

# Birmingham City Council

## Report to Cabinet

11<sup>th</sup> February 2020



**Subject:** Update on the Independent Waste Review  
**Report of:** Acting Director Neighbourhoods  
**Relevant Cabinet Member:** Councillor John O'Shea, Cabinet Member, Street Scene and Parks  
**Relevant O &S Chair(s):** Councillor Penny Holbrook Chair of Housing and Neighbourhoods O&S Committee  
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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 007293/2019		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

### 1 Executive Summary

- 1.1 Wood Environment and Infrastructure Solutions UK Ltd (Wood) were appointed by Birmingham City Council in July 2019 to carry out an independent review of the Council's waste collection and disposal services. Their initial report summarises their phase one findings and summarises the data and analysis undertaken.
- 1.2 Wood has undertaken a review of the service provided by the Council which includes:
- Current services and legislation;

- reviewing the operational waste data held by the Council including collected material weights, round structures and operational round data;
- staffing structures and requirements;
- the performance of comparable UK local authorities; and
- the delivery of stakeholder engagement workshops for residents, Trades Unions, Refuse Collection operatives and Scrutiny Members.

1.3 The report identifies areas for immediate action to improve the service and along with future options for service delivery. It also states that the approach taken by the Council together with the types of container provided and vehicles used are not in themselves the reason for low recycling rates but that better rates could be achieved by improving resident participation and engagement.

## **2 Recommendations**

2.1 That the current Service Improvement Plan be updated to include the recommendations in the report and that progress be monitored by the Cabinet Member for Street Scene and Parks and the Assistant Director of Street Scene.

2.2 That the second phase of the review be undertaken to include the modelling of the following recommended options:

- Option 1, model existing baseline services along with the introduction of a separate weekly food waste collection (the collection of food waste will be mandatory by 2023).
- Option 2, model weekly food collections along with fortnightly residual collections and fortnightly recycling collections.
- Option 3, model weekly food collections along with three weekly residual collections and fortnightly recycling collections.

2.3 That a further report on the detailed options are the subject of a further report to Cabinet in Summer 2020, along with the final report from Wood.

## **3 Background**

3.1 The 15<sup>th</sup> March 2019 Cabinet recommendations agreed the ACAS settlement to resolve the litigation in respect of the refuse collection dispute. This included an independent review of the Waste Management service. This review was commissioned following Cabinet on 26<sup>th</sup> March 2019.

3.2 Wood was subsequently appointed by Birmingham City Council after a mini competition exercise under the ESPO Consultancy Framework 664 to deliver an independent service review.

- 3.3 The Terms of Reference for the review was split into two phases. Phase one included: data discovery and current state assessment, best practice review and benchmarking, the identification of immediate improvements and efficiencies and the identification of potential future operating models. Phase two will provide the detailed remodelling of the service delivery options.
- 3.4 Wood has completed their initial assessment which has included a full review of data collection around the organisation, structure, assets, volumes, collection routes (rounds, number of properties and type and route optimisation), a root and branch review of the current and alternative methods of refuse and recycling collections, time and motion studies, to produce performance and productivity profiles.
- 3.5 Wood has reviewed and evaluated the existing City Council policies connected to the Refuse Collection service.
- 3.6 Wood has conducted discussions, interviews and engagement with all stakeholders including senior management, Elected Members, officers and Refuse Collection operatives and Trades Unions via the Joint Service Improvement Board. An analysis of customer enquiries and how this relates to service delivery has also been undertaken.
- 3.7 Wood's initial review of the approach taken by the Council has not identified any significant gaps in the materials collected.
- 3.8 Through the engagement and review activities undertaken to date, Wood has identified a number of areas of concern:
- 3.9 Staffing and management structures
- 3.9.1 Wood considers that the current management structure does not provide sufficient operational oversight of the depots. Accordingly, Wood believes that the Council should consider the appointment of an Operations Service Lead to sit below the existing Assistant Director role. A proposed restructure of the Street Scene service has already been developed to address this concern. The Memorandum of Understanding (MoU) places limitations upon the structure of the staffing levels for Refuse Collection crews. Wood is of the view that the current staff grading of 4-3-2 on Refuse Collection crews will not be a fundamental barrier in the future to providing effective services and hence no change is proposed to the current staffing arrangements. They found the Waste Reduction and Collection Officer (WRCO) role to be an appropriate part of a wider solution to address the City's low recycling rate.
- 3.9.2 The business case to support the restructuring of the Street Scene service has been shared with Wood and it contains many of the recommendations identified within the review, including the need for a dedicated senior manager responsible for collections. Consultation on this restructure will be launched in February 2020.

