser<sup>™</sup>: VfM Baseline Assessment The Only Calibrated VfM Toolkit for Local Authorities



5





#### Detailed Factor Scoring Guide - Example

	Commissioned/ Outsourced Service Contract							
101	Management / Professional Staff							
Description	An assessment of the total cost (to the client) of the provider's management team, including specialised and professional							
	resource.							
Weighting	High (100)							
Scoring								
Excellent	The rates paid are below market rates and/or the equivalent internal cost. A lean management / professional team is deployed relative to the level of roles and responsibilities undertaken and the form and value of the contract. This has been evidenced by a procurement exercise within the last two years or by other forms of external benchmarking and validation.							
Good	The rates paid are at market rates and/or the equivalent internal cost. The management / professional team deployed is commensurate with the level of roles and responsibilities undertaken and the form and value of the contract. Some external benchmarking has been undertaken to validate this.							
Satisfactory	The rates paid are at or are slightly above market rates and/or the equivalent internal cost. Some spare capacity exists within the management team deployed. This is acknowledged by the provider and there are robust plans in place to reduce surplus capacity.							
Requires Improvement	The rates paid are above market rates. The size of the management team is excessive relative to the roles and responsibilities undertaken. This is acknowledged by the provider but there are no robust plans in place to reduce surplus capacity.							
Poor	The rates paid are significantly above market rates. The size of the management team is excessive relative to the roles and responsibilities undertaken. The provider does not acknowledge this and there are no plans in place to address the over-capacity.							

Each factor is supported by a detailed scoring guide that defines the characteristics of VfM performance from 'Excellent' to 'Poor'





### Workshop Attendees

- Richard Parkinson Resource & Circular Economy Group Manager
- Frank Smith Commercial Programme Director
- Jade-Ashlee Cox-Rawling Rethinking Waste Programme Manager
- Alan Horton Rethinking Waste Programme Manager
- Harriett Harvey Strategic Procurement Manager
- Jodi Johnson Waste & Contract Project Officer
- Lee Redmond Head of Contract & Commercial Advisory
- Ian Gaitley Senior Contract & Commercial Advisor
- Jasweer Bhamra Contract & Commercial Specialist



### Surrey Waste - Overview



- To manage the waste collected, Surrey County Council (SCC) has a network of 15 Community Recycling Centres (CRCs) and 5 Transfer Stations within the county operated under a 25 year (Private Finance Initiative) contract with Suez Surrey which commenced in 1999.
- The CRCs play an important and public facing part of SCC's high performing household waste management system.
- The programme area has a net annual budget of approximately £68m.
- On Surrey's behalf, Suez operate and maintain 15 CRC's, four Waste Transfer Stations and the Ecopark facility.
- SCC's 11 district and borough councils are responsible for collecting household waste, and as a waste disposal authority Surrey County Council is responsible for disposing of the waste.
- Suez manage and dispose of approximately 232 Kilotonnes (KT) of residual waste each year. 212KT are sent to Energy from Waste
  facilities via several offtake contracts and approximately 20KT are sent to landfill although the use of landfill is avoided where possible.
- Around 55.1 per cent of household waste in Surrey is collected at the kerbside, and there is scope to collect much more recycling this way.
- 72,599 tonnes of household waste was collected and recycled at the CRCs in 2020/21 (this includes some non-household waste such as rubble which is chargeable).
- SCC operates a waste charging scheme at nine of its larger CRCs for the disposal of waste arising from the construction, alteration or repair of home and gardens and tyres.
- SCC also operates a van permit scheme to deter unauthorised use of the CRCs. The annual charge for a permit is £8.50 which allows up to 12 visits per annum. The five smaller sites do not accept vans.





