

Decision Maker: Environment Portfolio Holder

For Pre-Decision Scrutiny by the Environment PDS Committee on:

Date: 19th November 2013

Decision Type: Non-Urgent Executive Non-Key

Title: WASTE SITE SUPERVISORS

Contact Officer: John Woodruff, Head of Waste Services
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Chief Officer: Nigel Davies, Executive Director of Environment & Community Services

Ward: All

1. Reason for report

This report outlines the proposed outsourcing of the Site Supervisor function at the Council's Household Waste Recycling Centres at Waldo Road and Churchfields Road. It is proposed that Veolia, the Waste Management contractor, takes on the responsibility for providing this service. This will involve transferring two council employees to Veolia under TUPE arrangements. The report outlines the contract variation required to enable Veolia to charge the council for this service, and the efficiency savings which will accrue to the Council.

The report also sets out the details of the staff consultation on the proposals.

2. **RECOMMENDATION(S)**

That the Environment Portfolio Holder:

2.1 **Agrees the proposed Contract Variation to facilitate the transfer of staff from the Council to Veolia.**

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Excellent Council; Quality Environment
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Financial

1. Cost of proposal: There is no set-up cost for the contract variation
 2. Ongoing costs: A net saving of £50k per annum.
 3. Budget head/performance centre: Waste Services
 4. Total current budget for this head: £17,073,580
 5. Source of funding: Existing revenue budget for 2013/14
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Staff

1. Number of staff (current and additional): 4 fte posts, of which 2 are vacant
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement: The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) would apply to the employees identified in this report.
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Negligible impact on users of the Waste Recycling Centres
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 The council's Household Waste Recycling Centres (HWRCs) at Waldo Road and Churchfields are open 07.00 – 17.30 Mon – Fri, 07.30 – 16.00 on Saturdays and 08.00 – 13.00 on Sundays, 08.00 – 16.00 on Bank Holidays, and only close on 25 and 26 December and 1 January.
- 3.2 There is a weighbridge at each site; all non-resident vehicles are required to pass over this to have their weights recorded. This enables the council to charge for trade waste delivered. It also enables all Veolia vehicles delivering waste to the Transfer Stations to be weighed, along with all vehicles taking waste and recycle to processing facilities. Budgeted income for trade waste delivered is £612k per annum. The recording of outgoing Veolia loads enables a verifiable audit trail to be maintained for the contractual charges Veolia make for the disposal of Bromley's municipal waste (£10.8m per annum).
- 3.3 The total opening hours of both sites are 6,800 hours per annum. Four dedicated Site Supervisors operate the weighbridges. However, allowing for holidays and sickness, their normal working hours are not sufficient to provide full-time cover.
- 3.4 In addition, the length of the working day requires complex shift patterns to be operated. The net result is that the budget for these staff includes a significant element of overtime payments.
- 3.5 As part of a savings options for 2013/14, Waste Services was required to make an efficiency saving from this service of £50k per annum.
- 3.6 The saving was initially expected to be achieved through: the procurement of new Weighbridge IT equipment, including the provision of a driver operated terminal for contractors; and a reduction of 2 FTE posts. This would mean free-of-charge waste and recycling materials delivered directly by Council approved contractors could be accepted into and out of the site when the Weighbridge is not staffed. This would have required a review and modification of the site operating times, and a reduction in the time that the site is supervised by LB Bromley employed staff.
- 3.7 Because of the risk of potential adverse impact on customers and the reduction in the ability to maintain a comprehensive audit trail against Veolia disposal tonnages, an alternative option has been developed.
- 3.8 Discussions have been held with Veolia's local management team, and a review undertaken of synergies of local staff structures operated by Veolia within the Waste Management Contract. It has been recognised that the existing LBB Site Supervisor's positions are largely analogous with the Veolia charge-hand positions operated at both Waldo Road and Churchfields Road.
- 3.9 If this aspect of work were to be outsourced to Veolia, Waste Services would be able to reduce the LBB-financed element of this service by 2 FTEs. This would allow for a combined resource to cover the weighbridge operations and the site supervisory functions, consisting of 6 x FTE (4 provided by Veolia and 2 financed by LBB).
- 3.10 The benefits of this proposal, whereby Veolia operate the service, would be that the staffing levels for the management of the weighbridges would be increased from the original proposed plan of 2 x FTE to a combined total of 6 x FTE. This would allow for coverage of the weighbridge sites for the full period that is currently operated, ensuring no loss of facilities to customers and thus maintaining current service levels.
- 3.11 This option would allow for the up-skilling of the Veolia staff (in line with their corporate requirements) and would also enable the Site Supervisors to fulfil all the requirements of their

