Borough of Pendle

REPORT FROM:	ASSISTANT DIRECTOR OPERATIONAL SERVICES
TO:	EXECUTIVE
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PROCUREMENT OF I.T. SOLUTION FOR WASTE SERVICES

PURPOSE OF REPORT

To provide Members with a summary of the recommendations made by Castlerigg consultants following the review of waste services in July 2022.

To seek Members approval to procure software and hardware solutions to improve in cab communication and back office systems for all waste and cleansing related services.

RECOMMENDATIONS

1. That Members note the content of the report.

2. That Members grant approval for the Assistant Director Operational Services to create tender documentation for the procurement of software and hardware solutions.

3. That Members agree to funding of approximately £108,000 to be set aside to cover the procurement and introduction of the chosen system.

4. That Members agree for annual savings based against fuel expenditure in 2022/2023 to be ringfenced to waste services to provide ongoing funding to cover annual management fees and updates of the selected system.

REASON FOR RECOMMENDATIONS

To improve service delivery, increase communication speeds between customer and frontline and strengthen business continuity arrangements in order for the service to be in a stronger position to react to national issues such as driver shortages and high rates of staff absences.

ISSUES

Background

1. In July 2022 Castlerigg Consultants carried out a waste management diagnostic review in order to understand the position in terms of demand, capacity, performance and efficiency to ensure the service remained cost effective, effectively commissioned and sustainable moving forward.

2. The report generated following the review identified several recommendations regarding the introduction of new technology. These recommendations were as follows;

- The risks associated with reliance on individuals' knowledge including routes processes or systems needs to be designed out through approved systemised ways of working supported by technology and where roles are unavoidably specialist to an individual there should be cover arrangements and business continuity planning.

- Increased avoidable demand around missed bins can be improved through in cab technologies and the introduction of a waste management system. The requirement for in cab technology should include the ability to capture data to be accessed by the back office, for example mark as bin 'not present' and provide routes to support driver / operatives,

- The trade waste service's routes and fee structure should be reviewed as part of the implementation of a trade waste management system with a view to simplifying the current arrangements.

- The service needs support to identify its business requirements for resource planning, vehicle tracking, trade and domestic case management, route management and in cab technology and improve its investment in technology. This will enable the process change needed and relieve pressure on current staff working in paper processes. Learning the lessons from previous technology introduction, work will be needed with teams to explain the rationale for technology and allay fears around the motivation for its introduction (e.g this is not big brother tactics).

- Cross organisation processes such as managing missed trade waste collections need to be designed to remove hands-offs between different parts of the organisation and reduce dwell times where information has to be chased. Customers should be directed to online reporting where this is integrated with a new waste management system to automate and reduce manual inputs.

3. The updating of back office solutions linked with the introduction of in-cab systems will improve service delivery, strengthen business continuity arrangements and increase the speed of communication between the customer and the service resulting in a reduction in the cost of the service and a reduction in the services impact on the environment through reduce fuel usage and a lower reliance on paper to communicate with frontline teams.

4. Though the Service Area had previously investigated and adopted technology to improve service delivery following receipt of the report further investigation has taken place with providers such as Bartec, Omnia, Waste Hero, Webaspx / routemaster and Whitespace.

5. As expected all suppliers we have approached can provide 'back office' and 'in cab' solutions which would effectively improve communication, reduce reliance on paper,

strengthen business continuity arrangements and create longer term savings. Each solution provides live tracking, route optimisation information, live progress reports and provides instant communication links between the frontline and back office enabling exceptions such as locked gates, recycling contamination or additional presentation of commercial waste to be logged by operatives at the time of the issue being found.

6. Due to the initial introduction costs for the solution being likely to exceed £100,000 we would be required to complete a competitive tendering exercise in line with the commissioning and procurement strategy.

7. No funding has been set aside for the introduction of new technology.

8. On a positive the solution once developed and installed would result in our being able to withdraw from agreements covering vehicle tracking and route optimisation resulting in an immediate saving and ongoing annual savings of £9000.00

9. Each supplier during our scoping meetings has provided reference to possible fuel savings ranging in percentage value from 20% through to 30%. Being conservative in approach and based on the fuel usage and average pump prices for 2022/2023 we estimate the potential full year saving based on these figures could be in the region of £72,000.

10. For the purpose of creating funding to support the introduction of new technology we seek Members to approve that as the saving against fuel and terminated contracts is generated the under used funding is re-directed into a waste management technology budget in order to pay back the initial set up costs for the system and then continue to pay for updates and any management fees in each year thereafter.

11. In relation to pay back based on the figures from 2022/2023 we estimate payback on investment of £110,000 with ongoing management fees included will be achieved in under 3 years. Year one will see the project still owing £38,000, year 2 £16,000 and at the end of the third year full payback would have been achieved with saving of £6000 created. Ongoing savings then covering annual maintenance and management fees.

12. From year three we would be in a position to consider using part of the technology budget to cover additional requirements for technology that food waste collections or continuity in collections may bring.

IMPLICATIONS

Policy: None arising directly from the report

Financial: Initial Funding in excess of £110,000 is likely to be required to cover software, hardware and installation. Ongoing charges in excess of £50,000 per annum may be required dependant on supplier. Payback on initial investment calculated at three years.

Legal: None arising directly from the report.

Risk Management: Fuel is a variable item and we may naturally see the budget needing to increase to deal with rising costs through any given year. Failure to replace ageing systems will increase the risk of outages and impact on the delivery of trade waste and critical services.

Health and Safety: None arising directly from the report.

Sustainability: The replacement of ageing back-office solutions and introduction of in-cab technology will support delivery of critical and income generating services for years to come.

Community Safety: None arising directly from the report.

Equality and Diversity: None arising directly from the report.

APPENDICES

None

LIST OF BACKGROUND PAPERS
None