



Waste Mobilisation

Overview and Scrutiny Board

July 2019

Background/Context

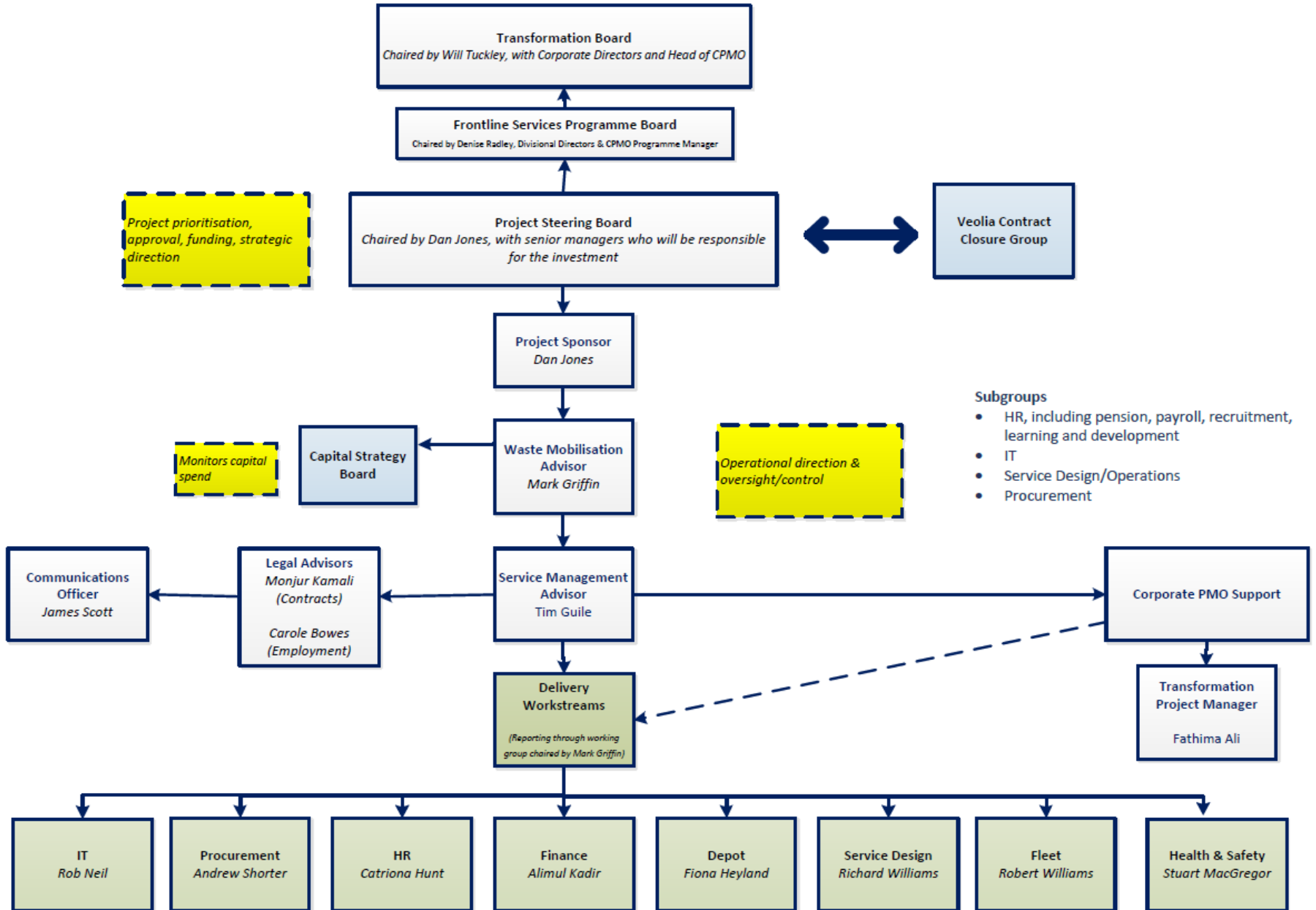
The creation of an in-house service for the integrated delivery of waste, recycling and cleansing functions within Tower Hamlets (to commence on the 29th March 2020) was approved by Cabinet on the 31st October 2018.