### 3.10 Communications

- 3.10.1 Wood found that poor communication appears to be both a cause and symptom of the lack of trust that appears to exist throughout the service. This is both between the Council and its residents and Waste Management and the staff. Wood recommends that a communications plan should be developed as part of the Service Improvement Plan. The communications plan will require an expectation reset from all parties as to the level of information to be provided. The communications plan should identify the most appropriate media channels to engage with all residents; to identify a schedule for regular resident communication / engagement; and to create a protocol for undertaking area specific engagement / enforcement activities.
- 3.10.2 A communications plan has already been developed to provide better communications, both with and between staff, internal contacts and residents. The plan has four key elements:
- i. **Love Your Street** (to help reset and improve the relationship between the council and communities in recognition of the key role communities have in achieving cleaner streets);
  - ii. **Reduce, Reuse and Recycle** (a programme of education and engagement to better inform citizens to enable positive behaviour change);
  - iii. **Crackdown on criminal flytipping** (promote waste enforcement activity) and
  - iv. **Service Improvement** (an internal communications focussed strand to strengthen workforce/management relations).
- 3.10.3 The communications plan, which is continually reviewed, will now be refreshed, taking on board the findings presented by Wood.

### 3.11 Service / policy inconsistency

- 3.11.1 Wood proposes that a rationalised waste collection policy document is produced to form the basis for the operational agreement with staff and that this is provided to the Refuse Collection operatives and service management staff along with the call centre staff as part of “toolbox talks”. A simplified version of the existing document in an easy to understand format should be produced for residents and provided as part of the improved communications plan.
- 3.11.2 WRAP (Waste and Resources Action Programme) has also reviewed the City Council’s collection policy; they found the document to be comprehensive and clear. The service has worked with Trades Union colleagues to develop a simplified version based on questions that crews face on a daily basis. This leaflet will link to the communications developed through the Waste Disposal contract to ensure a consistent clear message is maintained.

3.11.3 Wood has identified an inconsistency in the implementation of the policy, especially around the collection of side waste. This will be addressed by toolbox talks and reinforcing the policy at all levels of the organisation.

3.12 Customer Services / ICT systems:

3.12.1 A fully integrated ICT system needs to be developed which ensures consistency between the routing system and operational delivery system and incorporates the Slab in the Cab technology and the WRCO phones to allow the crews to more efficiently report issues on the rounds (contamination, bins not presented, damaged bins, missed streets and reasons) which can then be seen in real time by service managers and call centre staff.

3.12.2 The service and the Contact Centre do work together but more co-ordinated reviews are planned. A review of the flow of information has started, along with development of the Council's webpage to in future proactively publish missed collections and the reasons for them on a daily basis.

3.13 Vehicle routing and round size:

3.13.1 Wood's assessment is that completion of rounds as currently scheduled is achievable and they identify, albeit theoretically, that there are efficiencies to be obtained through ensuring that the Refuse Collection crews are productively engaged throughout their shift if managed more closely.

3.13.2 The Waste Management service carried out trials before the rounds were implemented and the rounds were adjusted to reflect the additional work of the WRCO role. The rounds are currently reviewed on a daily basis, with the overall performance discussed on a weekly basis at a senior level. The newly identified operational lead will concentrate on providing a consistent level of performance across the service.

3.14 Vehicle replacement:

3.14.1 Wood has identified the use of older vehicles is likely to result in higher fuel consumption, greater emissions and increases in maintenance costs. The use of hired vehicles would be expected to result in increased costs compared to vehicles which the Council owns and operates. A full procurement process is well underway to replace all older and hire vehicles.

3.14.2 The current vehicle replacement procurement will be used to inform a full vehicle replacement plan once confirmation has been received following the Government's review. The 25-Year Environment Plan, (the Government's draft Waste Strategy), released in December 2018 sets out how Government intends to preserve material resources by minimising waste, promoting resource efficiency and moving towards a circular economy.

3.14.3 The DEFRA Resources and Waste Strategy is currently in the consultation period. Within this strategy is a proposal to improve recycling from households in England, with an aim for greater consistency in household waste collections. Waste collection authorities will likely have to collect the same core set of dry recyclable materials from households, as well as have a separate weekly food waste collection. The collection of food waste from all households, including flats, would be mandatory by 2023, regardless of treatment route, and local authorities will be properly resourced to meet new net costs, both upfront and ongoing. Whether waste collection authorities should provide free garden waste collection services for households with gardens is also being consulted on.