### Value for Money – Overall Observations

- Surrey County Council's Waste contract with Suez appears to deliver a lower than satisfactory level of value for money currently.
- While Value for Money may be questioned, there is a consensus that operationally, the contract runs well and is well managed by Suez. This is also reflected in the results of customer satisfaction surveys.
- Within the dimensions of economy, efficiency, effectiveness and stakeholder value, a number of areas of potential improvements have been identified and these should be considered in any future iteration of the contract.
- Improvements have been identified and these should be considered in any future iteration of the contract.
   Those attending the workshop were open and honest and demonstrated a high level of awareness and deep level of knowledge relating to the contract itself and all of the market forces influencing this area.
  - The service delivered is generally aligned to the strategic objectives of SCC although it is recognised that the contract was established long before the current organisational objectives.
  - Annual spend is largely based on the volumes of waste collected by the 11 Waste Collection Authorities and is heavily influenced by the behaviour of Surrey's residents. Mechanisms are in place to forecast demand and escalate risks are in place but improvement in this area will require collaboration with waste collection partners.
  - The Service acknowledges that in some areas there are high levels of dissatisfaction and frustration with specific aspects of the current contract structure. Many of these are explored further in this report.



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SCC Waste VfM Assessment August 2021



### **VfM** - Current Reality and Potential Incremental Improvement (Confidence Adjusted)



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# **Improvement Opportunities**

Value for Money Assessment





### Top Priorities for Improvement- Across the 3 E's

ID	Dimension	Factor Name	Priority
109	Economy	Cost (and Ease) of Termination	25.0
110	Economy	Ease of Contract Renegotiation (Contract Changes / Variations)	25.0
112	Economy	PFI Contract (Overall Margin within Agreed Terms)	25.0
203	Efficiency	Service Agility (Demand Responsiveness)	25.0
105	Economy	Performance Benchmarking (Costs, Charges, Revenue)	20.3
106	Economy	Capital Cost of Facilities (PFI / Interest / Depreciation)	20.3
202	Efficiency	Contract Flexibility & Scalability	20.3
228	Efficiency	IT / IS Management	20.3
108	Economy	Allocation of Risk	18.8
114	Economy	Cost of Service (Clarity / Benchmarked / Performance)	18.8
116	Economy	Cost of Service (Clarity / Benchmarked / Performance)	18.8
131	Economy	Dry Mixed	18.8
134	Economy	Cost of Contamination	18.8
140	Economy	EFW	18.8
229	Efficiency	Information Analysis & Reporting Management	16.3
101	Economy	Contract & Performance Transparency	15.6
102	Economy	Contract Clarity & Understanding (Charging Mechanisms)	15.6
104	Economy	Transactional Costs (Cost Analysis, Justification & Cost Stability)	15.6
312	Effectiveness	Environmental Benefits / Targets	15.6



### Economy Dimension: VFM Scorecard



ID	Dimension	Factor Name	Weighting	Score (Text)	Score	Confidence (Text)	Confidence	Opportunity (Text)
100	Economy	PFI Contract						
101	Economy	Contract & Performance Transparency	100	Satisfactory [50]	50	Medium-High [75]	75	Definitely [100]
102	Economy	Contract Clarity & Understanding (Charging Mechanisms)	100	Satisfactory [50]	50	Medium-High [75]	75	Definitely [100]
103	Economy	Annual Retainers (Cost Justification & Cost Stability)	0					
104	Economy	Transactional Costs (Cost Analysis, Justification & Cost Stability)	100	Satisfactory [50]	50	Medium-High [75]	75	Definitely [100]
105	Economy	Performance Benchmarking (Costs, Charges, Revenue)	100	Requires Improvement [25]	25	Medium-High [75]	75	Definitely [100]
106	Economy	Capital Cost of Facilities (PFI / Interest / Depreciation)	100	Requires Improvement [25]	25	Medium-High [75]	75	Definitely [100]
<b>D</b> 107	Economy	Contract & Service Accountability & Ownership	100	Excellent [100]	100	Medium-High [75]	75	Probably Not [25]
<b>G</b> 108	Economy	Allocation of Risk	100	Requires Improvement [25]	25	High [100]	100	Definitely [100]
<b>P</b> 109	Economy	Cost (and Ease) of Termination	100	Poor [0]	0	High [100]	100	Definitely [100]
<b>110</b>	Economy	Ease of Contract Renegotiation (Contract Changes / Variations)	100	Poor [0]	0	High [100]	100	Definitely [100]
<b>Υ</b> 111	Economy	ECO Park Development Project	0					
112	Economy	PFI Contract (Overall Margin within Agreed Terms)	100	Poor [0]	0	High [100]	100	Definitely [100]
113	Economy	Transfer Stations						
114	Economy	Cost of Service (Clarity / Benchmarked / Performance)	100	Requires Improvement [25]	25	High [100]	100	Definitely [100]
115	Economy	Household Waste & Recycling Centres (HWRC / CRCs)						
116	Economy	Cost of Service (Clarity / Benchmarked / Performance)	100	Requires Improvement [25]	25	High [100]	100	Definitely [100]
117	Economy	Internal Operating Costs						
118	Economy	Staff Cost						
119	Economy	Management	100	Satisfactory [50]	50	Medium-High [75]	75	Probably [75]
120	Economy	Staff / Agency	100	Satisfactory [50]	50	Medium-High [75]	75	Probably [75]
121	Economy	Contract Cost Management	0					
122	Economy	Legal / Professional / Consultancy Services	60	Satisfactory [50]	50	Medium [50]	50	Probably [75]
123	Economy	Other Operating Costs						
124	Economy	Vehicles / Fuel	100	Satisfactory [50]	50	High [100]	100	Possibly [50]
125	Economy	Equipment	0					
126	Economy	Central Depots / Offices	0					
127	Economy	Other Operating Costs, including training	0					



