

# Local Authority & Service Providers



## Case Study #11

### Waste, Recycling and Fleet

Incorporating

Visualising Transformation™

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### Introduction

SSD were engaged by an ambitious district council to initiate a series of major changes within their Environment Directorate. Seeking three core outcomes:

- ✓ To reduce annual costs by at least £250,000,
- ✓ To improve customer service and
- ✓ Improve their long term capabilities to continuously improve.

### Challenges

The organisation was in considerable disarray, due to long term poor management with woeful leadership. The directorate was significantly divided into smaller departments, with neither integration or cooperation between units.

Shortly after SSD were engaged the two most senior officers were made redundant, leading to further staff losses.

### Focus Areas

We focussed on three key areas: A) Domestic Waste and Recycling route optimisation, B) Fleet strategy and management, C) Commercial Recycling business set-up.

#### *Route Optimisation*

The existing routes had been designed about seven years prior as alternate week Residual and Recycling collection. Over the intervening time there had been several large new housing estates bolted onto rounds, with an operational evolution of crew deployments, which had not been properly recorded.

The previous management had totally separated trade from domestic collections believing that was needed for driver hours regulations, and had also lost two periods of 15 minutes work time for every crew every day needlessly.

There were 10.75 domestic rounds plus 1.5 trade rounds. An average of 125 missed bins per week, were mainly caused by cross cover arrangements, which were not adequately documented.

Simple negotiations enabled the increase in working time by half an hour a day, then enabling the reduction of  $\frac{3}{4}$  of a round, while reducing missed bins.

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An options appraisal was carried out, showing seven distinct ways of scheduling waste collections, alongside a risk matrix and issues log.

The committee decided to opt for a complex design option with a mixture of Large, Normal and Narrow vehicles, with dedicated residual and recycling collections being carried out via a geographically divided district. Savings of £244,000 revenue plus £100,000 capital were projected annually.

Detailed designs were undertaken, hampered by the divided opinions across the Directorate, staff changes then changes of the brief, such that 360 streets were altered from one status of vehicle access to a lessor one, requiring multiple redesigns. The new management also needed to overcome HR issues, with more drivers retained than planned, and finally increasing staffing levels for narrow vehicles.

After considerable redesigns the final detailed route plans moved from 10.75 + 1.5 routes to 7 + 1.4, that's a reduction of resources of 31.4%. Astonishingly that also solved many missed bins and introduces trade recycling. (see later).

### *Fleet Management*

The council hadn't had a professional fleet manager in post for some years, and was in the process of addressing a chaotic situation of having far too many, very old vehicles. That included 18 Refuse Compaction Vehicles (RCV's) to cover the existing 13 rounds.

SSD constructed a 22 year fleet replacement plan, with an immediate saving of £180,000 per annum, rising to over £208,000 with improved systems.

Operational savings from reducing unneeded servicing, duplicated hire vehicles and simple management options added annual savings of over £60,000.

The combination of waste routes changes plus fleet, saved over £500,000 a year for waste services.

### *Trade Recycling*

In addition to options to reduce Garden Waste costs by 1/7<sup>th</sup> a full review of trade waste resulted in the generation of a trade recycling proposal, demonstrating phased surplus increases of £68,000 to £200,000 could be achieved while reducing collection resources by 31%.

The simple first phase was to initiate Dry Mixed Recyclate collections into

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domestic collections which had considerable spare capacity, then gradually transfer dedicated trade collections for distant locations into domestic, while building up trade recycling offerings.

Once disposal arrangements were concluded with the County, specific Paper and Card collections could be added, within the designed capacity, to increase the surplus improvement to £120,000 followed by compaction and baling developments taking that increase nearer to £200,000.

### Outcomes:

The combined improvements were worth over £800,000 per annum, more than triple the target saving, with no redundancies required.

- ✓ Reduced from 10.75 Domestic rounds to 7.0 rounds
- ✓ Reduced from 1.5 Trade rounds to 1.4, while introducing recycling with £200,000 savings.
- ✓ Immediate five fold reduction of missed bins
- ✓ Reduced from 18 RCV's to 13 RCV's
- ✓ Fleet savings of over £250,000 per annum from;
  - ✓ Asset Management Plan
  - ✓ Better vehicle specifications (Fit for purpose)
  - ✓ Improved service plans (reducing over-servicing and costly parts)
  - ✓ Improved tyre contracts
  - ✓ Reduced spare vehicle and hire vehicle holdings
  - ✓ Tactical purchasing of ex-demonstrator vehicles
  - ✓ Accelerated amortisation of fleet to reduce insurance costs
- ✓ Detailed Trade Recycling service to increase surplus by £200,000.
- ✓ Improved legal offering of existing services.
- ✓ No redundancies required.