

Name of Committee:	Overview & Scrutiny		
Committee Date:	30 th January 2024		
Report Title:	Update on Norse Contract Performance		
Responsible Officer:	Chris Riggott, Acting Executive Head of Commercial		
Cabinet Lead:	Cllr L Bowerman, Cabinet Lead for Commercial		
Status:	Non- Exempt		
Urgent Decision:	No	Key Decision:	No
Appendices:			
Background Papers:			
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Report Number:	HBC/71/2024		

Corporate Priorities:

Pride in Place:

- We will work closely with partners to drive improvements in our areas relating to communities, safety and place
- We will improve our public spaces in particular our seafront, towns and village centres across the borough

The KPI dashboard underpins performance improvement of both Norse and the Council, such as improving the quality of service delivery, increasing recycling, and improving wider environmental outcomes.

Executive Summary:

There have been significant improvements in the performance of Norse South East during the 2023-2024 period, including;

Developments in Performance Management

- Implementation of the PowerBI dashboard to monitor KPI performance
- New IT systems sourced for implementation in 2024-2025
- Production of an annual business plan
- Completion of an annual budget for the 2024-2025 period

Improvements in Service Delivery

- Reduction in customer complaints (from average 25 in Q3 22/23 to 7 by Nov 23)
- Reduction in the number of missed household bins (from 270 misses in March 2023 to 100 in Nov 2023)
- Increase in allotment occupancy in year from 94% to 96.7%

Recommendations:

That members note the information and update presented.

1.0 Introduction

- 1.1 Norse SE have been delivering a range of Council Services since 2016, covering waste and recycling, street cleansing, grounds maintenance, seafront management, allotments, sports pitches and other peripheral services. The company is jointly owned by the Council and Norse Group, a Local Authority Trading Company.
- 1.2 This presentation provides an opportunity for Overview and Scrutiny Committee to understand and comment on the strategic direction of travel in management of the contract.

2.0 Background

- 2.1 The operation of Norse SE is controlled through a range of strategic and operational functions which are designed to ensure services are delivered effectively and efficiently. This is underpinned by a detailed contract which sets out the scope of activities, work schedules, performance objectives, costs, and governance arrangements.
- 2.2 Performance is monitored at a strategic level through the Board of Directors, Shareholder Sub-committee and the Strategic Liaison Board. At an operational level, monthly contract monitoring meetings, project specific monitoring and day to day engagement ensures that there is active engagement.

3.0 Developments in Performance management

- 3.1 High standards of performance are achieved through a range of formal and informal controls and processes ranging from activities of the board of directors through day to day to engagement with operational supervisors. Key developments in the last twelve months are:
- 3.2 A new key performance indicator (KPI) dashboard has been developed, utilising the PowerBI system which has recently been adopted by the Council. This enables faster and more efficient

collection of data along with better analysis tools. The dashboard collates existing performance measures and introduces new ones, enabling improvements in the performance of services.