### Economy Dimension: VFM Scorecard cont.



ID	Dimension	Factor Name	Weighting	Score (Text)	Score	Confidence (Text)	Confidence	Opportunity (Text)	Opportunity
128	Economy	Disposal Costs							
129	Economy	Reuse	100	Good [75]	75	Medium-High [75]	75	Probably [75]	75
130	Economy	Recycling							
131	Economy	Dry Mixed	100	Requires Improvement [25]	25	High [100]	100	Definitely [100]	100
132	Economy	Food	100	Satisfactory [50]	50	Medium-High [75]	75	Probably [75]	75
<b>U</b> <sup>133</sup>	Economy	Green	100	Good [75]	75	Medium-High [75]	75	Possibly [50]	50
Q134	Economy	Cost of Contamination	100	Satisfactory [50]	50	Medium [50]	50	Definitely [100]	100
<b>D</b> <sup>135</sup>	Economy	Treated (Recovery)							
<u>1</u> 36	Economy	Anaerobic Digestor Gate Fee	0						
$\omega_{137}$	Economy	Fixed	0						
138	Economy	Variable	0						
139	Economy	Disposal							
140	Economy	EFW	100	Requires Improvement [25]	25	High [100]	100	Definitely [100]	100
141	Economy	Landfill	100	Good [75]	75	Medium-High [75]	75	Probably Not [25]	25
142	Economy	Other Disposal Costs	40	Requires Improvement [25]	25	Medium-High [75]	75	Probably [75]	75
143	Economy	Recycling Credits	100	Good [75]	75	Medium-High [75]	75	Possibly [50]	50
144	Economy	Cost of Risk (Where Applicable)							
145	Economy	Service Failure	60	Good [75]	75	High [100]	100	Probably Not [25]	25
146	Economy	Compensation Events (incl. Accidents, Damage)	60	Good [75]	75	High [100]	100	Probably Not [25]	25
147	Economy	Cost of Risk (Anticipated)	60	Good [75]	75	Medium-High [75]	75	Possibly [50]	50
148	Economy	Cost of Risk (Emergent)	60	Satisfactory [50]	50	Medium [50]	50	Possibly [50]	50
149	Economy	Revenue Generation (Where Applicable)							
150	Economy	Income / Services Trading	100	Satisfactory [50]	50	Medium [50]	50	Probably [75]	75
151	Economy	Grant / Investment Winning	0						
152	Economy	Economy Improvement Plan (Savings Plan)	60	Good [75]	75	Medium [50]	50	Definitely [100]	100
153	Economy	Delivery of Service Within Budget	100	Satisfactory [50]	50	Medium-High [75]	75	Possibly [50]	50





