

## Appendix 1

### Somerset Reroute 2024 – Authority Wide Waste Collection Changes in Two Phases During Feb 24 and Jun 24

The opportunity for SUEZ to re-route across the whole County is critical due to the current negative financial position on the Somerset contract. A key factor is by having to adhere to the hard district boundaries this created substantial routing inefficiencies meaning SUEZ have deployed significant frontline rounds over and above the tendered resource model.

With the recent move to a unitary authority in Somerset and the removal of the hard district boundaries there is an opportunity to optimise the current refuse and recycling routes with a view to realising a comprehensive reduction in frontline rounds and thus mitigating some of the ongoing financial losses.

The current routes are at maximum capacity, this has a direct impact on service quality as there is little flexibility in the system. The crews are working under exceptionally difficult circumstances which often results in increased missed collections particularly when there is any fundamental change such as the seasonal impact on the service (increased material volumes).

This document will set out the methodology used throughout the route planning along with the approach that SUEZ will take to ensure that any service disruptions are minimised.

#### Proposal

The rebalance will occur over two phases:

- Phase One - Sedgemoor / Taunton / West Somerset and a small portion of South Somerset (Lufton routes) in late February 2024
- Phase Two - Mendip and South Somerset in June 2024

The rationale for optimising Sedgemoor and Taunton ahead of Mendip and South Somerset is for the following:

- SUEZ will realise more resource reductions in the phase one areas.
- There is far greater operational stability in the phase one areas therefore any potential risk of prolonged service failure is lower.
- Mobilising in the phase 1 area first will release additional resource to support Mendip and South Somerset to stabilise prior to phase 2.
- Service guides have already been sent to Mendip (Dec22) and South Somerset (Mar23)



The below table sets out the scale of changes. (Please note that the routing work is still in progress therefore it is possible that there are further changes, but this would be minimal):

	Total Properties	Total HH with day and week change
Phase One	144,148	122,515

This represents an 85% change. It is anticipated that Phase Two would see a similar level of change, however the programming of this is still ongoing.

### Key Dates

**There are a series of key dates involved in the development of the new routing structure (Phase One):**

September / October 2023: Stakeholder and member engagement.

12 February 2024: New routes implemented.

15 January 2024: Warm up letter distributed to residents who's day will change.

29 January 2024: Collected Calendars distributed to residents.

The communications timeline for Phase two will follow an identical pattern with a warmup letter 4 weeks prior to implementation and a calendar two weeks prior.

### Communications and Stakeholder Engagement

SUEZ intend to replicate the resident notification process that was delivered during the Recycle More changes, where a warmup letter is sent between four and five weeks prior to the collection day change, this is followed up by a service calendar and service guide, within two weeks of the scheduled change.

SUEZ fully understand and appreciate the need to communicate and appraise Members and will support Somerset Council - Waste Services fully in doing so.

SUEZ has an experienced communications team that will be leading on the development and distribution of literature. All communication and stakeholder briefings will be created together with the Somerset waste communications team to ensure the messaging is clear and consistent across all stakeholders.

The SUEZ team will be a support function during the rebalance in a similar style as the Recycle More roll outs. This includes supporting on crew communications, liaising between stakeholders to feedback on resident queries and providing key information to customer services.

## Routing methodology

A routing team was put together consisting of Drivers, Supervisors and Managers. Following review, the routing team split the phase one areas into five working zones for each depot (Williton and Somerset Central). This local knowledge coupled with the bespoke routing software Webaspx, has allowed SUEZ to develop manageable frontline routes.

SUEZ have taken the lessons learned from the “Recycle More” rollout and have incorporated these into the proposed routes. The parameters used are based on the current productivity and material yields in Somerset. Therefore, it provides high confidence that the proposed changes will ensure the rebalanced routes are appropriately designed and will deliver the efficiencies required to reduce the frontline rounds.

