

<b>Report to:</b>	<b>CABINET</b>	
<b>Report of:</b> <b>Date of Decision:</b>	<b>Jacqui Kennedy, Corporate Director - Place</b> <b>27<sup>th</sup> June 2017</b>	
<b>SUBJECT:</b>	<b>REORGANISATION OF WASTE MANAGEMENT SERVICE</b>	
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 003774</b>	
<b>If not in the Forward Plan:</b> <b>(please "X" box)</b>	<b>Chief Executive approved</b>	<input type="checkbox"/>
	<b>O&amp;S Chairman approved</b>	<input type="checkbox"/>
<b>Relevant Cabinet Member(s) or Relevant Executive Member</b>	<b>Councillor Lisa Trickett, Cabinet Member - Clean Streets, Recycling and Environment</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor John Cotton, Health Wellbeing and the Environment</b>	
<b>Wards affected:</b>	<b>All</b>	

<b>1. Purpose of report:</b>
<p>1.1 To set out the proposals for reorganisation of the Waste Management service to secure high quality of services and demonstrate value for money.</p> <p>1.2 To report on the progress of consultation with Trade Unions and the registering of disputes, a ballot and a notice of disruptive industrial action by the UNITE union</p> <p>1.3 To seek agreement to continue dialogue with Trade Unions with a mandate to implement a structure to deliver improved quality of service whilst operating within the allocated budget</p>

<b>2. Decision(s) recommended:</b>
<p>That Cabinet:</p> <p>2.1 Approve the proposals for the reorganisation and authorise in parallel continued discussions with the Trade Unions to develop a joint way forward that will enable us to work together to deliver an effective and efficient Waste Management Service.</p> <p>2.2 Note the proposals regarding Street Cleansing reorganisation and delegate the authority for completion of this reorganisation to the Corporate Director Place and Cabinet Member.</p>

<b>Lead Contact Officer(s):</b>	Darren Share, Assistant Director, Waste Management
<b>Telephone No:</b> <b>E-mail address:</b>	0121 675 0648 <a href="mailto:darren.share@birmingham.gov.uk">darren.share@birmingham.gov.uk</a>

<b>3. Consultation</b>
<p>3.1 <u>Internal</u></p> <p>There have been extensive consultations with trades unions since January 2017. There is a need for further meetings with all four trade unions to conclude discussions on a new operating model for street cleansing. It is anticipated that these can be concluded by end of July 2017.</p> <p>3.2 All four unions have registered disputes with the Council and UNITE have balloted for disruptive action and notified of its potential start on 30<sup>th</sup> June in relation to Refuse Collection services.</p> <p>3.3 GMB Union submitted a report for consideration by management 23<sup>rd</sup> June 2017. The issues raised are operational matters that require ongoing discussions with Trade Union colleagues. Formal Consultation cannot be extended further to respond to these issues, submitted at such a late stage, however these suggestions and queries will be researched and discussed at future meetings with Trade Union colleagues to provide full responses to each issue raised.</p>
<b>4. Compliance Issues:</b>
<p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The proposals within the reorganisation of Waste Management Service comply with all of the Council's policies, plans and strategies. The reorganisation takes into account the developing Waste Strategy.</p> <p>4.2 <u>Financial Implications</u></p> <p>4.2.1 Background and Context</p> <p>There has been a significant reduction in the allocated budget for the provision of the waste collection, waste disposal and street cleansing services over the past 6 years – the actual net expenditure has reduced from £71m in 2011/12 to £65m in 2016/17 (equivalent to 8% in cash terms and significantly more in real terms after taking into account inflationary pressures). This has been achieved through a major programme to transform the service including the introduction of new terms and conditions in November 2011, a new wheelie bin service (completed in December 2015) and new chargeable services that were previously not charged separately e.g. green waste.</p> <p>The Council allocated a significant level of additional resources to the service for 2017/18 (estimated at £5.7m) to reflect the operational cost of the new service (this included a provision for demographic implications from the increasing numbers of households).</p>

#### 4.2.2 Proposed Operating Model

There are a number of one off investments required to implement the model.

Implementing the new operating model will require a transitional period up to the beginning of October 2017. This will require additional resources of between £0.8m and £1m for the 3 months between July and the end of September 2017 or an estimated £80,000 per week.

However, the proposals set out in the report will generate a £5.2m reduction in the base budget going forward

The full year effect will be from 1<sup>st</sup> April 2018 and this will bring the service within its operating budget. If the service remains as current operations are set up, the service is likely to overspend annually by £5.2m.