Dimension	Factor Name	Priority
Economy	Cost (and Ease) of Termination	25.0
Economy	Ease of Contract Renegotiation (Contract Changes / Variations)	25.0
Economy	PFI Contract (Overall Margin within Agreed Terms)	25.0
Economy	Performance Benchmarking (Costs, Charges, Revenue)	20.3
Economy	Capital Cost of Facilities (PFI / Interest / Depreciation)	20.3
Economy	Allocation of Risk	18.8
Economy	Cost of Service (Clarity / Benchmarked / Performance)	18.8
Economy	Cost of Service (Clarity / Benchmarked / Performance)	18.8
Economy	Dry Mixed	18.8
Economy	Cost of Contamination	18.8
Economy	EFW	18.8
- -	Dimension Economy Economy Economy Economy Economy Economy Economy Economy Economy Economy Economy	DimensionFactor NameEconomyCost (and Ease) of TerminationEconomyEase of Contract Renegotiation (Contract Changes / Variations)EconomyPFI Contract (Overall Margin within Agreed Terms)EconomyPerformance Benchmarking (Costs, Charges, Revenue)EconomyCapital Cost of Facilities (PFI / Interest / Depreciation)EconomyAllocation of RiskEconomyCost of Service (Clarity / Benchmarked / Performance)EconomyDry MixedEconomyErvice (Clarity / Benchmarked / Performance)EconomyErvice (Clarity / Benchmarked / Performance)

The improvement priorities relating to efficiency can be found on the following slide



# **Orbis** Economy Factors: Top Priorities for Improvement

#### **Cost & Ease of Termination:**

By design, PFI contracts are not designed to be terminated and so attempts to do so are often a lengthy and costly activity. Termination clauses used in any future contract should be thoroughly considered in terms of cost, impact and ease.

#### **Ease of contract renegotiation:**

This is a poorly scoring area. The willingness of the partner to engage in adopting change is critical, but the design and complexity of the current contract have not allowed changes to be easily implemented. This is an area for improvement in the future by introducing change mechanisms that are clear, flexible and fair for both parties.

#### **PFI Contract (Overall Margin within Agreed Terms)**

The overall margin is perceived to be too high and anecdotally, poor value for money compared to other waste services. Transparency of both costs and margins have always been an area of concern and so any contract redesign would need to ensure that an appropriate level of transparency is factored in.

#### **Performance Benchmarking (Costs, Charges, Revenue)**

Regular benchmarking between SCC and other similar sized authorities would benefit the service and having a provision within future contracts for regular and permitted benchmarking and market testing for appropriate waste streams would ensure SCC's costs are within an acceptable tolerance.

#### Capital Cost of Facilities (PFI / Interest / Depreciation)

The cost of capital through Suez, relating to SCC's waste facilities, has always been expensive. The next procurement should consider keeping the capital cost of developing infrastructure separate to the main service provision to allow the authority seek capital investment at a more competitive rate.





The allocation of risk is unbalanced and the cost of risk included in the financial model is significant. The operational risk sits with the contractor which is the correct position but the risk surrounding the infrastructure is less well apportioned. Risk allocation within the contract is not always clear and so often leads to ambiguity. Allocation of risk appears to be sub-optimal and there is a high degree of agreement amongst participants that this could be improved going forward.

#### Cost of Service (Clarity / Benchmarked / Performance) [WTSs and CRCs]

The cost of running the WTSs and CRCs appears to be on the high side when compared to other sources. However, it needs to be borne in mind that this is a 25 year contract and that the cost of managing facilities is not always clear and obvious. It would be fair to say that the numbers in the financial model do not translate in reality. Whilst an obvious statement, investing in more contract management resources, including contract management technology would improve the monitoring and management of the contract and potentially benefit delivery costs.