The below table is an extract from the programme of works and denotes the parameters used in Webaspx to determine the amount of resource required for frontline collections:

	12t Roma		
	RM	Rebalance Proposal v1	Rebalance Proposal v1.1
Preparation time	15 mins	15 mins	15 mins
Capacity of cardboard	0.75t	0.75t	0.55t
Average speed	35mph	30mph	30mph
Average tip time	15 mins	25 mins	25 mins
Break	30 mins	30 mins	30 mins
Yield per property	1.08	1.08	1.39
Urban pick rate	150 pph	180 pph	175 pph
Semi urban pick rate	120 pph	120 pph	115 pph
Rural pick rate	90 pph	95 pph	90pph

### Some of the key points from the parameters used:

- During the route planning SUEZ Senior Management have ensured that the new routes are developed in such a way that they are fully achievable. As part of this some of the parameters were adjusted midway through the process.
- Cardboard capacity – Card volumes have a significant impact on the productivity of crews. Shopping habits are vastly different now than they were when Recycle More was implemented, online

shopping has resulted in much larger quantities of card being presented by residents. In addition, the seasonal impact has also been taken into consideration, in summer months when the weather is drier the cardboard does not compact as well as in wet conditions thus reducing the volume that can be stored within the vehicles. When vehicles fill up sooner this increases the number of tips.

- Average speed – data is driven from the vehicle tracker system CMS SupaTrak.
- Average tip time – data driven from weighbridge analysis collated weekly.
- Yield per property – Recycle More used the national average as the assumption. The rebalance data is taken from the 2023 ytd average in Somerset.
- Pick rates – Recycle More pick rates are taken from the national average. The rebalance data is taken from the 2023 ytd average in Somerset.

The below table outlines the productivity outputs from Webaspx which compares the as is model vs phase one:

Vehicle	Type	As is			Phase One		
		HH Pass/Day	KM's Travelled	Working Hrs	HH Pass/Day	KM's Travelled	Working Hrs
26t RCV	Big refuse vehicle	807.9	83.42	7.6	871	76.5	7.6
16t RCV	Narrow refuse vehicle	449.9	91.27	7.7	374	80.9	7.5
7.5t RCV	Small refuse vehicle	150.8	78.86	6.2	198	82.9	6.5
Roma 5m	Big recycling vehicle	597.4	91.4	8.4	635	59.8	7.3
Roma 4.3m	Short recycling vehicle	400.5	77.1	8.1	424	55.7	7.9
7.5t Spov	Small recycling vehicle	188.4	93.6	7.2	253.4	73.3	7.9
3.5t Van	Van	159.0	110.7	7.6	253.4	73.3	7.9

- A key component is reducing the number of KM's travelled on the recycling rounds. In addition to the reduction of rounds the optimised routes redundant capacity built in. A normal working day is 8 hours. This additional capacity will be valuable to improving overall service quality.
- By improving the routing of the recycling fleet, we can reduce the average daily mileage, increasing the productive working time and releasing capacity and reducing cost.

The below table outlines the frontline deployment vs tender:

	Tendered	Current	Phase One	Phase Two
26t RCV	15	19	20	19
16t RCV	6	4	4	4
7.5t RCV	5	7	7	6
Roma 5m	68	76	74	75
Roma 4.3m	10	5	5	6
7.5t Spov	16	11	9	10
3.5t Van	0	7	5	3
Total	120	129	124	123

Phase one will see a reduction of 6 x recycling rounds (2x Romaquip, 2x 7.5t SPOV and 2x 3.5t Van). The initial route planning was significantly more aggressive but following SUEZ Senior Management review this was rationalised to ensure rounds were manageable and had capacity built in to cope with property growth and unforeseen events such as vehicle breakdowns or road closures. There will also be an additional 26t RCV round, this is due to properties from Lufton depot moving over to be covered by the Somerset Central depot. SUEZ will retain the additional resource in Lufton as to bolster frontline service provision in the interim until Phase two.