#### 4.3 Legal Implications

4.3.1 Where an employer proposes to make large scale redundancies of 20 or more employees within a period of 90 days or less (collective redundancies), it must consult on its proposal with representatives of the affected employees and also notify the Department of Business, Energy and Industrial Strategy. The obligations extend to more than just redundancies, but also include those affected by measures associated with the redundancies. So in practical terms this could include new systems of work, new working hours or arrangements, proposed variations to contracts of employment, new reporting lines or organisational arrangements.

4.3.2 The relevant legislation is section 188 of Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA), which implements the European Collective Redundancies Directive (Directive 98/59) (the Directive). Statute requires consultation on the proposals including the proposed redundancies "with a view to reaching agreement" on ways of:

- Avoiding the dismissals.
  - Reducing the number of employees to be dismissed.
  - Mitigating the consequences of the dismissals.
- Consultation with an open mind on all these topics is mandatory has recent case law has determined.

While it is not necessary for employers and representatives to actually reach agreement, it is recognised that the consultation process is more akin to a negotiation than a mere exchange of competing views.

#### 4.3.3 Data Protection

Does this decision involve processing personal data or sharing information with 3<sup>rd</sup> party providers?

No

#### 4.4 Public Sector Equality Duty

A copy of the Equality Act 2010 – Public Sector Duty statement is appended together with the initial equality assessment screening at Appendix 1

### **5. Relevant background/chronology of key events:**

5.1 The Waste Management Service for Birmingham City Council is delivered from four separate council depots at Lifford Lane, Perry Barr, Redfern Road and Montague Street, and strategically supported by a management team and back office located at Margaret Street. It comprises the following functions:

- Refuse Collection combining residual, recycling and seasonal garden waste collection services;
- Bulky waste;
- Clinical waste collections;
- Trade waste residual and recycling collections;
- Street cleansing including litter and fly-tipping removal, graffiti removal and street washing;
- Waste disposal;
- Fleet and garage services for the whole of the Council's vehicle requirements.

#### 5.2 Context

Since January 2017 and in line with the Cabinet's Vision and Priorities agreed in May 2017, senior officers have been reporting to the Cabinet Member for Clean Streets, Recycling and Environment on proposals to revise the current operation of the Waste Management Service

5.3 Waste Management is split into two distinct service areas, Street Cleansing and Refuse Collection. Each service area operates on different work patterns. Street Cleansing work 36.5 days in 5 days per week and Refuse Collection have operated a compressed 4 day week, 36.5 hours over 4 days. This has been in place since a collective agreement was approved at Cabinet in November 2011.

5.4 The City Council completed the implementation of the wheelie bin system in December 2015 and therefore it is timely to review learning and working practices now that the system has been operating for a couple of years.

5.5 The service needs to be further modernised to reflect current and future demands of increased population and a changing demographic as well as drive continued efficacy, efficiency and value for money.

5.6 The review of the Waste Management Service reflects the need to respond to the City Council's significant budget pressures and a reduction of managerial and administrative costs is planned for all services. The Corporate Director Place will be reviewing the whole Directorate management structure and is planning to consult on a new structure by September 2017 to help deliver wider savings. In addition, consultation will be taking place on the potential move of some support service activities to the new Strategic Services Directorate where economy of scale efficiencies will be considered under the Support Services Future Operating Model.

5.7	<p>Specifically, for the Waste Management Service the key driver for change is to have a service which meets the needs of citizens, visitors and businesses and is efficient, and cost effective. The Council is developing its Waste Strategy and the service needs to be in a position to respond to any future changes or opportunities that might arise but it cannot wait for the full development of that strategy due to the urgency of the issues described in this report. Achieving an effective service needs to be done by:</p> <ul style="list-style-type: none"> <li>• Improving productivity and service performance through creating the platform for the service to better respond to increasing demands of the future</li> <li>• Removing managerial layers bringing decision making closer to front line services</li> <li>• Creating an operation that maximises available and evolving technology across every level of the service to enable levels of productivity to be continually monitored and improved.</li> <li>• Developing separate business units to deliver clearer financial accountability which is integral to the decision making process</li> <li>• Maximising the opportunity to deliver budget savings and economies of scale across the four depots</li> <li>• Developing a level delivery of clean neighbourhoods through a 'Total Place' approach</li> <li>• Improving workforce resilience by ensuring roles meet the evolving need of the service and that the workforce are supported by appropriate training and development</li> <li>• Structuring to enable alternative commissioning models to be considered in the future</li> </ul>
5.8	<p>Since the implementation of the revised working arrangements for Refuse Collection agreed with the Trade Unions in 2011, the service has been unable to respond to the required savings targets through increased productivity nor deliver a value for money service that meets the growing demand for waste to be collected in the City. Historic funding issues have been identified and since 2013 the base budget reflected the need to meet national productivity levels which have not been achieved in Birmingham. There is the potential for this now to be exacerbated by the very positive growth figures for the number of households in Birmingham in future years and the resulting demand for refuse collection services (an additional 50,000 households to the current 354,356 households, over the next 20 years).</p>
5.10	<p>As stated the implementation of the wheelie bin system concluded December 2015, in light of ongoing service delivery issues and budgetary challenges this reorganisation is necessary and timely.</p>