### Efficiency Dimension: VFM Scorecard



			ighting		re		ıfidence		portunity
ID	Dimension	Factor Name	Me	Score (Text)	Sco	Confidence (Text)	Col	Opportunity (Text)	Qp
200	Efficiency	PFI Contract							
201	Efficiency	Control of Services Provided	100	Good [75]	75	Medium-High [75]	75	Probably Not [25]	25
202	Efficiency	Contract Flexibility & Scalability	100	Requires Improvement [25]	25	Medium-High [75]	75	Definitely [100]	100
203	Efficiency	Service Agility (Demand Responsiveness)	100	Poor [0]	0	Medium-High [75]	75	Definitely [100]	100
204	Efficiency	Service Innovation (Agile Implementation)	60	Requires Improvement [25]	25	Medium-High [75]	75	Definitely [100]	100
205	Efficiency	Quality & Maintenance of Service Assets / Infrastructure	60	Satisfactory [50]	50	Medium [50]	50	Possibly [50]	50
206	Efficiency	Skills & Experience ( required to manage Contact)	60	Good [75]	75	Medium-High [75]	75	Probably [75]	75
207	Efficiency	Collection Procedures							
<b>മ്</b> 38	Efficiency	Service Efficiency							
<b>2</b> 09	Efficiency	Consistency of Collections	0						
<u>र</u> ो०	Efficiency	Timing of Collections	0						
<b>Ö</b> 21	Efficiency	District Co-operation & Collaboration	100	Requires Improvement [25]	25	Medium-High [75]	75	Possibly [50]	50
212	Efficiency	Boundary Collection Management	0						
213	Efficiency	Vehicle Optimisation / Configuration (Multiple Types of Collection)	0						
214	Efficiency	Transfer Station							
215	Efficiency	Facility Productivity & Throughput	100	Satisfactory [50]	50	Medium [50]	50	Possibly [50]	50
216	Efficiency	Facility Configuration	100	Satisfactory [50]	50	Medium-High [75]	75	Probably Not [25]	25
217	Efficiency	Household Waste & Recycling Centres							
218	Efficiency	Scope & Range of Waste / Recycling Accepted	100	Good [75]	75	Medium-High [75]	75	Possibly [50]	50
219	Efficiency	Service / Facility Productivity & Throughput	100	Good [75]	75	Medium-High [75]	75	Probably Not [25]	25
220	Efficiency	Waste Disposal							
221	Efficiency	Efficiency of Sorting	100	Satisfactory [50]	50	Medium [50]	50	Possibly [50]	50
222	Efficiency	Scale of Contamination	100	Satisfactory [50]	50	Medium [50]	50	Probably Not [25]	25
223	Efficiency	Overall Efficiency Performance							
224	Efficiency	Service Sustainability	100	Requires Improvement [25]	25	Medium-High [75]	75	Possibly [50]	50
225	Efficiency	Service Agility (Response to Legislation, Environmental & Political Demands)	100	Satisfactory [50]	50	Medium-High [75]	75	Probably [75]	75
226	Efficiency	Stakeholder Management (Internal / External)	100	Good [75]	75	Medium-High [75]	75	Probably Not [25]	25
227	Efficiency	LA Partner Management	100	Good [75]	75	Medium-High [75]	75	Probably Not [25]	25
228	Efficiency	IT / IS Management	100	Requires Improvement [25]	25	Medium-High [75]	75	Definitely [100]	100
229	Efficiency	Information Analysis & Reporting Management	80	Requires Improvement [25]	25	Medium-High [75]	75	Definitely [100]	100



### Efficiency Factors: Top Priorities



ID	Di	mension	Factor Name Prior					
20	<mark>3</mark> E1	fficiency	Service Agility (Demand Responsiveness)		25.0			
20	2 E1	fficiency	Contract Flexibility & Scalability		20.3			
22	<mark>8</mark> Et	fficiency	IT / IS Management		20.3			
22	<mark>9</mark> E1	fficiency	Information Analysis & Reporting Management		16.3			
20	<mark>4</mark> Ef	fficiency	Service Innovation (Agile Implementation)		12.2			
Pa 22	<mark>5</mark> Ef	fficiency	Service Agility (Response to Legislation, Environmental & Political Demands)		11.7			
<sup>g</sup> 21	<b>1</b> Ef	fficiency	District Co-operation & Collaboration		10.2			
<u></u> 422	4 Ef	fficiency	Service Sustainability		10.2			

The improvement priorities relating to efficiency can be found on the following slide



## Efficiency – Top Priorities for Improvement



#### • Service Agility (Demand Responsiveness)

In an operational context, Suez respond well and are agile in response to managing unexpected volumes or difficult waste streams. They take pride in this and it generally works well. However, there are concerns around the responsiveness to management requests for data or information and this can often lead to delays in projects not directly related to operational service delivery.