posts; at present the over-riding requirement to man the weighbridge adversely affects their ability to carry out their other duties.

3.12 The council will maintain ownership of the weighbridge computer system, ensuring full access to all information recorded. A full specification will be developed covering all weighbridge operations including:

- Payments and banking of income received
- Financial auditing of the processes to ensure compliance with LBB requirements
- SLAs created to ensure the sites are properly managed and local audit procedures developed in order to effectively manage a contracted service
- Development of waste advisory responsibilities for the day to day management of this activity
- The management of the weighbridge operating system to ensure that data inputted into the system complies with LBB requirements

3.13 Two Bromley employees will be transferred to Veolia under TUPE. Their existing terms & Conditions will be protected, and Veolia have guaranteed that there are no plans to review this aspect of their operation. Veolia is not an Admitted Body under the Local Government Pension Scheme (LGPS), but Veolia will offer a comparable alternative – the Federated Pension Plan – which is an alternative final salary pension scheme approved by the Government Actuary's Department matching the benefits of the LGPS. At present, the other two Site Supervisor positions are covered by agency staff. These posts would be deleted to achieve the savings option.

3.14 At present, due to the unusual and extensive operating hours of the HWRCs, the Site Supervisors work a substantial amount of non-contractual overtime. Were the service to transfer to Veolia this would reduce, as they would only be required to work their contractual hours.

4. POLICY IMPLICATIONS

4.1 The recommendations outlined in this report support the Corporate Operating Principle of delivering value for money, as the outsourcing of this function would achieve the required savings whilst maintaining current levels of service and customer satisfaction. This service contributes to achieving the Outcome of 'Minimising Waste, and Increasing Recycling and Composting' included in the Environment Portfolio Plan 2013/16.

5. FINANCIAL IMPLICATIONS

5.1 The total budget for the 4 site supervisors including overtime was £131k. This budget was reduced to £81k after taking account of the £50k budget option.

5.2 Veolia has proposed a charge of £81k per annum to provide the weighbridge service.

5.3 This would enable the full year saving of £50k to be made from April 2014 and part year savings of £12.5k will be achieved during the current year. This leaves a balance of £37.5k of the original budget option for 2013/14 to be funded from management action taken to reduce expenditure including holding a waste advisor post vacant.

5.4 The table below summarises the part year and full year effect of this proposal: -

	2013/14 Part Year £'000	2014/15 Full Year £'000
Original budget for 4 site supervisors	104	104
Budgeted overtime	27	27
Budget Option adjustment	(50)	(50)
	81	81
Less cost of 4 site supervisors to 31st Dec 2013	(98)	0
Proposed contract charge from Veolia wef 1 Jan 2014	(20)	(81)
Net saving/(cost)	(37)	0

6. PERSONNEL IMPLICATIONS

- 6.1 There are currently 4 posts which are directly affected by these proposals. Two of these posts are filled, whilst the other 2 are currently covered through agency staff. Consultation with affected staff on the proposal to outsource the service to Veolia commenced on 17th September for a 30 day period.
- 6.2 No comments have been received by the staff affected.
- 6.3 Should the Contract Variation be agreed, the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) would apply to the two employees identified. In this event the Council would commence formal consultation with staff, their representatives and Veolia to ensure that they are fully informed and consulted on the decision to transfer the undertaking, and on the implications for their employment including any measures that Veolia might be considering in relation to this transfer.

Non-Applicable Sections:	Legal Implications
Background Documents: (Access via Contact Officer)	Report ES 13017 Draft 2013/14 budget – Env PDS 15 January 2013.