Approval was also sought for capital funding of £10m for the purchase of a new fleet and £750k for the implementation of new IT systems.

In addition, £2.5m was approved from council reserves in order to cover the pre-implementation costs, which includes the creation of a mobilisation team to oversee the development and implementation of the new in-house service.

The annual costs of the service have been budgeted at £19.2m which represents the current contract costs.

Waste Mobilisation Governance Structure



Plans for 2019-2020: Mobilisation the Waste Service 1



Activities	Outputs	Outcomes	Impact
<p>Waste mobilisation project management</p>	<p>Coordinating the work streams activities under the overall corporate governance framework</p> <p>Delivering the requirements of each of the work streams to achieve the overall project aim.</p>	<p>Efficient and safe operations providing a consistently good service with the ability to meet the growing operational requirements arising from the Council's waste strategy</p>	<p>Help the borough become cleaner and greener through the improved service provision</p>
<p>Developing services of an integrated waste, recycling and cleansing system</p> <p>Specification, procurement, installation, configuration and acceptance</p>	<p>Integrated digital operational management of the new in-house service incorporating health and safety and vehicle telematics, providing real time information sharing, workload updating, scheduling performance recording and reporting</p> <ul style="list-style-type: none"> - A finalised specification and completion of procurement - Verified data matching households/collection points to services and operational rounds by waste type, enabling a configured system integrated with corporate systems and in cab technology within the new fleet 		

Plans for 2019-2020: Mobilisation the Waste Service 2



Activities	Outputs	Outcomes	Impact
<p>Developing a new vehicle fleet</p> <p>Specification, procurement and provision</p>	<p>New Council vehicles</p> <ul style="list-style-type: none"> - Available prior to the new in-house service start date - Integration of new vehicles within the existing service. Their introduction to be phased with the de-mobilisation of Veolia vehicles - Procurement (or leasing where appropriate) and delivery of a new fleet of waste and cleansing related vehicles 	<p>Efficient and safe operations providing a consistently good service with the ability to meet the growing operational requirements arising from the Council’s waste strategy</p>	<p>Help the borough become cleaner and greener through the improved service provision</p>
<p>Provision of improved operations’ accommodation facilities at Blackwall depot</p>	<p>A safe and effectively working operational depot</p> <ul style="list-style-type: none"> - Suitable for delivering the Council’s service requirements with a mixed gender workforce providing equality of provision. - Installation of a new modular building providing fit for purpose facilities for operations, staff, management and administration of waste, recycling, cleansing and related services. 		

