

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**CABINET  
10<sup>th</sup> October 2017**

**REPORT AUTHOR:** County Councillor Phyl Davies  
Portfolio Holder for Waste and Recycling

**SUBJECT:** Waste & Recycling Logistics – Route Optimisation

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**REPORT FOR:** Decision

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**1.0 Summary**

1.1 Powys County Council is committed to maximising the operational effectiveness of the services we provide. We are currently undertaking a Logistics project that intends to review all relevant operational practices including how we undertake our waste collections. We recognise that there are currently sub optimal arrangements within our existing collection rounds and we have invested in specialist software to optimise routes within the county. Implementing the improved rounds will allow us to carry out our collections using less vehicles and staff thereby realising operational efficiencies and contributing to the Medium Term Financial Strategy (MTFS).

1.2 The MTFS 2015-18 included a proposal to optimise the domestic waste collections as part of the Logistics project. The proposed savings from the Logistics project were £250K in 16/17, and £425k in 17/18, a combined total saving of **£675k** to achieve by 17/18. When originally proposed these savings were predominantly based on the reduction in vehicles and crews required to carry out domestic Waste & Recycling collections. Whilst the strategy was accepted in principle, it was noted that any proposals would need to be worked up in greater detail before any round revisions could be deployed operationally. A summary of the further detail is included within this paper. As the project has progressed it has become clear that a whole range of savings have been identified and delivered that are not directly linked to route optimisation.

1.3 Savings that have already been achieved as part of the Logistics project are as follows;

- Round review of winter maintenance - £52k.
- Removal of Cae Post Bring Site Collection Round - £94k
- Withdrawal from Cae Post Materials Recycling Facility contract and recycling rounds - £232k
- Changes to Transfer Station Haulage - £39k

The remaining savings target for the Logistics project is £258k in 17/18.

1.4 Three options are considered in this paper including the 'do nothing' option. They are to optimise the collection rounds over a four day working week or remain with a five day working week.

- 1.5 With either option, the only changes that directly affect residents will be a change in the day of collection, where necessary to accommodate the revised rounds. This will need to be appropriately communicated to all households to ensure minimum disruption to our residents.
- 1.6 Due to the scale of the county, route optimisation is a considerable undertaking and hence implementation is proposed to come into effect as of February 2018.

## **2.0 Background**

- 2.1 Between 2011 and 2015, the new kerbside recycling service was rolled out and now all households have access to a convenient way of maximising the amount of waste that they recycle. We currently utilise 30 Romaquip heavy goods recycling vehicles to collect glass, paper, cardboard, plastics, tins and food on a weekly basis at the kerbside. We also utilise a number of small light goods vehicles to collect from restricted access areas such as very narrow lanes etc.
- 2.2 Since November 2015, residual waste has been collected on a 3 weekly cycle. We currently utilise 6 x 26t vehicles, 5 x 15t & 2 x 7.5t vehicles to provide this service, as well as a number of smaller light goods vehicles to deal with restricted access areas such as very narrow lanes etc.
- 2.3 We have recorded and digitised all collection points for nearly 70,000 domestic collection points, which are spread across the largest county in Wales, taking into consideration road widths, bridge weight / height restrictions and have analysed weight data for all of the different streams of waste that we currently collect.
- 2.4 The logistical exercise is considerable with a total waste fleet extending to around 75 vehicles, undertaking over 300 different collection rounds, working from 4 depots and tipping off at various locations. The Fleet consists of predominantly owned assets but does contain some hired assets to cover breakdowns, and peaks in workload. Due to the rural nature of our County and the access problems that this creates, there are currently 4 different sized vehicles for residual and 4 for recycling collections.
- 2.5 A number of other Welsh Local Authorities have also utilised route optimisation software to reduce vehicle numbers and make their collection rounds more efficient. These include Gwynedd, Pembrokeshire, Cardiff & Newport.
- 2.6 Depending on the option selected, annual revenue savings of between **£275,000** and **£325,000** could be achieved by optimising our current collection rounds and thus reducing our vehicle and crew requirements.

## **3.0 One Powys Plan**

- 3.1 One of the key priorities of the One Powys Plan is remodelling council services to respond to reduced funding.

#### **4.0 Options Considered/Available**

##### **4.1 Option 1 – No change to domestic residual & recycling collections – Current vehicle numbers & crews will remain the same**

This option would involve no change to the existing collection rounds. There would be no savings realised if this option were chosen and we would continue to operate at a sub optimal level of operational efficiency.

