



Refuse Collection Service – Proposed Changed Working Arrangements

SUMMARY

- 1.1 It is proposed that the refuse collection arrangements be radically reorganised in order to deliver better customer service and to yield a revenue budget saving.
- 1.2 The proposed arrangements are based on the collection of kerbside waste and recyclates over a four day week. Zonal working arrangements will be introduced with collective responsibility and “pack” arrangements ensuring that all properly presented bins will be emptied on the designated day.
- 1.3 The proposed arrangements will mean that the collection day will be changed for significant numbers of residents, but this will only happen once and there will be a comprehensive publicity campaign so that all residents are made aware of the changed arrangements.

RECOMMENDATION

- 2.1 To approve the reorganisation of the refuse collection arrangements based on a four day collection week and zonal working with collective responsibility.
- 2.2 To lift the current constraint that the collection day cannot be changed.
- 2.3 To resolve to keep the refuse collection service in-house providing the savings identified are delivered.

REASONS FOR RECOMMENDATION

- 3.1 This proposal will reduce revenue operating costs by £500,000 per annum by reducing the number of crews collecting kerbside waste and recyclates..
- 3.2 This proposal will improve customer service because as part of the changed arrangements, there will be an acceptance by staff that all bins due to be emptied on a particular day will be emptied on that day.
- 3.3 At present the crews work all over the city at any one time. The introduction of zonal working, collective responsibility and pack arrangements will fuse the crews into a team with a common purpose and aim.

- 3.4 Recommendation 2.3 will improve morale and end the current confusion which exists amongst staff, management and trade unions regarding the future of the service.

SUPPORTING INFORMATION

4.1 Background

In order to accommodate the last tranche of Alternate Week Collections, the refuse collection rounds were reorganised last year with the revised arrangements being implemented from January 2010.

When the new rounds were well developed and shortly before implementation date, a decision was made that the collection day could not be altered for any of the residents. This single decision meant that most of the rescheduling that had been carried out was rendered inappropriate. Accordingly, late in the day, the rounds were hastily rescheduled in order to meet the implementation date. It is now acknowledged that there were many errors in the new rounds and they have constantly had to be changed throughout the year to remove these errors. It should be stressed at this point that there is no criticism of the staff involved who worked many, many long days to get the new schedules ready for the implementation day – it was the late decision not to change the collection day that has caused all the problems.

In order to cope with alternate weekly collections across the City and with the constraint that the collection day could not be changed, it was necessary to employ extra crews. This has meant that the revenue costs for refuse collection have risen over the last two years and they have risen by more than could have been reasonably expected just by the introduction of alternate weekly collections. In addition, because the rounds had several errors, morale amongst the collection staff has been low giving rise to industrial unrest and higher than average sickness rates which have all conspired to increase the cost of the service.

In contemplating the Comprehensive Spending Review, advice has been received from PwC that that outsourcing of the refuse collection service could save £480K per annum. This prospect has been discussed with refuse collection staff and the Trade Unions and it was resolved by management and Trade unions that staff would be balloted regarding their preference for service provision in the future. The result of this ballot is discussed below.

4.2 The Ballot

The principle of the options to be put to staff and the information that should be given out with the ballot paper was discussed and agreed with staff representatives and trade unions. The final form of the ballot paper was not put to staff or trade unions for approval but was discussed with a small number of staff. The ballot paper is shown at appendix 2. Basically the ballot paper asked staff to choose one of the following options:

- Option 1 – reduce to 18 crews with each crew collecting an average of 1500 bins/day over a FOUR day week. The four days would be Tuesday to Friday in order to reduce the cost of Bank Holiday collections.
- Option 2 - reduce to 18 crews with each crew collecting an average of 1200 bins/day over a FIVE day week. By implication, Bank Holiday Mondays would have to be worked but at enhanced rates.
- Option 3 – do nothing and accept that the service would be privatised.

The figure of 18 crews was used because that was the highest level of cut anticipated. In the event, it has been shown that it is not operationally feasible to cut to this level and neither is it necessary to achieve a £500K saving in revenue costs.

