

Wiltshire Council

Cabinet

17 December 2013

Subject: Redesign of waste and recycling collection rounds for Waste Collection Services

Cabinet Member: Councillor Toby Sturgis – Strategic Planning, Development Management, Strategic Housing, Property and Waste

Key Decision: Yes

Executive Summary

The report outlines options for delivering budget savings from re-modelling operational waste and recycling collection rounds and changing the working patterns of collection crews. These would impact to different degrees on service cost, residents, and staff.

Various options have been modelled at a high level. This report details a projected range of savings for two options, which yield savings and result in a collection day change for most residents. Accurate savings would be projected once the options are modelled in detail but should be within the ranges identified.

Proposal

That Cabinet resolves to implement new collection rounds in two phases, the first in April 2014 and the second in September 2014.

Reason for Proposal

Implementing these proposals would improve the efficiency of the waste and recycling collections rounds, enabling savings to be made.

Tracy Carter
Associate Director, Environment and Leisure

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Purpose of Report

1. To seek approval from Cabinet to implement new waste and recycling collection rounds in two phases in April and in September 2014

Relevance to the Council's Business Plan

2. Delivery of sustainable waste management services is key to creating stronger, more resilient communities. This makes a significant contribution to ensuring that everyone in Wiltshire lives in a high quality environment. Implementing more efficient waste and recycling collection rounds will enable us to reduce the number of refuse vehicles used, reduce our carbon footprint, and also deliver substantial savings.

Background

3. On 1 April 2009 Wiltshire Council inherited four different waste collection services from the former district councils. Since 1 April 2012 a harmonised waste collection service has been in operation across the county. This comprises of fortnightly collections of:
 - (i) Residual waste
 - (ii) Plastic bottles and cardboard
 - (iii) Paper, glass, cans, foil and textiles
 - (iv) Garden waste
4. When the harmonised collection services were introduced in 2012, due to time constraints it was not possible to undertake a full review of collection rounds. The new services were mainly introduced on the existing collection rounds with garden waste and non-recycled waste collected one week and plastic bottles and cardboard and black box materials collected in the second week. Collection rounds have not been subject to a full scale review since Wiltshire Council was formed. Some of the district councils had been working with existing rounds for some time before 2009 so some rounds have not been reviewed for many years. This results in rounds growing on a piecemeal basis as new housing developments are built, so they become increasingly imbalanced as some grow more than others.

5. By implementing a full review of collection rounds, it will be possible to remove the district council boundaries that are still used to define operational areas serviced by each depot. Without these boundaries acting as a constraint more efficient collection rounds can be designed.
6. During autumn 2012, various working patterns were evaluated to identify whether these changes alone would deliver significant savings. These included:
 - Status quo (37 hours per week over five days, Monday to Friday)
 - Compressed working hours (37 hours over four days - typically local authorities implement this Tuesday to Friday to avoid working on Bank Holiday Mondays)
 - Compressed working hours (staff work 37 hours over four days but with different days off so the service continues to operate five days per week)
 - Double shifting (within existing disposal times and on Saturday mornings)
 - Double shifting (Monday to Friday which would require changes to the permitted working times of disposal points)
7. The outcome of the evaluation was that only two of the above options are operationally viable and do not incur additional costs. The two viable options are maintaining the status quo and the compressed working hours over four days, with the service continuing to operate over five days. Only the second of these would generate savings. As a result the remainder of the possible options were discounted at an early stage. A summary of each option evaluated with benefits and risks is attached in **Appendix 1**.
8. At the meeting held on 6 November 2012 Cabinet resolved to approve the commencement of formal consultation with staff and relevant trade unions on the adaption of new working patterns for the waste collection service. This would be carried out subject to Cabinet approval of the proposal set out in this report.
9. The results of the high level modelling, using rounds optimisation software, have provided further evidence that by introducing a change in the staff working pattern to compressed hours (37 hours over four days) with the service continuing to operate five days per week, greater efficiencies can be realised.

Main Considerations for the Council

10. Cabinet is invited to consider two options for optimising collection rounds. Each option has a potential range of savings associated with it based on a reduction in number of drivers and loaders required.
11. It is proposed to implement both options in 2014/15 in two phases in order to deliver savings and to allow time to notify residents of day changes and to work with staff on changes to working hours.
12. Savings from 2014/15 will be based on half year savings for Option One and Option Two. Savings in 2015/16 onwards will be based on the full year impact of Option Two.

Option One

The recommendation is to implement new collection rounds in April 2014, but with no changes to existing collection days, therefore no disruption to residents. Collection rounds have been designed at a high level using rounds optimisation software. These rounds now have to be checked and amended in detail. Implementing this option would enable the service to pilot the process without any day changes for residents and learn any lessons necessary prior to implementing day changes for residents and a working pattern change for staff in September 2014.

This option should reduce the fleet by four Refuse Compactor Vehicles (RCVs) and their crews of 12 staff (consisting of four drivers plus eight loaders) across the county. This reduction in staff could be achieved by terminating agency contracts which have been put in place to cover vacant posts.