### 3.15 Enforcement / Engagement activities

3.15.1 Wood has identified that there is minimal enforcement or engagement activity undertaken by the Council where properties or areas within the City demonstrate poor compliance with the collection schemes. They recommend the development of an engagement / enforcement plan and escalation procedure to redress this.

3.15.2 The service is planning a full review of the prevention role within the Street Scene restructure. The service has started to review and update the Waste Prevention Strategy and is looking to strengthen the existing Waste Enforcement team.

### 3.16 Trust

3.16.1 Wood recommends that, as part of the development of the Service Improvement Plan, a series of “review and reconciliation” sessions are held, whereby staff are able to bring forward issues without fear of incrimination or censure.

3.16.2 The current Service Improvement Plan has been updated to consider the recommendations from the Wood report. There is a regular Joint Service Improvement Board to ensure strategic discussions take place between the service and Trades Unions and further depot meetings are planned to meet all staff. It is recognised that trust does take time to develop but there is a commitment from the City Council and senior staff with Waste Management to rebuild trust throughout the Service.

### 3.17 Future Operating Model Options Appraisal

3.17.1 A number of potential options have been identified by Wood for a Future Operating Model, including alternative delivery models and these will be fully explored by Wood as part of phase 2 of the review.

3.17.2 Each of the options put forward by Wood would retain a weekly collection of either food, recyclable material or household waste.

3.17.3 It should be noted that the review has focused on household and recycling collections, there have been limited comments made by Wood concerning the Garden and Container collection services.

## **4 Options considered and Recommended Proposal**

- 4.1 The recommendations contained in the Wood report have been included in the updated Street Scene Service Improvement Plan.
- 4.2 The Street Scene management restructure has been released for consultation with Trade Unions and staff.
- 4.3 Options 1, 2 and 3 contained in the Wood report are further developed and brought back to Cabinet.

## **5 Consultation**

- 5.1 The interim report has been shared with the Conservative Leader, Liberal Democrat Leader, Chair of Overview and Scrutiny Homes and Neighbourhoods, Chair of Co-ordinating Overview and Scrutiny, Non-Executive Director – Waste, and Trades Unions (Unite, Unison, GMB).

## **6 Risk Management**

- 6.1 The Wood Interim report identifies immediate actions needed to improve the service's performance and efficiency, not carrying out these actions would limit improvements to the service.
- 6.2 The findings from the Government's Waste and Resources consultation have not been published and its outcome could change the option appraisals contained in the report.
- 6.3 There are a number of service improvements, reviews and procurement exercises all underway at the same time within the service. These will need to be co-ordinated to ensure there is enough management capacity to manage all of the proposed actions.

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

- 7.1.1 These proposals support the City Council priority of being a great city to live in by keeping the streets free from unnecessary domestic waste.
- 7.1.2 These proposals will support the City's ambition to increase recycling rates for domestic collections

### **7.2 Legal Implications**

- 7.2.1 The Council ensured that the review complied with the Equalities Act 2010 and any general or legal requirement or consideration to consult. Legal Services provided ongoing support and advice throughout the review.
- 7.2.2 The Council is a Best Value authority within the meaning of Part 1 of the Local Government Act 1999. Under Section 3 of the Local Government Act 1999, the

Council is under a general Duty to secure Best Value services. The duty is to "make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The use of the framework and holding a mini-competition support Best Value as set out in Local Government Act 2000. The review also supports the duty under Section 3 of the 1990 Act.

### **7.3 Financial Implications**

7.3.1 The financial implications will be developed as part of the future options appraisal

### **7.4 Procurement Implications (if required)**

7.4.1 Not required

### **7.5 Human Resources Implications (if required)**

7.5.1 The HR implications have been identified for the proposed restructure. Any further HR implications will be worked through as the Service Improvement Plan is developed

### **7.6 Public Sector Equality Duty**

7.6.1 The requirements of the Council's Equality Policy and the Equality Act 2010 policy will be specifically included as part of any implementation of any decision. An EA has been completed for this report.

## **8 Background Documents**

### **List of appendices accompanying this report:**

- Appendix 1 Wood Report
- Appendix 2 Risk Assessment
- Appendix 3a Equality Assessment Statement
- Appendix 3b EIA – EQUA465