#### Contract Flexibility & Scalability

As with many old style PFI contracts, their design does not readily enable them to flex in line with changing needs or to increase or decrease the scale without a significant and costly variation. Forecasting the changes likely to occur during the lifetime of any future contract will be key to building in the mechanisms needed to vary the contract in a more agile way.

#### • IT / IS Management Service Sustainability –Service Optimisation

Much of the data and information used by the service is provided in and managed through the use of Excel spreadsheets. This is not an efficient way of working and so more appropriate technologies should be explored to enable officers to more effectively manage and monitor performance. Systems used by all key partners is not integrated and this leads to a greater volume of manual checks and validation.



### Efficiency – Top Priorities for Improvement



#### Information Analysis & Reporting Management

Data received from waste processors and partners is not presented in a consistent format. This leads to a significant amount of manual validation and formatting. In future, we should seek to ensure data is received in a common format to reduce the time taken to receive, process and analyse it.

#### Service Innovation (Agile Implementation)

Suez have, from time to time, initiated some innovation but they could be doing more. Their ability or willingness to do this has been lessened by the removal of some of the Suez commercial team but also, the mechanism in place for sharing the benefits of service improvements is not sufficient to incentivise Suez to promote innovation. Put simply, they do not promote improvements that would benefit SCC more than they would benefit themselves. If a future contract is to encourage and drive innovation, a suitable mechanism for sharing the benefits will need to be in place to incentivise both parties.





### Effectiveness Value Dimensions: VFM Scorecard

				hting		<b>a</b>		idence	
	ID	Dimension	Factor Name	Weig	Score (Text)	Score	Confidence (Text)	Conf	Opportunity (Text)
Ξ	300	Effectiveness	Scope & Scale of Reuse	100	Satisfactory [50]	50	Medium [50]	50	Possibly [50]
Ξ	301	Effectiveness	Scale of Recycling	100	Good [75]	75	Medium-High [75]	75	Probably [75]
-03	302	Effectiveness	Scope of Recycling	100	Good [75]	75	Medium-High [75]	75	Probably [75]
aj e	303	Effectiveness	Scale of Contamination	100	Satisfactory [50]	50	Medium-High [75]	75	Possibly [50]
e i	304	Effectiveness	Scale of Disposal						
-	305	Effectiveness	Incineration						
#	306	Effectiveness	Energy Recovery	100	Good [75]	75	Medium-High [75]	75	Possibly [50]
	307	Effectiveness	Landfill	100	Good [75]	75	Medium-High [75]	75	Possibly [50]
Ξ	308	Effectiveness	Scale of Fly-tipping	0					
3	309	Effectiveness	Instances of Fly-tipping	100	Satisfactory [50]	50	Medium-High [75]	75	Possibly [50]
3	310	Effectiveness	Fly-tipping Tonnage	100	Satisfactory [50]	50	Medium-High [75]	75	Possibly [50]
3	311	Effectiveness	Management of difficult / unusual waste streams	60	Requires Improvement [25]	25	Medium-High [75]	75	Probably [75]
3	312	Effectiveness	Environmental Benefits / Targets	100	Satisfactory [50]	50	Medium-High [75]	75	Definitely [100]
Э	313	Effectiveness	Regulatory Compliance (TEEP) / Permits	100	Good [75]	75	Medium-High [75]	75	Probably Not [25]
Э	314	Effectiveness	Overall Customer Satisfaction	100	Good [75]	75	High [100]	100	Possibly [50]
3	315	Effectiveness	Level of Customer Complaints	100	Good [75]	75	High [100]	100	Possibly [50]
3	316	Effectiveness	Reputation Benefits / Dis-Benefits	60	Satisfactory [50]	50	Medium-High [75]	75	Definitely [100]
Ξ	317	Effectiveness	Services Development / Innovation	60	Satisfactory [50]	50	Medium-High [75]	75	Probably [75]
Ξ	318	Effectiveness	Capture and delivery of Social Value	80	Good [75]	75	Medium-High [75]	75	Probably [75]