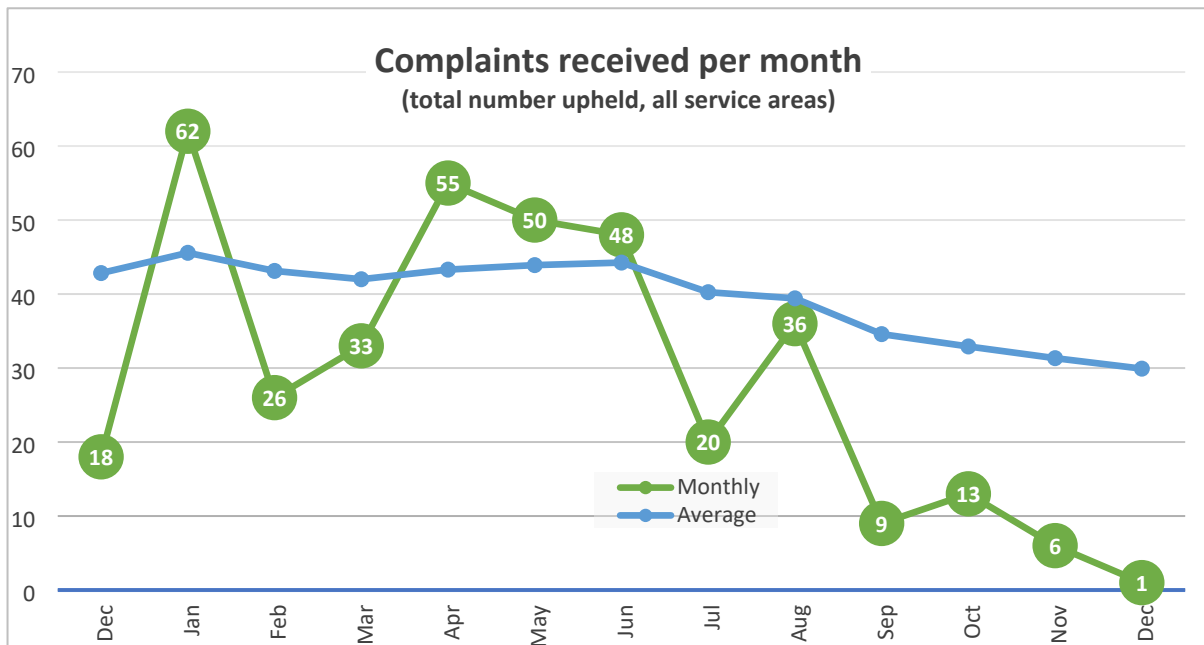
- 3.3 Norse SE have proposed developments to the IT systems which support service delivery and customer interactions. This includes:
- route optimisation software which will maintain and improve productivity of refuse and recycling collection rounds, also reducing fuel usage.
 - a new customer reporting portal, which will enable reports of service issues to be managed directly within the Bartec operational management system (the in-cab routing system).
 - a new contact centre portal, which will provide the contact centre staff with real time information on waste collections, enabling better customer interactions.
 - a system to manage garden waste subscriptions, which will improve customer interaction and reliability of service delivery.
- 3.4 These systems are funded within the 2024/25 budget and will be purchased and commissioned during the year.
- 3.5 The annual budget planning process has been completed to the required timescales, and through an effective collaboration of Norse SE management and council officers. This ensures that the Council's budget setting process accurately reflects the proposed service costs and that officers have scrutinised proposals from Norse SE. This is the first time since the inception of the contract that the budget has been agreed prior to the start of the financial year.
- 3.6 Norse SE is required to produce an annual business plan, which sets out the work programme and development objectives for the year. This augments the core contract objectives, providing detail and additional work activities. The business plan has not played a meaningful role in managing performance until the current year. It now plays a much more significant role in setting out Norse's performance objectives, covering service quality, safety, environmental improvement and wider objectives. This enables greater scrutiny of performance through formal channels and sets out a clear work programme for their internal management team to work towards. The business plan for 2024/25 is currently being developed and will be scrutinised through the Strategic Liaison Board and Board of Directors.

- 3.7 Formal scrutiny and control of Norse is delivered through strategic and operational boards, which are co-ordinated to optimise their effectiveness. The Board of Directors for Norse SE East provides the primary decision making function, The Council is represented by two directors who are actively engaged in company decision making and scrutiny.
- 3.8 The Shareholder Subcommittee allows scrutiny and input by elected members and meets periodically, monitoring strategic and operational performance. Separately, the Strategic Liaison Board allows scrutiny with a greater focus on the detail of operational delivery. This is attended by senior officers and the Cabinet Lead for Environmental Services. The role of both functions has been increased, enabling much more effective discussion of performance issues and active involvement setting objectives and priorities.
- 3.9 Alongside formal processes, the role of working culture is making a significant contribution to service improvement. The Council's Client Liaison Team has adopted an approach of collaborating with Norse SE in an open and positive way and has developed effective working relationships with key managers at Norse SE. Likewise, the senior management team at Norse is being developed by the local Managing Director, who joined in April 2023. This has led to a shared understanding of the service improvement objectives and clear improvement plans which are being driven forwards through both support and a healthy challenge process where necessary.