The recycling round reductions will allow SUEZ to redeploy 2x Romaquip and 2x 7.5t SPOV into the spare pool thus providing additional vehicle capacity within the contract, this is an enormous benefit and reduces our reliance on hire vehicles and makes the service much more robust by having readily available spare capacity.

In Phase two SUEZ will look to add 2x Romaquip rounds whilst reducing 1 x 26t RCV. It is acknowledged that the recycling rounds from Evercreech are difficult to achieve in normal working hours. By adding 2 rounds it will have a substantial reduction in the amount of overtime hours.

## Change Delivery

The change from collection pattern to another is complex, especially at the scale proposed. SUEZ have had extensive experience corporately and within the Somerset Contract at enabling similar levels of change. Crucially going through the transition, we will ensure that customers do not wait too long between collections, this is achieved by providing interim collections to approximately 33,600 properties. The majority of these will

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be undertaken over 2 Saturdays either side of the implementation start date. There will be a small number of properties whereby it will not be viable to collect on a catch up Saturday, these will be collected during the first week of go live.

The workforce will be communicated with, to ensure that sufficient headcount and vehicles are available to deliver this and that those properties that are affected are clearly and concisely notified of this arrangement.

Provision has been made to assess and review the effectiveness of communications by deploying supervisors and staff to the operational area to distribute and remind customers that their collection day has changed if they have presented their waste.

Despite the expertise and diligence Suez are providing to the collection day change, there will be snags. During the mobilisation period we hold daily updates with the client and remain nimble prioritising and correcting issues as and when they arise in a systematic manner.

## **Financial impact**

By optimising the routes SUEZ can reduce operational costs and bring the resource closer to the tendered model. Below is the projected savings that could be realised following phase 1:

- 6 x LGV Drivers
- 7 x Loaders
- Minimum of 40% reduction in overtime
- Vehicle running cost reduction (fuel, maintenance 20%)

The labour reduction will not result in any redundancies on the contract. The surplus of labour will be distributed as support for the mobilisation period and will reduce with the natural churn.

## Recycle More – Lessons learned

There were considerable external factors which impacted SUEZ during Recycle More, not least COVID and the national driver shortage. Over each of the phase’s improvements were made with the mobilisation in Taunton being a relative success when compared to Mendip and South Somerset. Some valuable lessons were learnt which will enable SUEZ to mitigate during the rebalance:

Issue	Detail	Mitigation
Data quality	<p>Poor data quality leads to incorrect information given to service users and/or failure to provide temporary/interim collections. Residents may receive incorrect day change information. This was a particular issue during the South Somerset mobilisation.</p>	<p>Improvements were made during Recycle More with the latter mobilisations not suffering the data quality issues.</p> <p>A full and comprehensive review of the data will be undertaken by the SUEZ project team to ensure that any discrepancies are resolved prior to the mobilisation.</p>
Crew feedback	<p>Covid and the national driver shortage dramatically limited our ability to engage and consult with employees. Feedback on the new routes was not as thorough as it would otherwise have been. Crew feedback is critical when designing new routes, detailed local knowledge ensures issues such as streets with many “pull out collections” to be built into any routing.</p>	<p>SUEZ have undertaken a comprehensive employee engagement programme since Covid restrictions allowed.</p> <p>Every member of staff will be consulted with to provide them with an opportunity to scrutinise and feedback on the new routes. There will be a mandatory sign off which will be reviewed by SUEZ Senior Management as part of the final route review to ensure that this has taken place. These documents will be retained as evidence for further reference.</p>