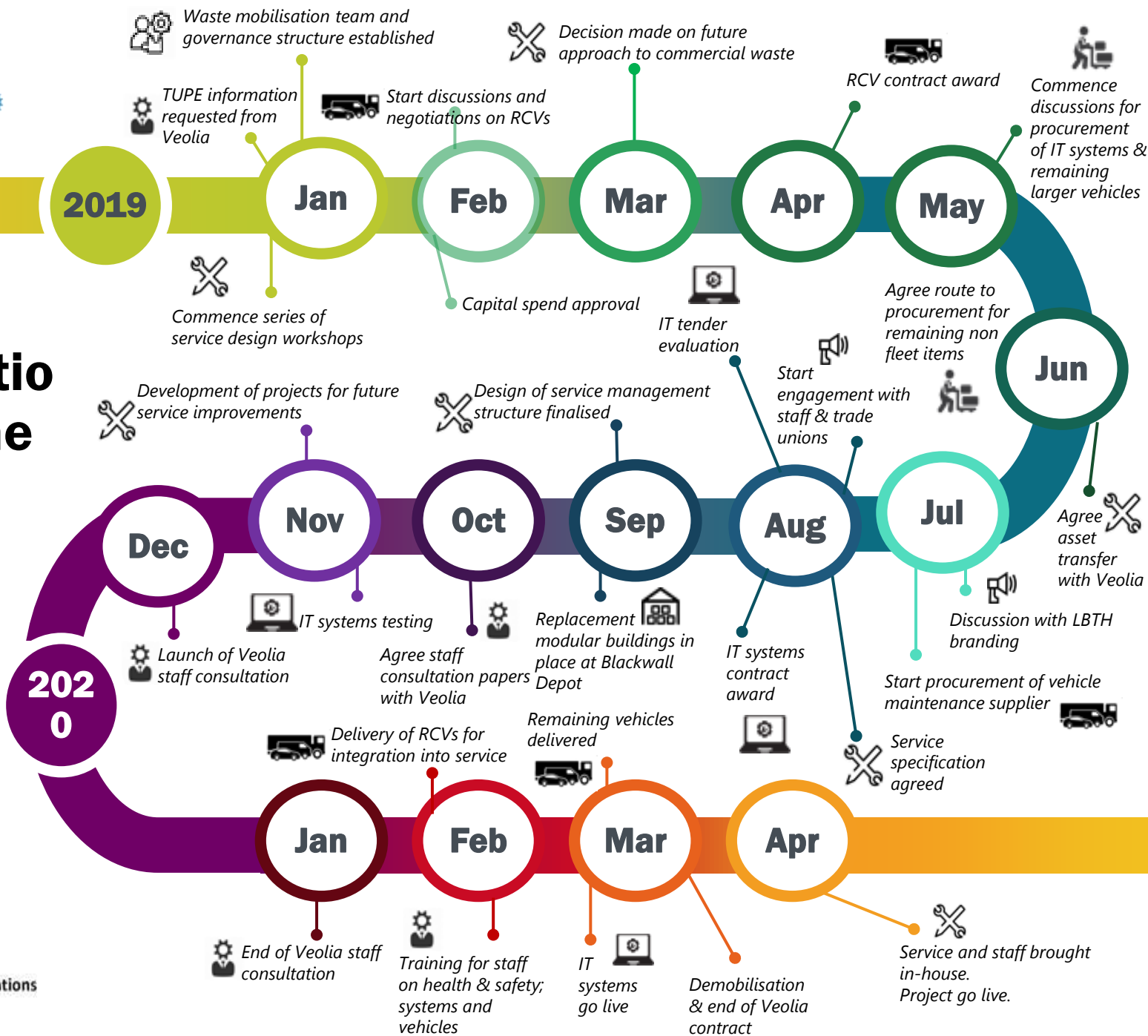
Plans for 2019-2020: Mobilisation the Waste Service 3



Activities	Outputs	Outcomes	Impact
<p>Transfer of staffing resource from the existing contract to the new service</p>	<p>A successful and collaborative transfer of staffing resource enabling seamless service delivery</p> <ul style="list-style-type: none"> - Compilation and analysis of TUPE information - Assess the risks and liabilities of acquiring the workforce. - Engagement and consultation with Veolia staff/Unions. - Training and induction. - Build pay scales and terms and conditions into Resourcelink and complete administrative arrangements to welcome new staff in conjunction with HR Advisers Team, Payroll and Pensions 	<p>Efficient and safe operations providing a consistently good service with the ability to meet the growing operational requirements arising from the Council’s waste strategy</p>	<p>Help the borough become cleaner and greener through the improved service provision</p>
<p>Operational service design</p>	<p>Design the operational service</p> <ul style="list-style-type: none"> - Confirmation of current service related functions, resources and deployment and scheduling. - Mapping and checking of street cleansing and households and collection points to services by waste type. - Confirmation of service specification. - Preparation of operational plans to deliver improved performance and services under the waste strategy. 	<p>Seamless implementation of new service utilising new IT and fleet.</p>	