4.0 Improvements in service delivery

4.1 Complaints

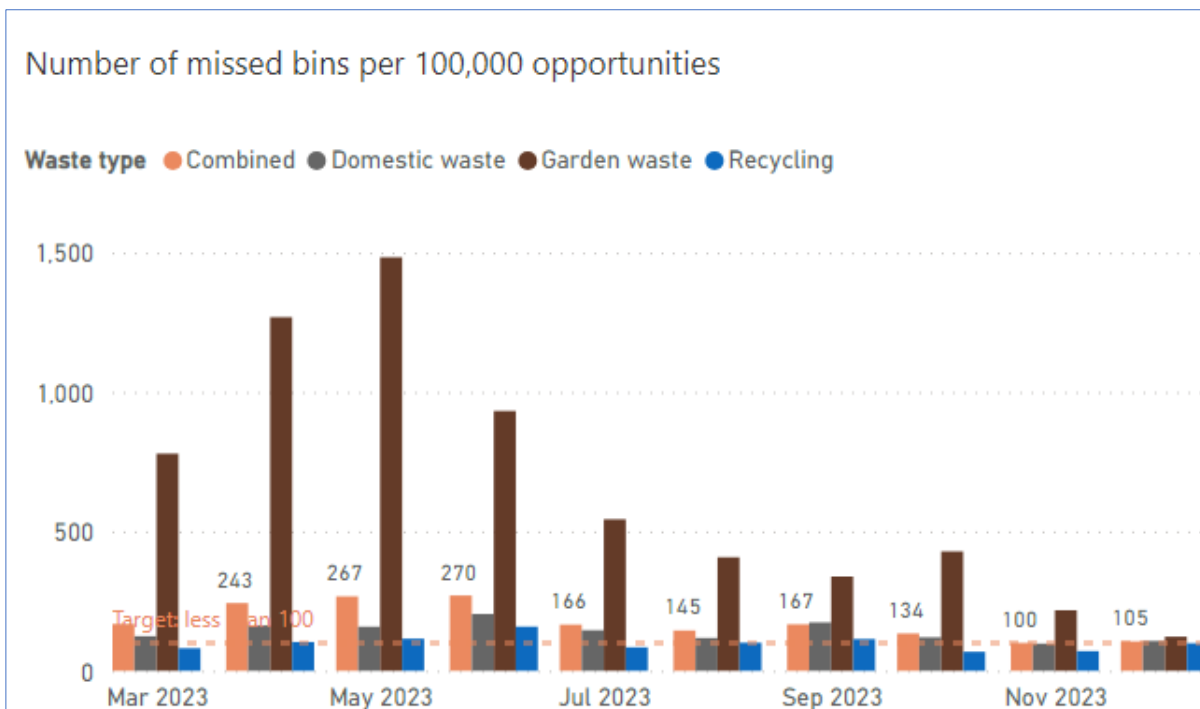
Monitoring of complaints gives a broad-brush indication of the overall level of service delivery. There has been a strong downward trend since summer 2023 with particularly strong performance in quarter three. The average for quarter three 2022/23 was 25, dropping to six in November 2023. There are significant seasonal trends that will continue to apply, however it is clear that the underlying rate has dropped significantly. The reduction in complaints can be attributed to two key factors. Firstly, the overall level of service delivery has improved due to better management controls and practices. Secondly, there has been a greater focus on establishing the root causes of complaints and resolving these. This has prevented repeated service failures escalating into complaints, they are resolved after one or two instances rather than being allowed to continue.



4.2 Missed household bins

4.3 Reports of missed refuse and recycling collections are a key performance measure and give a clear indication of how well the service is being managed. The established best practice is to measure the number of reports per 100,000 collections which take place. There is not a national target or set figure for good performance, however it is widely considered that 100 misses per 100,000 collections is a high performance, therefore this target is being used for monitoring.

Data collection started in March 2023, showing a typical performance of around 250-270 misses and a high spike in misses for garden waste. Performance showed a dramatic improvement from July onwards and achieved the target of 100 misses in November, for the first time. The improvement is most notable for the garden waste service, however there is still room for further improvement. There is also significant improvement in residual refuse and recycling, albeit from a better starting point.



4.4 **Grass cutting – verges, parks, public land and sports pitches**

There were challenges with the grass cutting service in Spring 2023, caused by a combination of an extended period of heavy rain and management controls which did not initially respond effectively to deliver a good remedial plan. In response, Norse SE have strengthened management controls and closer monitoring has been put in place by the Council’s client liaison team. During the 2024 growing season, details of scheduled work will be shared through the council’s website and social media channels. If adverse weather causes cutting to be delayed, this will be closely monitored, and remedial plans agreed with Norse.