<p>Round knowledge</p>	<p>Having knowledge of new routes is another key factor and again this was enormously impacted by covid and the national driver shortage with absenteeism and an inexperienced workforce.</p>	<p>When producing the new crews SUEZ will ensure there is a wide range of local knowledge across the crews. An example would be ensuring a Bridgwater driver has a loader with knowledge of Taunton routes.</p> <p>We acknowledge that many employees build rapport and enjoy working in set teams so once the routes are settled crews will be given the opportunity to return to their usual crew.</p>
<p>Hard to find properties</p>	<p>There are many properties, particularly in rural areas which are difficult to find and largely rely on crew knowledge. Repeated missed contact has at times resulted in ombudsman's complaints</p>	<p>SUEZ will identify all properties from the RM roll out whom received 3 or more missed collections and those that resulted in high level complaint and ensure these are included on the crew information pack (below).</p> <p>These properties will also be subject to increased supervision with inspections undertaken to ensure they are collected.</p>
<p>Crew information</p>	<p>Due to limitations within the Webaspx system the maps provided to the crews were difficult to utilise.</p>	<p>Improvements have been made to Webaspx which have allowed us to provide comprehensive maps</p> <p>Each crew will be provided with a "Round information pack" this will include as a minimum:</p> <ul style="list-style-type: none"> <li>• Detailed maps for the round</li> <li>• Location of all assisted collection points</li> <li>• Location of all "Hard to find" properties</li> <li>• Missed collections from previous week</li> </ul>



<p>Headcount provision</p>	<p>Adequate staffing levels is without doubt a key pillar in ensuring success. Covid and the national driver shortage resulted in unprecedented churn and absenteeism.</p>	<p>The SUEZ manual workforce is stable. In 2022 the employees were awarded with an above inflation pay award meaning the rate in Somerset is competitive in the region. SUEZ have a dedicated recruitment professional who manages the provision for Somerset.</p> <p>Staff absence is being robustly managed with all annual leave and sickness in control. Employee loyalty has also seen improvements with the vast majority of churn being those individuals with less than 1 years' service.</p>
<p>Vehicle availability</p>	<p>As with the provision of staff, vehicle availability is essential to the delivery of service. A large proportion of the RCV fleet is ageing and susceptible to continued reliability issues.</p>	<p>The reduction in rounds will naturally impact the wear and tear on the fleet. SUEZ will look to increase the pool of spare vehicles to ensure that any reliability issues are protected against.</p>
<p>Supervisor performance</p>	<p>The supervision cohort when SUEZ took over the Somerset contract were not at the expected standard. There were clear performance gaps identified where individuals were not able to undertake expected duties which would impact service provision such as missed collection and complaint resolution, employee management and health and safety compliance.</p>	<p>SUEZ have developed an improved team which now has a wide range of knowledge and skills. The supervision team are well engaged and have been provided with several tools to enable them to carry out their role to the expected standards. Performance is monitored with key indicators and development plans produced to bridge any gaps identified.</p>