### **Effectiveness Factors: Top Priorities**

ID	Dimension	Factor Name	Prio	rity
312	Effectiveness	Environmental Benefits / Targets		15.6
300	Effectiveness	Scope & Scale of Reuse		9.4
316	Effectiveness	Reputation Benefits / Dis-Benefits		9.4
311	Effectiveness	Management of difficult / unusual waste streams		9.1
301	Effectiveness	Scale of Recycling		8.2
302	Effectiveness	Scope of Recycling		8.2
age				

#### • Environmental Benefits / Targets

Contractor performs well but there are no environmental KPIs included in contract. Consideration of Social Value and Sustainability criteria should be made alongside financial benefits in any future contracts. A better understanding of the service's carbon impact would help to set a baseline on which to base future carbon reduction strategies.

#### • Scope & Scale of Reuse

We could do more was the consensus. Reuse shops are on some of the waste sites and options are being explored as to whether some products can be repaired and refurbished to either achieve a higher value or provide some other kind of community benefit. Consideration could be made of whether reuse shops have a viable presence on the high street where there is no space available on waste sites.





### Strategic Value Dimensions: VFM Scorecard

	5	Dimension	Factor Name	Weighting	Score (Tout)	Score	Confidence (Toyt)	Confidence	Opportunity (Toyt)	Onnortunity
-	400	Strategic Value	To meet the requirements of the Defra Resources & Waste Strategy	0	Score (Text)		confidence (Text)		Opportunity (Text)	
	401	Strategic Value	Ensure Service Availability & Reliability	100	Good [75]	75	Medium-High [75]	75	Possibly [50]	50
	402	Strategic Value	Deliver an Affordable & Sustainable Services	100	Requires Improvement [25]	25	Medium-High [75]	75	Possibly [50]	50
	403	Strategic Value	A circular economy model to minimise waste and maximise value of resources	60	Good [75]	75	High [100]	100	Possibly [50]	50
	404	Strategic Value	Reduced carbon impact of waste collection and disposal	90	Satisfactory [50]	50	Medium [50]	50	Possibly [50]	50
P	405	Strategic Value	Alignment with Surrey's 2030 Community Vision, 2050 Place Ambition, and Climate Change Strategy	100	Satisfactory [50]	50	Medium [50]	50	Possibly [50]	50
ğ	406	Strategic Value	Increase reuse and recycling and reduce the volume of waste produced	100	Good [75]	75	Medium [50]	50	Probably [75]	75
Ð	407	Strategic Value	Ensure Regulatory Compliance	100	Good [75]	75	High [100]	100	Probably Not [25]	25

Generally, the Waste team's objectives are aligned with the 2030 vision and all other strategies cascade from this although the waste contract precedes the establishment of the current SCC strategic objectives

Two strategic objectives that require focus are;

**Deliver Affordable & Sustainable Services** – We have already highlighted in this report how both sustainability and achieving value for money require improvement.

**Reduced carbon impact of waste collection and disposal** - Whilst no evidence was presented on the contract's current carbon impact, we can assume that due to the volume of haulage involved in both the collection and transportation of waste and the disposal methods used for the majority of SCC's residual waste that the carbon impact is significant in proportion to SCC's overall impact. This should be explored further and if possible, baselined in order to prepare a strategy for carbon impact reduction in any future contract.