Grass cutting in public parks and sports pitches operated well in 2023 and we will continue to actively monitor.

4.5 **Street cleansing**

To date, there has been limited active monitoring of the quality of street and pavement sweeping services, and there are no performance targets set within the contract. The Client Liaison team attend town centres on a rota basis monthly to ensure the cleanliness is of a good standard, any observations are dealt with immediately with direct contact with the operations manager. The Council has explored options for suitable monitoring with Norse and agreed the principles of a new inspections and monitoring process. This will

follow national best practice, adopting a formal protocol for inspections which will allow comparison with other local authorities.

The implementation of performance monitoring will require additional resources, primarily to conduct the extensive inspections required to monitor the levels of street litter.

4.6 **Other service areas**

Norse SE deliver a broad range of services for the Council, so the new KPI monitoring covers areas including:

- Waste production, recycling rate and contamination rate
- Bulky waste collection – 97% are completed within the service level agreement period
- Fly tipping – the proportion completed within the SLA will be monitored
- Allotments – occupancy has increased from 94% to 96.7%
- Playparks – the proportion of inspections carried out on schedule will be monitored
- Health and safety – monitoring of a range of key metrics including days lost due to serious accidents (reportable RIDDORS), statutory fleet compliance score, number of reported incidents.

5.0 **Options**

- 5.1 This report is for noting and as such no alternative options have been presented. The Committee could request further reports should it wish to do so. However, the Committee should be satisfied with the performance levels of Norse SE and the performance monitoring which is undertaken.

6.0 **Relationship to the Corporate Strategy**

- 6.1 This programme of work contributes to the strategic theme of Pride in Place.
- 6.2 Development in performance management and governance will ensure that services provided by Norse SE are delivered efficiently and to a high standard, through enabling effective scrutiny of performance in input into development programmes.
- 6.3 The benefits will be Council services that are fit for purpose and fit for the future, while remaining cost-effective.

7.0 **Conclusion**

- 7.1 Throughout the year 2023-2024, significant progress has been made in performance improvement, which is demonstrated through the KPI's and in the reduction of customer complaints. This is largely due to the change in Managing Director and closer working with the Council. Going forward, our focus will be on improvements in the monitoring of work undertaken in the maintenance and cleaning of our open spaces.

8.0 Implications and Comments

8.1 S151 Comments:

Whilst there are no direct financial implications from this report, members should be reminded that the efficiency and operational performance of the Norse partnership is a strong indicator of its financial viability and is intrinsically linked to the value for money received by the Council and its residents. Poor performance and/or efficiency is more likely to lead to future cost pressures or demand for additional investment.

8.2 Financial Implications:

There are no financial implications arising directly from the report.

8.3 Monitoring Officer Comments:

The role that the Overview and Scrutiny Committee plays in holding the Council to account makes it fundamentally important to the successful functioning of local democracy. Effective scrutiny helps secure the efficient delivery of public services and drives improvements within the authority itself.

8.4 Legal Implications:

There are no legal implications arising directly from this report.

8.5 Equality and Diversity:

There are no equality and diversity implications arising directly from this report.

8.6 Human Resources:

There are no human resources implications arising directly from this report.

8.7 Information Governance:

There are no information governance implications arising directly from

this report.

8.8 Climate and Environment:

There are no climate and environment implications arising directly from this report.

9.0 Risks

9.1 There are no specific risks to consider as part of this report. It should be noted that KPIs are measurable values that demonstrates how effectively the Council achieves its key business objectives. The use of KPIs allows the Council to identify potential risks or obstacles to success and make any necessary adjustments.

10.0 Consultation

10.1 Given the nature of the report no formal consultation has been undertaken. Councillors' views and feedback are welcomed during the meeting.

11.0 Communications

11.1 Performance information is regularly communicated to members and residents through various channels including the Council website, newsletters, and presentations.

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr Lulu Bowerman	
Executive Head:	Executive Head of Commercial	22/01/2024
Monitoring Officer:		22/01/24
Section151 Officer:		22/01/24