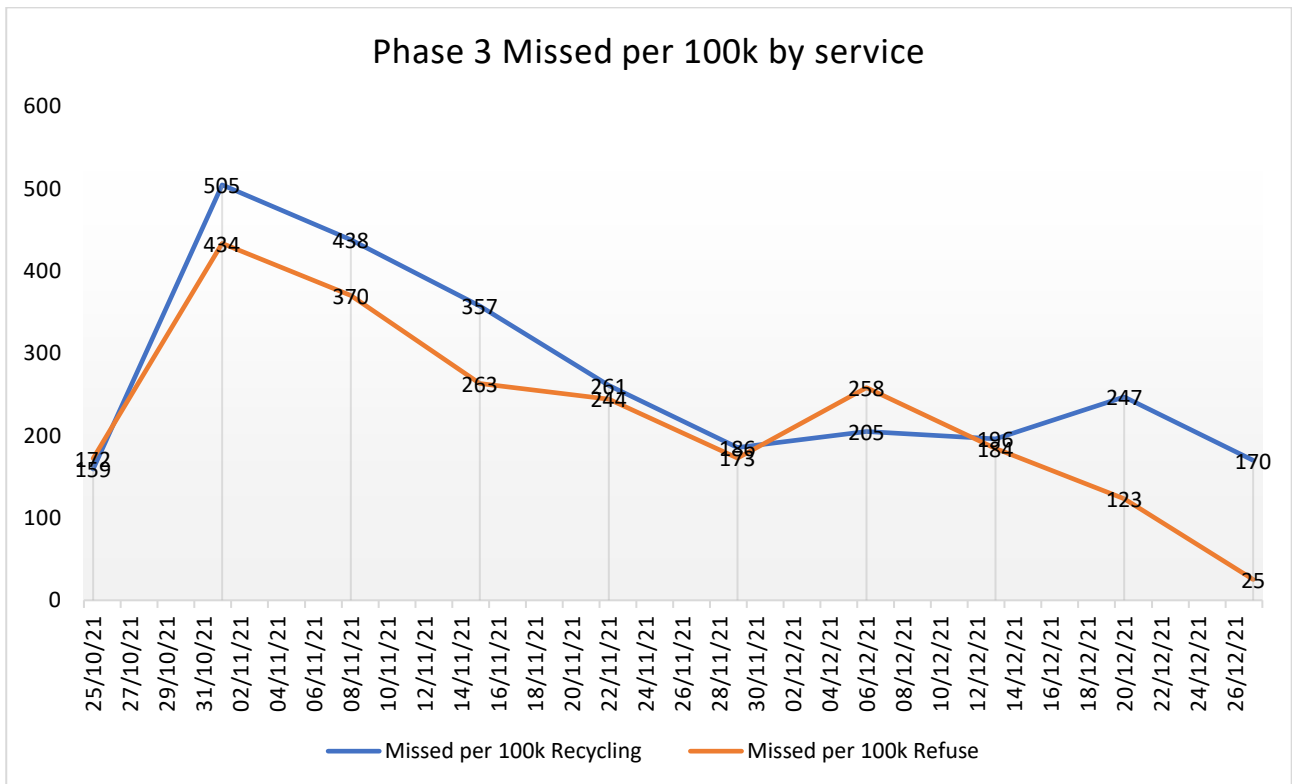
## Risks

All critical risks have been considered with comprehensive mitigation to ensure any impact is mitigated. The key factors that will impact the routing are the assumptions surrounding waste flows and productivity. SUEZ have used current data from the contract and therefore have high confidence that the updated routes are manageable.

### Projected impact – Missed collections

As with any routing change a degree of service disruption is inevitable. It is anticipated that it will take no longer than 6 weeks to bed the updated routes in. Given this is not a full service change, the same volume of missed collections occurred during Recycle More is unlikely. The additional measures SUEZ will implement such as improved maps will further support this.

The below graph details the missed performance for the final phase of Recycle More. This outlines that the service stabilises after 6-9 weeks.



## Critical benefits

The below table outlines the key benefits of the proposed rebalance. This is not an exhaustive list but rather those with the largest impact.

Benefit	Detail
Financial	The reduction of resources will deliver substantial financial savings. It is in the best interests of all stakeholders that the financial position of SUEZ improves. A more profitable contract will enable the partnership to focus on customer facing issues and allows greater flexibility to navigate through the upcoming challenges in the future for instance, the DRS and EPR legislation changes.
Customer experience	Manageable routes with built in capacity will have increased performance standards. This will ensure missed collections are minimised and improve the overall customer experience
Employee engagement / morale	The rebalance offers an opportunity to deliver on ensuring that all staff have valuable input into round design and optimisation. With the rounds being significantly more efficient the employee experience drastically improves.
Service continuity	The optimised rounds will ensure that, and business continuity events have less of an impact on essential services.
Environmental	The optimised rounds will provide immediate environmental benefits through carbon reduction with less frontline rounds and the rounds travelling less miles per day than the current routing.

## Project Management

The routing project will be managed by the Somerset contract team.

- Matthew Canning – Project Sponsor
- Harry McLeman – Project Lead
- Michael Evans & Adam Markiewicz – Operational Lead
- Tristan Evans – Routing Lead
- Lily Morton & Rebecca Randall – Communications Lead