Waste Mobilisation Timeline

Service in house
29th March
2020



- Communications
- Depot
- Finance
- Fleet
- HR
- IT
- Procurement
- Project Management
- Service Design & Operations

Progress on Core Workstreams



Service Design

- Like for like service specification to be delivered from day one of the new in-house arrangement
- Full detail needed of the current service, the resource and equipment in use
 - Client team have access to Veolia's ECHO waste management software system and are now beginning to see more operational data
 - Data quality continues to be a challenge, however, the building the picture of the service is an iterative process
 - Draft "as is" model developed for waste and recycling services
- The recent implementation of recycling changes has also provided an experience of undertaking a data capture and validation exercise that is required across the whole service prior to the service coming in-house and is particularly important for the commissioning and testing of the new waste management IT system.
- Tim Guile, a former National Operations Director at Serco comes with experience of mobilising waste management contracts in the private sector & is now part of the mobilisation team.
- An estimated service budget was prepared as part of the mobilisation planning process and with Tim's input, this is being re-populated with latest available service knowledge and Veolia costs to compile a like for like service budget for end of March 2020.

Fleet

- The procurement of 35 RCVs has been approved through the ESPO framework and legal officers have prepared the purchase order and contractual documentation. Purchase order for RCVs has been raised.
- The procurement of 7 mechanical sweepers and 23 cage tipping vehicles will also be through the ESPO framework. A Dynamic Purchasing System is being developed for the for the supply of leased vehicles for the Council requirements.
 - The waste service will look to utilise any new leasing agreements for the supply of vans and thereby build in flexibility to adopt alternative fuel vehicles at the earliest opportunity.
- Particularly difficult waste/recycling collection circumstances such as very narrow streets, limited turning circles, height and weight restrictions will need to be catered for separately. Officers have discussed the matter with Veolia management and have agreed to retain the use of a caged tipping vehicle for this work, rather than seek a specialist small RCV.
- Vehicle maintenance has been identified as a priority and options for procurement is currently being explored. This is likely to include TUPE implications for the current vehicle maintenance supplier of Veolia's fleet.

Progress on Core Workstreams

Finance

- Latest financial model indicates the in-house service will be delivered within the existing budget envelope.
- Issues requiring further consideration:
 - Pension strain costs arising from the transfer in of existing benefits to the pension fund.
 - Debtors relating to the commercial waste portfolio which will be transferred to the council, and the potential risk of bad debt as some of these date back several years.

IT

- IT software demonstrations have taken place to showcase the potential integrated waste services technology available to the Council for implementation with the new service.
- Liaison with potential fleet suppliers has also been undertaken to better understand telematics capabilities and service requirements (eg. in cab technology).
- IT specification and evaluation criteria finalised
- YPO DPS framework identified and agreed for IT systems

Progress on Core Workstreams



Procurement

- A forward plan is being compiled to capture all of the non-fleet procurement requirements.
- It is expected that existing corporately approved frameworks will meet our requirements.
- A draft specification for containers and sacks has been prepared.
- Discussions underway with LBTH's corporate supplier for PPE as it is expected that they can meet the requirements for the new waste service.
- Other materials and consumables will be confirmed through operational service planning and corporate supply arrangements will be utilised where in place.

Depot (Modular Buildings)

- Tender for modular building supplier prices came in significantly higher than approved budget.
- Cabinet approved the additional budget on 26th June 2019 .
- Contract to be awarded following Procurement Board.
- There is a 7 week delay from the original programme. Works likely to start end of July with completion now end of October 2019.

Progress on Core Workstreams



HR

- HR continue to work through TUPE data
- At present, HR officers are looking at the TUPE information received to date as this provides the structure of Veolia's current operation, current pay rates, hours of working, sickness controls, bonus arrangements and pension information. Veolia operatives have accepted a 2.5% pay award (2019/20) and the consolidation of bonuses.
- The Councils HR officers are liaising with Veolia's HR lead to gain more detail on contracts, JDs and further information necessary to prepare for transfer and support service design and cost calculations.
- Future arrangements for the supply of agency staff are being developed with Adecco and the Council's HR team. These arrangements will be required to supplement the permanent workforce.

