

APPENDIX 1 - PUBLIC REPORT

Update on Reorganisation of Waste Management Service Productivity and Effectiveness Issues

24th August 2017

Extract from Cabinet Report 27th June 2017

6.1 Refuse Collection

The Cabinet Report 27th June 2017 brought to an end the Collective Agreement of 2011 to assure improved productivity, performance and value for money. This was on the basis that since the start of the current refuse collection working arrangement (Collective Agreement 2011) the current working arrangements have not delivered value for money savings targets and they will not meet the business need of the future, levels of productivity did not compare favourably when benchmarked and from a performance perspective levels of missed collections remained unacceptable.

6.2 Since 2013 there has been a historical structural base budget problem because the budgets were based on national productivity levels but the performance and productivity of refuse collection in particular has not matched the predicted levels. 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). This level of poor productivity cannot be justified and does not provide value for money for Birmingham citizens and cannot be afforded within the Council's financial envelope and without addressing this can adversely impact on other key services within the local authority.

6.3 The table below shows BCC Refuse Collection service productivity against other 'core cities' (2017): although it is acknowledged not all services are the same across authorities (no side waste policies, edge of property, single bin movements etc.) there is enough comparison to clearly show Birmingham has a problem with productivity. The rounds were designed with an average of 1,200 collections for recycling and 1,500 collections for residual waste. It is clear that the Birmingham City Council Refuse Collection service is not operating to acceptable levels of productivity:

Table 1: Productivity levels of Birmingham Refuse Collection compared to other major cities

City	Working Day (hours) over five day week	Average No of properties per round
Liverpool	7.5	1,067
Manchester	7	1,308
Sheffield	8	1,100
Nottingham	7.5	1,375
Leeds	7.5	1,165
Birmingham	9.125	1,058
PROPOSAL	7.3	1,100

This approved operating model from Cabinet 27th June sets a realistic target for the service going forward, consistent with other core cities.

- 6.4 Missed collections continue to be an issue for the service. Currently additional resources are allocated to keep missed collections to a minimum. The new round structure has taken the historical missed collection data into account in order to improve service performance. The proposal reiterates the role of the Team Leader Driver for the supervisory and management responsibility of the team. This makes this responsibility closer to the front line. The intention is to significantly reduce missed collections and improve citizen satisfaction and reduce costs of revisits, complaints handling etc. and to involve the service in a total place approach to cleaner streets in the city.

- 6.5 The central issue in the 2011 system is the compression of hours into four days, leaving one day not covered by conventional staffing arrangements leading to large use of overtime arrangements and/or use of agency staff and consequent budget overspends. This problem is exacerbated by a staffing structure which does not reflect modern day good practice because it encompasses too many grades within a small team. Two tiers of supervision in a team of 3 (Grade 4, Grade 3 and Grade 2) is neither appropriate nor sustainable.

Furthermore the structure was last reviewed in 2011, since then wheeled bins have been introduced. This means that the role of Leading Hand is redundant as there are only two loaders operatives at the back of the vehicle now and colleagues are not consistently picking up sacks they predominantly present wheeled bins to the vehicle for emptying, (historically there could be three or four loaders presenting sacks to the vehicle, this crew required supervision. This is no longer required. Both operatives at the back of the vehicle have the same training and work to a consistent safe working practice and risk assessment. The Team Leader driver as a Grade 4 in the current and proposed model is responsible for the health and safety of the crew, utilising cameras on the vehicle and assuring compliance with the safe working practice and risk assessment.

The 2016/17 outturn position for Waste Management was an overspend of £11.9m of

which £8.4m related to employee costs:

Table 2: Costs of Overtime and employment of Agency staff 2011 to 2017

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Overtime	4,649	2,890	1,643	543	1,261	1,073
Agency	5,809	8,180	7,258	8,074	8,803	7,949

As stated in the Cabinet Report in June. This level of overtime and agency is unsustainable and the mix of full time employees and agency/overtime working has not enabled the service to look forward and prepare a workforce fit for the future. Trade Union colleagues are supportive of the move to permanent recruitment of staff.

The service needs to deliver and develop consistently to shared objectives and deliver consistently high quality services through a well-trained, highly competent and highly motivated workforce, this has not been the case historically.

Currently the Refuse collection service employs 395 directly and approximately 200 via Agency working. Street Cleansing service employ 236 directly and approximately 100 via Agency working.

