

REPORT TO:	ENVIRONMENTAL & DEVELOPMENT SERVICES	AGENDA ITEM: 11
DATE OF MEETING:	12th NOVEMBER 2020	CATEGORY: (See Notes) DELEGATED or RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR SERVICE DELIVERY	OPEN
MEMBERS' CONTACT POINT:	ADRIAN LOWERY, 5764 Adrian.lowery@southderbyshire.gov.uk	DOC:
SUBJECT:	WASTE COLLECTION SERVICES REVIEW OUTCOME	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: EDS07, EDS08.

1.0 Recommendations

- 1.1 That the Committee thanks the Overview and Scrutiny Committee and consultants Eunomia for their support in reviewing the Council's future options for the delivery of waste collection services in the light of an end to current contractual arrangements in October 2021 and anticipated legislative changes.
- 1.2 That the Council continues to deliver the current service standards until 2023, as a minimum, to allow for clearer guidance to be available from Government on implementing the Environment Bill.
- 1.3 That the Head of Operational Services negotiates with suppliers for interim arrangements for the collection and processing of materials effective from 6 October 2021 and brings a further report to Committee to agree any interim arrangements.
- 1.3 That the Saturday freighter service is terminated with immediate effect.
- 1.4 That the Head of Operational Services undertakes local consultation on the continuing provision of the current bring recycling sites.
- 1.5 That officers work towards the implementation of option three, (move to three weekly recycling and residual waste collections, with an additional bin for recycling (one recycling bin for paper card and one for all other materials), weekly food waste and fortnightly garden waste collection) detailed in the Eunomia options report, as the preferred long-term solution to achieving recycling and waste minimisation targets.

2.0 Purpose of the Report

- 2.1 To provide feedback to Committee on the review of waste collection services which has been undertaken with the support of Overview and Scrutiny Committee and consultants Eunomia.
- 2.2 To establish the requirement for interim collection and disposal arrangements for household waste from October 2021.
- 2.3 To give authority to the Head of Operational Services to develop a service specification in line with option three of the Waste Collection review.

3.0 Detail

- 3.1 The Council's kerbside recycling collection and compost disposal contracts are due to expire in October 2021. The Council commissioned consultants Eunomia to assist officers in reviewing waste collection services and service delivery options. The final report from Eunomia detailing this work is set out in Appendix 1 to this report.
- 3.2 The review involved detailed discussions with Council Officers, two Councillor workshops, service performance modelling, service delivery modelling and the preparation of a final report.
- 3.3 The Councillor workshops were conducted over Teams and involved members of Overview and Scrutiny Committee and the Chair and Vice Chair of Environmental and Development Services Committee.
- 3.4 The initial workshop enabled Councillors to explore several service delivery options, discuss the potential implications of the Resource and Waste Strategy and the potential impacts of the Environment Bill. At this workshop, the range of potential future service options discussed were reduced to four to enable more detailed performance and cost modelling to be undertaken. Details of these options are found in the Eunomia report.
- 3.5 In brief these were:
 - Option 1 – continue with current services with the addition of a separate weekly food waste collection
 - Option 1b – as above but moving residual (black bin) to a four-weekly collection
 - Option 2 – change to a weekly recycling and food waste collection using boxes and bags and caddy, a fortnightly garden collection and a three weekly residual collection
 - Option 3 – move to three weekly recycling and residual waste collections, with an additional bin for recycling (one recycling bin for paper card and one for all other materials), weekly food waste and fortnightly garden waste collection.
- 3.6 The second workshop discussed the findings of the performance and cost modelling and enabled Councillors to raise further questions prior to the completion of the project.
- 3.7 The key findings of the options appraisal are:

- Each of the options modelled provide improvements to the kerbside recycling rate, compared with the current service which was used as a baseline. Appendix page 3
- It was recommended that both the Saturday freighter and bring bank services are removed, to ensure that residents are not unfairly paying for traders and those who are not correctly using these services. It will also encourage residents to use the services which are provided by the District Council such as the kerbside recycling service, charged bulky waste service and Household Waste Recycling Services (HWRCs) operated by Derbyshire County Council. Appendix page 24.
- The evaluation of the options against the Council's Corporate Plan aim to achieve a 60% recycling rate by 2024 puts Option 2 as the preferred option, scoring 79%. Although this does present some logistical and cost issues, due to the need for a variety of receptacles and a range of different vehicles that would reduce flexibility and resilience. Appendix page 25 and 29.
- Until further detail is provided regarding the Environment Bill, Option 3 should continue to be considered. This option utilises the same type of vehicle for all collections, minimising the fleet numbers and providing greater resilience and would allow for a stepped approach to implementation. Appendix page 25 and 29.
- The cost modelling undertaken to review the four options available to the Council following the expiry of the current recycling contract shows that bringing all services in-house is the cheapest option. Appendix page 29.
- The Council has a track record and the technical expertise to operate a well performing in-house residual and organics waste collection service. Bringing the recycling service in-house would not present any additional risk that could not be appropriately mitigated to the Council. Appendix page 30.
- It is usually recommended that a decision is made on the collection options, before proceeding with any decision to bring services in-house or undertake a procurement exercise. However, with anticipated legislative changes due between now and 2023 it is recommended that the Council waits before moving forward with a decision on changes to its collection services to enable the Council to take full advantage of the Government's commitment in its Waste and Resources Strategy to providing the necessary funding to local authorities to implement such changes. Appendix page 25

3.8 The revisions to the EU Waste Framework Directive include 'legally binding' recycling targets for municipal waste of:

- 55% by 2025
- 60% by 2030
- 65% by 2035

3.9 The UK government has indicated it will be adopting the revisions and the Resource and Waste Strategy is expected to at least set targets for municipal waste equivalent to these at a national level. The government has indicated that it will make additional funding available to local authorities to support the delivery of these targets.