Health and Safety

- Engagement with Corporate H&S – lead identified for the project.

Engagement & Comms

- Draft communication plan to be developed for consideration by Project Steering Group members on 22nd July 2019.
- High level activities include over the next couple of months include:

What	When	Who	How
Release of joint communications to staff in scope for TUPE	July	Mark Griffin	Through Veolia
Messaging sent out to all staff across waste and recycling teams updating them on the project	June	Fathima Ali/Mark Griffin/Tim Guile	Team meetings
Update discussion with trade union representatives	July	Dan Jones	Meeting
Direct comms to Programme Board members for dissemination	Throughout project lifecycle	Comms	Programme Board meeting

Waste Mobilisation – In House Service

Benefits

Deliverable	19/20	20/21	Status Comment	RAG
Agreed MTFS savings		£1,800,000		
The new in-house service will give the authority greater control over the delivery of its waste strategy	n/a	n/a		
Total	0	£1,800,000		

Risks & Issues – New or scores above 9

Risk Description	Date identified	Risk Owner	Impact	Likelihood	Risk Score	Proximity	Countermeasures/mitigating actions	Risk Actionee	Progress	Status
Data and information gaps could result in a delay in designing the service and developing specifications.	03/02/2019	Dan Jones	5	4	20	now	<ol style="list-style-type: none"> 1. Understand information gaps and explore options. 2. Early discussion with Veolia re. information requirements. 3. Identify GIS support. 	Richard Williams	<p>100719: GIS specialist has been appointed</p> <p>110619: As is has been model developed.</p> <p>200519: LBTH now has access to ECHO data. An assessment is to be made of the gaps and resource required to cleanse the data. GIS specialist to be appointed to support.</p> <p>120319: Service is working with Veolia through the contract monitoring channels to address information gaps. Further resource for GIS support is currently underway.</p>	In progress
Inadequate financial forecasting and poor planning could result in the cost of delivering of an in-house service exceeding current revenue budget levels and capital funding availability.	01/11/2018	Mark Griffin	5	2	10	now	<ol style="list-style-type: none"> 1. Review the financial business case which sets out the cost of providing an in-house waste service and update if necessary 2. Map 'as is' 3. Design/model operational service within agreed financial envelope to meet the required specification. 3. Track and monitor spend against budget on through monthly reporting mechanism. 	Alimul Kadir	<p>080719: Financial model has been shared with finance. Awaiting their review and feedback.</p> <p>200519: Financial modelling has been updated.</p> <p>120319: Capital funding approval received . Quarterly finance reports to be presented at each project board.</p>	In progress
Delay with the modular building works will mean that an alternative location will need to be found for the passenger fleet vehicles.	05/06/2019	Richard Williams	4	4	16	now	<ol style="list-style-type: none"> 1. Understand timescale for modular buildings. 2. Update project plan. 3. Manage dependencies. 	Fiona Heyland	120719: Works to commence at the end of July, with completion scheduled for October 2019.	In progress

Next Steps

1. Finalise procurement plan for all non-fleet items, including IT, depot and operations (sacks, bins and other consumables)
2. Finalise fleet procurement/leasing arrangements for remaining vehicles & final review of enhancements to the specification of RCVs prior to manufacture (for safety & sustainability)
3. Scope procurement options for vehicle maintenance
4. Sample uniform designs received from SMI
5. Second tier HR workstream kick off meeting, with agency, pension, payroll, TUPE, learning and development
6. Further modelling of TUPE information
7. Follow up on internal audit
8. Finalise communications plan
9. Commence discussions with corporate branding
10. Joint communications to be circulate to Veolia staff in scope for April 2020
11. Progress/update meeting with trade unions