<b>6.</b>	<b>Evaluation of alternative option(s):</b>
6.1	<p>Externalisation of services is always an option in terms of delivering waste services and it is a route many authorities have taken. At this point the authority is focused on the effectiveness of the in – house service and it wishes to invest in and develop these services in an integrated way. The externalisation option always remains as an alternative.</p>
6.2	<p>An alternative option has been put forward for Street Cleansing by the Trade Unions and officers believe it is possible to reach a compromise which incorporates some aspects of the Trade Unions proposals.</p>
6.3	<p>There is an option to do nothing, however this is not an option in light of the ongoing service issues and budget pressures.</p>

## **7. Reasons for Decision(s):**

- 7.1 Across Waste Management (Refuse Collection and Street Cleansing) the proposed changes are designed to achieve a service which can deliver the expectations of Birmingham residents and businesses in terms of clean streets and high quality refuse collection services. It will do so through the improved organisation of the workforce, rounds and improved service standards. Its costings will be transparent and, apart from emergency cover, the service will be delivered by permanent employees with all the usual associated benefits of being an employee of the council (rather than a significant proportion of work being delivered by agency staff). There will also be a new “Total Place” approach which seeks to co-ordinate services in neighbourhoods to better effect in terms of the appearance and environment.
- 7.2 The reorganisation of the service will impact on the management of the service. The current structure is a Depot Manager (GR7) in each of the four operating bases. They are responsible for all services operating from that base i.e. refuse collection and street cleansing. The new model replaces the four depot managers with two posts Head of Refuse Collection and Head of Street Cleansing. This will assure consistency of approach across the city and service.
- 7.3 Each Head of Service will retain Service Managers (GR6) who are either responsible for refuse collection or street cleansing. There are a number of Assistant Service Managers (GR4) at each depot to assist in monitoring, managing crews and dealing with enquiries enabling local knowledge to be deployed but within a consistent framework of standards, performance etc. across the city.
- 7.4 There are a number of back office roles to provide the operations team with the support they need. This area has been significantly reduced over the last 18 months and is outside the scope of this report.
- 7.5 The Waste Disposal contract team managing relationships and ensuring compliance with our contractors. This area is outside the scope of this report.
- 7.6 Refuse Collection Proposed Reorganisation
- 7.6.1 The removal of compressed working hours with all employees working a 5 day 7.3 hours per day 36.5 working hour week rather than 4 days at 9.133 hours per day
- 7.6.2 Removal of the Leading Hand role on Refuse Collection Grade 3 (113 posts)
- 7.6.3 Operationally the separation of commercial and domestic collections onto separate vehicles and crews where it practicable to do so, thereby enabling domestic and trade waste operational resources and costs to be ring-fenced.
- 7.6.4 The location of the start and finish points for each or any collection round will be across any of the Council depots and employees will be asked to work flexibly from any of the depots as the business requirement demands These changes are consistent with all employees on the Birmingham Contract.

7.7 Refuse Collection - upon implementation of this reorganisation Refuse Collection Service will deliver within the budget allocated;

- Weekly collection of residual domestic waste ( 354,356 properties per week )
- Fortnightly collection of kerbside recycling materials (177,178 properties per week)
- Consistent productivity for all collection rounds based on national benchmark (mid-range national average)
- Remodelled collection rounds that assure maximum efficiency
- A revised fit for purpose management structure, reduced by two tiers of management/supervision
- The continued provision of chargeable services e.g. Green Waste, Bulky Waste, Trade Waste.
- A significantly reduced reliance upon agency and overtime. The reduction on agency workers will enable more investment in trained and competent full time employees of Birmingham City Council. (Currently of 595 staff over 200 are agency employees).

#### 7.8 Street Cleansing Proposed Reorganisation

7.8.1 The street cleansing workforce will be expected to work a 5-day from 7-day shift pattern as per their current Contracts of Employment, including weekend working as required to meet the business needs of the service.

7.8.2 Introduction of additional mechanical sweepers throughout the city.

7.8.3 Recruitment of more beat sweepers, Grade 2, to replace agency staff into high profile areas affected by daily waste issues.