- 3.10 Currently, the Council, along with most Council's in Derbyshire, is unlikely to meet the 2020 target irrespective of any short-term measures that may be implemented. The outturn recycling rate for 2018/19 was 49%. Early indications for this year are that recycling tonnages have risen by between 25-30% due to residents working from home or being furloughed as a result of the Covid-19 pandemic. This is the equivalent of collecting from between 5000-6000 additional properties every week.
- 3.11 The current ongoing problems with delayed collections, due to the pandemic, is a prime example of where external contractors are reluctant to invest additional resources to overcome, hopefully, short-term issues, particularly where contracts are coming towards the end of the contract period. Services delivered in house are far more likely to be able to resolve these types of issue quickly.
- 3.12 Given that the current recycling and composting contracts expire in October 2021 and that most of the Government's initiatives from the Environment Bill will not be implemented until around 2023, it may be prudent for the Council to consider a short-term extension to the current service configuration, accepting a short-term lack of step change improvement to ensure that all long-term solutions can be fully explored.
- 3.13 This is not to say that service improvement cannot be made in this interim period. This increase in recycling tonnages experience in the last six months will be a key consideration in terms of the most appropriate interim arrangements to put in place. In addition, there are some additional measures that could help improve recycling performance including the removal of the Saturday Freighter Service and the recycling bring sites as referenced on page 24 of the Eunomia report. Further to these the Council will explore all potential service improvements to enhance the service to residents.
- 3.14 Operational assessments have been made which estimate that approximately 60% of the material collected on the Freighter Service is likely to be from traders who are taking advantage of a free service at council-tax payers' expense.
- 3.15 The contamination levels within the bring bank service have also been based on current operational assessments, which estimate that approximately 50% of bring bank collections of mixed glass, mixed plastic and mixed cans are contaminated and as a consequence are collected as refuse. All of the waste streams available at the bring banks, with the exception of Tetrapak, are available for collection through the Council's existing kerbside service where contamination is significantly lower.
- 3.16 It is important that in moving towards achieving the likely recycling targets that all options have been explored including service delivery options and service provision models.
- 3.17 A full report setting out a timetable for delivering a comprehensive waste collection service which will meet residents' needs and achieve the highest possible performance standards will be presented to a future Environmental and Development Services Committee.

4.0 Financial Implications

- 4.1 Long-term costs – uncertain at this point due to the changing legislative environment and need to move to a more risk sharing contract from the current fixed price.

- 4.2 The Government's commitment in the Waste and Resources Strategy to provide additional funding to local authorities to invest in improved recycling services is still unclear.

5.0 Corporate Implications

Employment Implications

- 5.1 TUPE implications will exist if the incumbent contractor is unsuccessful in winning a new contract or the service is brought in-house. This will require support from both Organisational Development and Performance and Legal and Democratic Services.

Legal Implications

- 5.2 Failure to comply with The Waste (England and Wales) (Amendment) Regulations 2012 could lead to intervention from the Environment Agency, however, no direct guidance on compliance has been issued and there is no relevant case law; as such each Local authority is required to satisfy themselves that they are compliant.
- 5.3 Compliance with procurement legislation. The UK currently operates under EU procurement rules and the Council will have to assume that the contract will be let under these terms until such time as it is advised otherwise.
- 5.4 Compliance with the new Environment Bill. This is an ever-moving position the Environment Bill has received its second reading, with no date currently set for the next stage. It is highly likely that the approval of the Environment Bill will take place during the term of this project and will need to be considered in respect of setting any service specification and/or contract conditions.

Corporate Plan Implications

- 5.5 The current Corporate Plan commits the Council to increasing recycling and reducing waste collected and has a significant Environmental focus. Any changes to service provision will primarily focus on the practicable delivery of these aims.
- 5.6 The Corporate Plan 2020 – 2024 has two Key performance indicators one to reduce the kilograms of waste collected per head of population and the other to increase the percentage of waste recycled or composted.

Risk Impact

- 5.7 Risks and opportunities will form a significant element of the interim arrangements and be detailed in the future report.

6.0 Community Impact

Consultation

- 6.1 Any new service standards or delivery models will not commence until the current Community Strategy has expired in 2021, however, this project should help to inform any future Community Strategy outcomes.
- 6.2 The Head of operational Services will arrange for local consultation on the removal of the recycling bring sites.

Equality and Diversity Impact

6.3 To include as part of the review and in any service standard design.

Social Value Impact

6.4 To be included in any service standard design.

Environmental Sustainability

6.5 To be included in any service standard design.