Both Options 1 & 2 required staff to accept zonal working, collective responsibility and the need to “claw back” three Bank Holiday days at Christmas/New Year.

The Result

No. of papers issued to permanent staff	114
Option 1	55
Option 2	36
Option 3	9
Not returned/Abstained	14

The following conclusions can be drawn:-

1. the “turnout” was 88% which is extremely high
2. of those voting, 91% voted to change the service which is a clear mandate
3. of those voting to change the service, 60% voted for a 4 day week and 40% voted for a 5 day week

These results have been discussed with staff representatives and trade unions along with the basis of this report.

4.3 The Proposals

It is proposed that the refuse collection rounds be rescheduled. The City will be divided up into four zones of approximately 27,000 properties. Each zone will be further divided into the appropriate number of rounds. The bins in each zone would be emptied on the same day so that this will mean changing the collection day for a significant number of residents.

It is proposed that collection would take place from Tuesday to Friday every week. This means that all the Bank Holiday Mondays would be non-working days for the crews and consequently, enhanced rates of pay, time off in lieu etc would be avoided. In order to claw back the three Bank Holidays at Christmas and New Year, three Saturdays would be worked so that the rounds were quickly brought back to normal collection days. Good Friday will still need to be worked at enhanced rates of pay.

The crews will be in the same zone every day and will work on a “task and finish” basis. However, the crews will be divided into three “packs” and each week, one of the packs will be “on duty”. ALL crews will be expected to empty all their bins for the day and if notified of any properly presented bins which have been missed, they will be expected to return to collect their own missed bins. When they have done that and after checking with their supervisor, they will be able to go home. However, the pack that is on duty would be required to stay behind until it was known that all bins scheduled to be emptied that day had been dealt with.

By introducing this system, the crews will be more likely to collect the bins first time and help each other out in the event of an unforeseen occurrence such as a vehicle breakdown. In that event, the duty pack would all help in getting the affected round finished after they had finished their rounds.

The current average lift/day for all crews this year has been 1197/day based on a FIVE day week. Accordingly, the requirement for each crew to empty 1,500 bins a day based on a FOUR day week is realistic and achievable.

All the details shown above were clearly shown on the ballot paper and the result demonstrates that the staff have signalled strongly their commitment to working to this new regime.

OTHER OPTIONS CONSIDERED

- 5.1 Outsourcing of the service has been seriously considered by the crews. For instance, it has been made clear to the crews that if privatised, they may be able to earn bonus in the private sector. However, they have taken this and other factors into account in deciding by a very clear majority to change the way they work and keep the service in-house.

Keeping the service in-house will yield bigger savings to the Council than those predicted in the PwC report.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	
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For more information contact: Background papers: List of appendices:	Name: Tom Knight Tel: 01332 641604 e-mail: tom.knight@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Ballot Paper
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IMPLICATIONS

Financial

- 1.1 Full year savings have been calculated at £500,000 based on a reduction of the number of crews. This reduces current staffing levels but there will still be full cover for holidays and sickness.

No redundancies are anticipated due to the large number of agency staff currently used on the service.

Initial costs associated with the re-structure and notification to the public of the changes are estimated to cost £100,000 in 2010/11. This can be funded from anticipated savings in waste disposal within the Streetpride budget.

Future year savings may be available if the overall number of vehicles used to deliver the service can be reduced. This will save borrowing costs that will cease if the current vehicles are not required to be replaced. It is proposed to use the saving within the Neighbourhoods Directorate to offset car parking income targets that have historically been difficult to achieve. It is not possible to quantify the level of the potential additional saving until a settled level of vehicle requirements has been established.

Legal

- 2.1 None

Personnel

- 3.1 Clearly, the proposals represent a significant departure from current working arrangements. There will be continuing dialogue with the staff and trade unions so that appropriate changes to the Local Agreement can be made. When this is complete and before the implementation date of 1 April 2011, the relevant staff will be asked to sign a new contract of employment accepting the terms and provisions outlined. At the present time, only front line operational staff have been consulted in detail about these proposals. It is acknowledged that over the coming weeks and months, the supervisors and inspectors will need to be consulted and any requisite changes made. No significant problems are anticipated.