### Stakeholder Value Dimension: VFM Scorecard

ID	Dimension	Eactor Namo	Veighting	Score (Text)	core	Confidence (Text)	onfidence	Opportunity (Tayt)	Dpportunity
500	Stakeholder Value	Politicians (Leader)	<b>&gt;</b> 90	Requires Improvement [25]	25	Medium-Low [25]	25	Probably [75]	75
501	Stakeholder Value	Portfolio Holder	100	Requires Improvement [25]	25	Medium-Low [25]	25	Probably [75]	75
502	Stakeholder Value	Politicians (Cabinet & Scrutiny)	90	Requires Improvement [25]	25	Medium-Low [25]	25	Probably [75]	75
503	Stakeholder Value	Politicians (Other)	80	Requires Improvement [25]	25	Medium-Low [25]	25	Probably [75]	75
504	Stakeholder Value	Other Councils							
505	Stakeholder Value	Districts	80	Satisfactory [50]	50	Medium-High [75]	75	Probably [75]	75
506	Stakeholder Value	Parishes and Town Councils	0						
507	Stakeholder Value	Neighbouring Authorities	40	Satisfactory [50]	50	Low [0]	0	Probably [75]	75
<b>U</b> 508	Stakeholder Value	Officers							
y 509	Stakeholder Value	CEO & Corporate Team Management	100	Requires Improvement [25]	25	Medium-High [75]	75	Probably [75]	75
<b>5</b> 510	Stakeholder Value	In-Function	100	Requires Improvement [25]	25	Medium-High [75]	75	Definitely [100]	100
<b>5</b> 11	Stakeholder Value	In Other Dependent Functions	80	Satisfactory [50]	50	Low [0]	0	Possibly [50]	50
512	Stakeholder Value	Community Engagement Groups	80	Satisfactory [50]	50	Low [0]	0	Possibly [50]	50
513	Stakeholder Value	Commercial Operators / SME's	80	Requires Improvement [25]	25	Medium-Low [25]	25	Probably [75]	75
514	Stakeholder Value	Re-Use Partners	60	Satisfactory [50]	50	Low [0]	0	Possibly [50]	50
515	Stakeholder Value	Utilities Organisations	0						
516	Stakeholder Value	Developers	0						
517	Stakeholder Value	DeFRA	80	Satisfactory [50]	50	Low [0]	0	Possibly [50]	50
518	Stakeholder Value	Other Waste-related Organisations / Agencies	60	Satisfactory [50]	50	Low [0]	0	Possibly [50]	50
519	Stakeholder Value	LEP	60	Satisfactory [50]	50	Low [0]	0	Possibly [50]	50
520	Stakeholder Value	General Public	100	Good [75]	75	Medium-High [75]	75	Probably [75]	75
521	Stakeholder Value	Regulators	80	Good [75]	75	Medium-High [75]	75	Probably Not [25]	25
522	Stakeholder Value	Special Interest Groups	80	Satisfactory [50]	50	Low [0]	0	Probably Not [25]	25

Working better with partners – Whilst this a sweeping statement, it is clear that SCC will be reliant on the cooperation of Strategic Partners, other Waste Authorities and residents if it is to affect the significant change needed to maximise the benefits for tax payers. The scores achieved in this area clearly demonstrate that our relationships with current partners and customers requires improvement to enable SCC to deliver better outcomes in the future.

Collaboration and engagement with these partners should begin at the earliest opportunity so that the greatest level of alignment is achieved before the new contract specifications are designed.





#### **Conclusions and Next Steps**

#### Conclusion

In normal circumstances, now that we have identified areas that can be improved we would move into the **Improvement Planning** phase. Here we would seek to refine the specific challenges and areas for improvement that should be prioritised in order to achieve the desired results.

When undertaking this exercise however, it has been clear that we are not seeking to make fundamental changes to how things work today, but are trying to establish or clarify areas of concern that will require concentrated effort to design an improved service for the future.

For all high scoring factors, the team should now set objectives for each that clearly define the benefits to be gained and begin to consider strategies for achieving these.

#### **Next Steps**

Once identified, the Contract & Commercial Advisory team (CCA) have tools that can be used to capture and prioritise potential solutions and strategies to form an outline plan for future service design. The CCA team can be made available to support in this ongoing work and are ready to commit the resources needed to achieve it.

Brief details of that process are on the next slide.





#### **Improvement Planning Options**

Improvement planning involves a deep dive into identified challenges and service shortfalls within each of the VfM dimensions. For all high scoring factors, the team will be asked to consider business changes that may (subject to further qualification) deliver an overall improvement. These business changes may include, *inter alia*:

- Managerial & Operational Structures
- People
- Processes
- ITD Systems and Technologies
- Market / Partners / Stakeholder Engagement
- Financial Controls and Risk Allocation

Potential solutions to bring about the required improvement in each area will be scored and ranked based on *Readiness* and *Achievability* factors.







# End of Document

30