##### **4.2 Option 2 – optimise all domestic collection routes and move to a 4 day working pattern (3 weekly residual collections & weekly recycling collections)**

The implementation of this option would result in a projected saving of **£325,000** per annum, based on reduced operational costs i.e less vehicles & Operatives. It should be noted that the staff reduction would be achieved via a reduction in agency staff and not appointing to existing vacant establishment posts.

The new 4 day working pattern would extend the current working day, meaning that residents would need to put their waste & recycling out by 6.30am to avoid missed collections rather than the current 7.30am. The total hours worked per week by the W&R collection operatives will remain the same, but the increased number of properties that the operatives would be required to collect from each day carries a potential risk due to increased manual handling which could increase staff sickness levels and personal injury claims. However, not having to pay W&R staff overtime to work bank holiday Mondays and not having to open Waste Transfer Stations on the bank holiday Mondays would save around **£47k** per annum.

This option does not allow for a phased roll out of the changes as was the case with the initial kerbside recycling service which was phased in between 2011 & 2015. As such, the call centre and depot staff will receive a high number of queries complaints during the initial familiarisation phase and sense checking of the revised collection routes. This will potentially result in higher than usual amounts of missed collections, with the possibility of more than one collection day change being required on some properties, within a relatively short space of time.

All households will need to be notified individually as their day of collection is likely to change and they will be required to present their waste and recycling from 6:30am. The earlier time may cause issues for some residents who do not wish to put out their waste the night before due to potential disturbance by animals.

##### **4.3 Option 3 – Optimise all domestic collection routes and maintain the current 5 day working pattern (3 weekly residual collections and weekly recycling collections)**

The implementation of this option would result in a projected saving of **£275,000**. This would see the current 5 day collection service maintained.

The current 7.4 hour working day would be maintained, meaning that the amount of properties operatives will be required to collect from each day will not significantly increase, thus minimising sickness levels and personal injury claims because of ergonomic issues due to increased manual handling. There would also be less

disruption to residents who will continue to present their waste and recycling at 7:30am.

This option also would be rolled out across the whole county simultaneously and would still require a comprehensive communications campaign as days of collection are still likely to change as existing routes are optimised.

- 4.4 Table 2 below provides the anticipated risks and benefits along with the estimated capital and revenue costs of these options.

**Table 2 – Options – risks / benefits / costs**

Option	Benefits	Risks	Revenue Implications
<p><b>1) No change to residual &amp; recycling collections. Current vehicle &amp; crew numbers to remain the same.</b></p>	<ul style="list-style-type: none"> <li>• No impact on residents</li> <li>• No impact on staff</li> </ul>	<ul style="list-style-type: none"> <li>• Savings identified in Medium Term Financial Strategy will not be achieved resulting in a requirement to find the savings from elsewhere in the Highways, Transport and Recycling service</li> <li>• The current domestic collection service remains inefficient</li> </ul>	<ul style="list-style-type: none"> <li>• No savings would be achievable with this option</li> </ul>
<p><b>2) optimise all domestic collection routes and move to a 4 day working pattern (3 weekly residual collections &amp; weekly recycling collection)</b></p>	<ul style="list-style-type: none"> <li>• Additional £47k saving achieved in relation to option 3.</li> <li>• A more efficient waste and recycling collection service</li> <li>• Not as many staff will be required to work Bank holiday Mondays and the additional cost of opening Waste Transfer Stations on Bank holiday Mondays will not be required</li> </ul>	<ul style="list-style-type: none"> <li>• Residents required to change behaviour</li> <li>• Possible increase in staff sickness levels and personal injury claims due to increase in manual handling, walking and length of working day.</li> <li>• Increase in vehicle breakdowns due to increased tonnage and mileage.</li> <li>• Large numbers of queries / complaints received by the call centre &amp; depots during initial staff familiarisation phase of the new routes due to whole County changes as opposed to a phased implementation.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual projected saving of <b>£325k</b></li> </ul>