On an annual basis this would provide savings in the region of £350,000 p.a.

Option Two

This option would involve a day change for residents but their collections would remain on the same day in the fortnightly cycle (residual waste and garden waste in one week and plastic bottles and cardboard with black box recycling on the same day of the alternate week). This would also require a change to the way in which staff work.

The new working pattern would involve drivers and loaders continuing to work 37 hours per week; however, they would work four days per week instead of the current five. This would result in a longer working day of 9.25 hours excluding breaks. Staff would continue to work on Monday to Friday but would take one day off during the week in addition to Saturday and Sunday.

The advantages to this working pattern include the savings resulting from the reduced number of vehicles required as well as less trips from and to the depot. This has an environmental impact as well as generating savings resulting from using less fuel.

There are additional costs in implementing this option which have to be considered against the savings. A non-recurring cost would be for the production and posting of collection calendars for all residents. A recurring cost would be for provision of extra supervisory capacity. The service would require three additional supervisors, one at each of the in-house depots, in order to effectively manage the drivers and loaders during the extended working hours. The cost of this and the calendars has been deducted from the savings to produce a net savings figure.

The rounds for this option have also been modelled at a high level using the software and again more accurate saving projections would only be known once the rounds are modelled in fine detail. Initial projections are that this option could reduce the fleet by 9 to 11 RCVs. This would reduce the number of drivers and loaders by a further 15 to 21 (27 to 33 members of staff in total). At present the service has 21 vacancies for drivers and loaders, which are currently filled using agency staff.

Seven staff applied for voluntary redundancy this summer and had their applications refused. It is proposed to terminate the contracts of agency staff first before undertaking a voluntary redundancy exercise for drivers and loaders. Any posts which become vacant in the intervening period would be filled by additional agency staff to minimise the risk of compulsory redundancies in October 2014, once the results of the voluntary redundancy exercise are known.

The total net saving from this option for a full year is projected to be in the range of £700,000 to £875,000.

If Option One was implemented in April 2014 and Option Two in late September 2014, savings would be based on approximately half of the annual savings for Option One and half of these for Option Two. Taking into account the additional costs outlined above, the net savings for 2014/15 will be in the region of £475,000 to £560,000.

Safeguarding Implications

13. There are no safeguarding implications arising from the proposal.

Public Health Implications

14. There are no public health impacts arising from the proposal.

Environmental and Climate Change Considerations

15. Due to the reduction in fleet, there would be a positive impact on the environment, with a reduced carbon footprint for the service. This would be calculated once the detailed modelling is complete and the service is able to determine the exact number of vehicle reductions.

Equalities Impact of the Proposal

16. There is no equalities impact arising from the proposal.

Risks that may arise if the proposed decision and related work is not taken

17. If the decision is not taken the service would not realise potential savings and it would continue to operate inefficient rounds with some crews returning to the depots early on some days after completing their daily rounds.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

18. There is a risk to the Council's reputation should residents not be aware of changes to their collection days. The mitigating actions are to ensure we produce clear communications and collection day calendars to all residents as well as ensuring any calls to Customer Services continue to be dealt with effectively.
19. Recommending a two stage implementation programme rather than implementing a working pattern change in April 2014, should ensure the service has sufficient time to consult and work with all staff affected by the proposal to amend working hours.

Financial Implications

20. Detailed savings would be projected once the options are modelled in detail. Each vehicle and crew removed represents a revenue saving of £88,000 per annum and avoids vehicle replacement capital costs of £145,000.

Projected savings for 2014-15

Projected savings for 2014/15	Number of Vehicles saved	Costs (£,000)	Savings (£,000)
April to September	4		176
October to March	9 – 11 (4 plus 5 - 7)		396 - 484
Additional costs: Postage for calendars		50	
Additional supervisors - October to March		47	
Net savings			475 - 563

Projected savings for 2015 – 16 onwards

Projected savings for 2015/16	Number of Vehicles saved	Costs (£,000)	Savings (£,000)
Full year (gross)	9 - 11		792 - 968
Additional costs: Additional Supervisors		93	
Net saving			699 - 875

Legal Implications

21. Formal consultation with staff and trades unions has not yet commenced. All necessary consultations will take place in accordance with the Council's obligations as an employer.

Options Considered

22. The options for changes to rounds re-design are detailed in the body of the report. Other options for more complex collection arrangements for residents were evaluated (up to four collection days per fortnightly cycle). The proposal represents a reasonable balance of savings and disruption for residents.

Conclusions

23. The next stage of the process is to design detailed rounds using the software and checking these using drivers' local knowledge and experience, prior to implementing the new rounds from the start date of 7 April 2014. The decisions to be taken in respect of these proposals are key to informing this work.

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The following unpublished documents have been relied on in the preparation of this report:

None

Appendices

Appendix 1 Working Pattern Options – Savings and Additional Costs