These proposals enable the recruitment of a significant number of staff and the creation of Grade 2 posts, some of which may be utilised to accommodate apprenticeships to attract younger people into the service.

We have held two recruitment open days and these were very well attended, in particular by agency staff currently assigned to the service. A further event is planned after the advertisement has been published in the local papers, through local media and targeted activity. As part of this recruitment process, we will be encouraging applications from under-represented groups.

- 6.6 For Refuse Collection, as referenced earlier, the transition to wheelie bin collections during the period 2012/13 to 2015/16 significantly changed the resourcing and management requirement from the previous sack collection service. Previous to the wheelie bin roll out, refuse collection teams often comprised of 4 or 5 staff. Roles would include advancing sacks and working with the vehicle throwing the bags into the back. The introduction of wheelie bins reduced the number of the budgeted crew to 3. The introduction of wheelie bins was to enable the service to reduce its annual running costs. The current operating model and financial budget is still based on these same assumptions which anticipated increased performance and productivity levels using the new collection methodology. To date the service has failed to achieve these targets. Additionally there is little replication of best practice across the four depots, with each depot operating largely independently such that economies of scale are therefore not fully realised.

- 6.7 In previous years, the cost of transition to wheelie bins was financially supported by £30 million of grant aid from the Department for Communities and Local Government which expired in 2015-16. During 2011/12 to 2015/16 saving targets placed on the Waste Management budget amounted to £22.213 million. Many of these savings have been achieved by charging for services such as green and bulky waste rather than any significant front line employee reductions or increased productivity in Refuse Collection or Street Cleansing.
- 6.8 Street Cleansing
- It is recognised that both the effective emptying of street litter bins and the clearing of rubbish dropped by the public through street cleansing services are a fundamental and vital part of clean streets. They are amongst the top priorities of the public in all external consultations.
- The business community is also very concerned about it in terms of the presentation of the city. The Council recognises the vital role of Street Cleansing Services and wants to ensure that the service is set up in the best way to work in partnership with other council services and external partners in particular our communities.
- There has been a need for a review of the operating structures for some time due to significant flaws in the existing structure. The service has been overspent in recent years and in 2016/17 the overspend in Street Cleansing was just over £2m, the majority of this spend relating to employee costs, in particular agency and overtime, included in Table 2 in Paragraph 5.5.
- 6.9 A new operating model is currently being developed for Fleet and Garage Services, aimed at tackling the current challenges faced by the service. This is outside the scope of this report and will be the subject of a report in the Autumn.
- The senior management of the service has been agreed with the introduction of specific service leads, one managing Refuse Collections Service and one managing Street Cleansing across all four depots. This will ensure consistency across all depots. Depot management will comprise of Service Managers (GR6) and Assistant Service Managers (GR4). This level of management will have additional responsibility for performance management such as budgets and vehicle optimisation. District Team Leaders will assist the management of street cleansing and the Driver Team Leader in Refuse Collections will directly manage collection crews in terms of performance and productivity, customer care, resource use e.g. fuel usage etc.
- 7.0 The District Team Leaders and Driver Team Leaders are an essential part of the management team and will be directly responsible for day to day management of the crew and the productivity and health and safety of their staff. They will receive additional managerial/supervisory, customer care, staff welfare and ICT training. This role has recently been re-evaluated and the role remains at a Grade 4.
- 7.1 At the Cabinet meeting in June it was agreed to establish a joint management and Trade Union Service Improvement Board will be established to take forward the improvement and changes needed to deliver an effective and efficient service. Due to the ongoing dispute and industrial action from Unite this has not been possible, but will be launched

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7.4 Improved service standards and cost - effectiveness

The refuse collection service will continue with delivery of a weekly collection.

Removal of the compressed hours and working a standard 5 day week with scheduled collections etc. The service will operate with permanent employees delivering the service over 5 days (rather than operating fifth shift using overtime or agency, thereby significantly reducing both).

Rounds will be redesigned to ensure the most efficient collection method; this might mean a change to some collection days although this will be kept to a minimum and where required will be supported by a public facing communications plan. This will reduce the demand on overtime and agency payments, drive up productivity and reduce the complexity around rotas.

The restatement of service standards and redesign of round patterns alongside the provision of performance and productivity reports for the team will enable more proactive performance and productivity led by the Team Leader Drivers in Refuse Collection. This assures a measurement of effectiveness with the objective of a more effective and efficient service with fewer missed collections and improved customer satisfaction.