<p><b>3) Optimise all domestic collection routes and maintain the current 5 day working pattern (3 weekly residual collections and weekly recycling collections)</b></p>	<ul style="list-style-type: none"> <li>• A more efficient waste and recycling collection service</li> <li>• Less disruption to residents as they will continue to put their waste and recycling out for collection at 7:30am</li> <li>• Sickness levels &amp; Personal Injury claims will be minimised because of a standard working day</li> <li>• Increased resilience to future changes in the service resulting in more recyclable materials being collected</li> </ul>	<ul style="list-style-type: none"> <li>• The only change for residents will be the day of collection</li> <li>• Any changes to the service will result in more missed collections in the short term as the rounds bed in.</li> <li>• Increase in vehicle breakdowns due to increased tonnage and mileage.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual predicted saving of <b>£275,000</b></li> </ul>
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## **5.0 Preferred Choice and Reasons**

- 5.1 Option 3 – Route Optimise the entire County on a 5 day working pattern with 3 weekly residual collections and weekly recycling collections.
- 5.2 This option can achieve part of the savings identified in the Medium Term Financial Strategy and will ensure a more efficient W&R collection service.
- 5.3 Whilst some additional savings can be achieved with Option 2, there are considerable risks in terms of the impact on both the workforce and the public. There is also less resilience to future changes in the service.

## **6.0 Sustainability and Environmental Issues/Equalities/Crime and Disorder / Welsh Language/Other Policies etc.**

- 6.3 A Single Integrated Impact Assessment has been carried out.
- 6.5 The proposal does not impact on Crime and Disorder, Welsh Language and other policies.

## **7.0 Children and Young People's Impact Statement – Safeguarding and Wellbeing**

- 7.1 The proposal does not impact on securing the safety and protection of children and young people and supporting the promotion of their wellbeing.

## **8.0 Local Members**

- 8.1 All Members will be affected by the proposal as it will affect all residents in Powys.

## **9.0 Front Line Services**

- 9.1 The proposal will have an impact on the waste and recycling operations teams as there will be a reduced requirement for operatives and vehicles, however, no current full time PCC employees will be made redundant. The proposed changes will also reduce the reliance on agency & fixed term contract staff to cover for any labour shortfalls. The reduction in vehicle numbers will also have an impact on the workload of the Fleet Workshops.

## **10.0 Support Services (Legal, Finance, HR, ICT, BPU)**

- 10.1 Finance – The Finance Business Partner notes the context of the report and the plans outlined in this report will achieve the savings target outlined in the Medium Term Finance Strategy. Of the £675k target the service has achieved £417k to date with £258k still outstanding and this will remain as a pressure on the services budget and outturn position for 2017/18. If the decision made agrees for options 2 or 3 to be progressed then this target will be achieved in 2018/19.
- 10.2 Legal – The Professional Lead notes that the option recommended is on a financial basis and therefore still meets our Legal duties. The legal services will continue to give legal support to this service and offer assistance / advice when required.

10.3 Human Resources – HR advice and support will be provided to the service in order to implement Cabinet’s decision.

10.4 Customer Services – We acknowledge the report and recognise the impact on frontline service delivery in Customer Services whilst the new routes are embedded. There may also be a wider impact with a potential increase in customer complaints and changes that will be required to the Councils Website.

**11.0 Local Service Board/Partnerships/Stakeholders, etc.**

11.1 There is no direct impact on the Council’s partners and stakeholders.

**12.0 Communications**

12.1 Extensive communications will be carried out before and after implementation.

12.2 The view of the Senior Communications Manager is - The report is of considerable public interest and requires a proactive news release and use of social media to publicise the recommendation/decision as part of a wider communications strategy.

**13.0 Statutory Officers**

13.1 The Solicitor to the Council (Monitoring Officer) has commented as follows: I note the legal comment and have nothing to add to the report.

13.2 The Section 151 Officer has commented as follows: The Strategic Director Resources (S151 Officer) notes the comments made by finance and that the recommended option will meet the savings target in 2018/19. The 2017/18 position will need to be managed within the overall directorate budget.

**14.0 Members Interests**

14.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
<b>Option 3 – Optimise all domestic collection routes and maintain the current 5 day working pattern (3 weekly residual collections and weekly recycling collections)</b>	<b>To make W&amp;R collections more efficient which will help to achieve part of the savings proposed in the Medium Term Financial Strategy 2015-18</b>

<b>Relevant Policy (ies):</b>	One Powys Plan		
<b>Within Policy:</b>	Yes	<b>Within Budget:</b>	Yes

<b>Relevant Local Member(s):</b>	All
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<b>Person(s) To Implement Decision:</b>	Nigel Brinn
<b>Date By When Decision To Be Fully Implemented:</b>	February 2018



**Contact Officer**

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