7.8.4 Reduction in Agency staff operating on the Street Cleansing service.

7.8.5 Review of Weekend working and WISH 24 (Legislation re working on the Highway) is currently funded via overtime on Sundays. The new working week will include Sunday working and removal of overtime payments.

7.8.6 The location of the start and finish points for each employee operating within Street Cleansing will be across any of the Council depots and therefore employees will be asked to work from any of the depots as business requirement demands.

#### 8 Street Cleansing

Upon implementation of this reorganisation Street Cleansing Service will deliver within the budget allocated:

8.1 Street Cleansing resources are still being allocated on a ward basis. However these resources are now being deployed based upon an assessment taking into account cleaner streets plans, Environmental Quality Survey (EQS) scores and current level of tonnage collected by the street cleansing service and utilising Service Management intel re hotspots etc. Street Cleansing schedules are being developed to support the proactive approach. These schedules and resources will be reviewed based upon positive impact with a view to developing a more agile and responsive approach across the City.

8.2 A new Cleaner Greener Streets operating model will be delivered across the city which matches resource requirement to service demand to better allocate resources.



- 8.3 The creation of a bespoke City Centre workforce to deliver cleaning for the commercial and retail district is proposed, in order to meet the unique demands on this service and ensure central Birmingham is attractive place to shop and do business. It would therefore encourage economic growth from which the whole city prospers. It will operate separately from the delivery of street cleansing and grounds maintenance services for residential, industrial, highway, commercial, open, park or retail land across the rest of the city. Learning from this approach will be rolled out to other suburban areas as appropriate.
- 8.4 Service improvement will be delivered through an improved and flexible street cleansing service that is influenced by and integrated into neighbourhoods. This will be achieved through the better understanding and utilisation of data, technical resources, partnership working and coordinating strategies between those partners as well as more effective management through clearer expression of expectations and service standards, a total place/neighbourhood approach.
- 8.5 A significantly reduced reliance upon agency and overtime. The reduction on agency workers will enable more investment in trained and competent full time employees of Birmingham City Council. (Currently of 336 staff over 100 are agency employees).

9. A new focus on the roles of the increased number of directly employed staff within the service will result in further investment in the workforce through training and development to assure a highly skilled, well trained, competent, consistent and capable workforce delivering excellent services.
- 9.1 These proposals will have the impact of reducing the reliance on Agency Staff and enable recruitment of permanent staff to vacancies, creating the opportunity to recruit up to 246 FTEs in the process. We will recruit to the budgeted staffing numbers. The staffing numbers have been worked out using computer modeling, task frequencies and management knowledge. Staffing to a controlled number of FTEs will ensure the current overspend on agency and overtime (£8.4m 2106/17) is unable to happen again.
- 9.2 Making the role of Refuse Collection Leading Hand redundant will result in 113 posts being deleted. However it is anticipated that all post holders (with an appropriate skills match) will be redeployable into same grade vacancies within the Place Directorate.
- 9.3 These improvements cannot be achieved with the current organisation of refuse collection and street cleansing

# 10. Impact on Staffing across Waste Management Refuse Collection and Street Cleansing

Waste Management current and proposed staffing

Service Area	Employee Total	Proposed	Difference
Refuse Collection	372	524	152
Street Cleansing	228	327	99
Garage, Driving School, Stores	32	32	--
Management Back Office	78	78	--



11.	A full communications plan focusing on all stakeholders including the workforce, citizens, Elected Members and partners will support all changes.
12.	<p><u>Conclusion</u></p> <p>A fundamental review of the Waste Management Service is required to:</p> <ul style="list-style-type: none"> <li>• meet the budget challenge</li> <li>• provide a service that is fit for purpose and reflects the changing needs of the community</li> <li>• operates to high performance levels</li> <li>• is flexible, allows for integration, and</li> <li>• delivers a Total Place ethos that responds to all environmental aspects in the neighbourhood.</li> </ul> <p>The proposals outlined in this report will deliver on all of the above. To achieve this, continued consultation with the Trade Unions is required however there is an imperative to implement key changes to operational deliver in order to secure a balanced budget going forward from October 2017.</p>

Signatures		<u>Date</u>
Cabinet Member	..... Cllr Lisa Trickett Cabinet Member for Clean Streets, Recycling and Environment	.....
Chief Officer	..... Jacqui Kennedy, Corporate Director - Place	.....

<b>List of Background Documents used to compile this Report:</b>

<b>List of Appendices accompanying this Report (if any):</b>
1. Public Sector Duty & Equality Assessment

<b>Report Version</b>	<b><u>JK V6</u></b>	<b>Dated</b>	<b><u>26.06.17</u></b>
-----------------------	---------------------	--------------	------------------------