Equalities Impact

- 4.1 It is acknowledged that moving to a four day week and hence a longer working day may cause some child care issues for some staff. In mitigation, staff will have plenty of notice of the new arrangements in order to make alternative arrangements.

Health and Safety

- 5.1 It is acknowledged that working longer days and dealing with more bins/day could potentially have an adverse effect on Health and Safety issues but this aspect will be closely monitored and managed within the existing Health and Safety procedures.

Carbon commitment

- 6.1 These proposals will make a significant impact on this issue. Refuse Collection vehicles typically manage 2 to 3 miles/gallon of diesel and reducing the number used will mean a significant reduction in the amount of carbon produced.

Value for money

- 7.1 These proposals will save £500K in revenue costs in the first full year of operation. These savings are higher than those currently predicted by Price Waterhouse Coopers in their report on Potential Procurement Savings

Corporate objectives and priorities for change

- 8.1 This proposal links directly with the Corporate Objectives COD 1 and COD 2 as follows:

COD 1 - To create a modern, efficient and effective organisation through the 'one Derby, one Council' transformation

COD 2 - To deliver value for money across all services.

Discussions with Staff regarding Refuse Collection Service

The Refuse Collection Service has been challenged to find £500,000 per annum revenue savings or face the prospect of seeing the service outsourced in order to reduce costs by £500,000 per annum. There is no doubt that this is the last chance we have to change the service to meet the challenge set.

There have been two meetings at which proposed changed working arrangements for refuse collection staff have been discussed in order to make the savings required and keep the service in-house. The result of these discussions, which have been attended by Trade Union stewards and some staff, is that there are three basic options that all staff should consider and give their views on as follows:

Option 1

- The number of crews collecting black, brown and blue bins would be reduced from 25 to 18. All crews would collect in the same zone of the city on any particular day.
- Each crew would collect approx **1500** bins per day and work **FOUR** days per week (Tues – Fri)
- All crews would be on “task and finish” but each crew would be responsible for collecting any properly presented bins that it had missed on the same day. The 18 crews would be organised into 3 packs of 6 and each week, one of the packs would be on “duty” and would not leave until all bins had been collected for that day.
- One day’s leave would equate to **9.25** hours (i.e. 37/4)
- Christmas Day, Boxing Day and New Year’s Day Bank Holidays would not be worked, but up to **THREE** Saturdays would be worked to “claw back” the production lost on those days.
- Bank Holiday Mondays would not be worked. Good Friday would be worked at enhanced rates of pay.

Option 2

- The number of crews collecting black, brown and blue bins would be reduced from 25 to 18. All crews would collect in the same zone of the city on any particular day.
- Each crew would collect approx **1200** bins per day and work **FIVE** days per week (Mon – Fri)
- All crews would be on “task and finish” but each crew would be responsible for collecting any properly presented bins that it had missed on the same day. The 18 crews would be organised into 3 packs of 6 and each week, one of the packs would be on “duty” and would not leave until all bins had been collected for that day.
- One day’s leave would equate to **7.4** hours (i.e. 37/5).
- Christmas Day, Boxing Day and New Year’s Day Bank Holidays would not be worked, but up to **THREE** Saturdays would be worked to “claw back” the production lost on those days
- Bank Holiday Mondays and Good Friday would need to be worked at enhanced rates of pay.

Option 3

This option is that we do no further work on changed arrangements and accept that the service will be outsourced in order to make the savings required.

If there is anything about this paper and the options that you do not understand then please feel free to speak with Richard Brown or your Trade Union steward and then cast your vote for the option you prefer in **ONE** of the boxes below. There is a real urgency to this issue so your response is requested by Friday 22 October at 4.00 pm.

	OPTION 1
	OPTION 2
	OPTION 3

Ballot Paper No: