

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
10 June 2014

Subject: **WASTE SERVICES COMPREHENSIVE REVIEW**

All Wards
Portfolio Holder for Environmental and Planning Services: Councillor B Phillips

1.0 PURPOSE AND BACKGROUND:

- 1.1 This report seeks Cabinet approval for a comprehensive review of the Council's waste services to inform future delivery. The preparation of a new Waste Management Strategy is an action in the Council's Business Plan.
- 1.2 Expenditure on waste management by the Council forms a significant proportion of the Council's overall budget. The net costs of waste collection currently amount to £1.68M pa (refuse plus garden waste) and recycling (dry recycling) £265K pa. In perception surveys waste collection frequently scores as a key service that the public associates with Councils and they often treat the reliability of their refuse and recycling collection as an indicator of the overall performance of their Council.
- 1.3 Approval is sought to procure external technical expert support as the Council does not have the internal technical expertise or resources for this work.
- 1.4 The benefits of carrying out the review are as follows:
- Building on the work already done to improve recycling tonnages and therefore environmental outcomes; options will include modelling of materials that could be collected.
 - Improve the efficiency of collections, through the procurement of appropriate vehicles and examining collection methodologies to reduce the collection time per property.
 - To improve customer satisfaction.
 - To ensure that Health and Safety is a core consideration in any future proposed service operation for both residents and the Council's operatives.
 - To identify possible cost efficiencies that will be realised through having a joined up strategic approach for the delivery of waste management services by the Council.

2.0 THE PROCESS

- 2.1 A new Waste Management Strategy will be the overarching document resulting from this work. The strategy will set out the aims, objectives and targets for the delivery of waste management services by the Council over the period of the plan.
- 2.2 The process and timescales are set out in Annex 'A'. The project will run from June 2014 and be completed by January 2016, at which time a new contract for the sale of dry recyclate will need to be in place. The existing recycling contract finishes in January 2016 and a new contract will need to be procured during 2015. In addition, the existing recycling vehicles are nearing the end of their life and will need to be replaced. The proposed comprehensive review of waste services will explore all options that link recycling and disposal/treatment of refuse to arrive at the best solution.

- 2.3 The development of the Strategy will build on work already done and in close consultation with Members through a series of workshops and public consultation with residents.
- 2.4 The review of recycling services will involve detailed scenario modelling looking at the scope of material types and methodologies for collection of dry recyclables at kerbside. This will include identifying all necessary infrastructure and a costs/benefits appraisal of the various options. The scenarios selected for modelling will be informed through consultation with Members at the start of the project.
- 2.5 The procurements shown in Annex 'A' cover a new contract for the collection and treatment of dry recyclables and the purchase of waste service collection vehicles. Both procurements will be informed by the new Waste Strategy.
- 2.6 It is anticipated that the project will result in comparative cost efficiencies compared to a 'business as usual' approach. These cost efficiencies will be calculated through the proposed review for recycling and refuse services and associated modelling. It is not possible to comment on the likely costs/benefits outcome of the recycling contract procurement because this will be determined in part by the market prices at the time of the procurement in 2015. It is proposed to report back to the Cabinet on these aspects when this information comes to light.
- 2.7 The review will enable plans to be made for the increase in the number of homes built over the next few years ensuring that these are fed into the overall modelling and options appraisal. There are 2,735 new dwellings planned by 2020.
- 2.8 The review will also consider the likely impacts of the County Council's proposed Allerton Waste Recovery Park facility and any planned work by the County on increasing Waste Transfer Stations. The Allerton Waste Recovery Park project is to be operational in 2017/18.
- 2.9 In respect of the planned procurements, officers will seek to bring partners on board in order to make savings through sharing procurement costs and getting best value for money for goods and services through 'economies of scale'. This approach has worked successfully in the past and the possible financial benefits are shown in Section 5.0.
- 2.10 The comprehensive review of waste services will take account of the latest regulatory requirements and in particular the Waste Regulations for England and Wales 2011 (amended 2012) affecting the collection of dry recycle, which comes into effect on 1 January 2015. This requires entirely separate collection of paper, metal, plastic and glass unless it is not technically, environmentally or economically practicable to do so. This is known as 'TEEP' criteria. The Council will need to demonstrate compliance with respect to its existing system and/or any possible service redesign e.g. the collection and downstream processing of materials is of high quality. It is important to note that this is a new requirement that previous work in this area has not covered and is vital to ensure that recycling services are compliant and robust in respect of the latest national regulations and policy.

3.0 LINK TO COUNCIL PRIORITIES:

- 3.1 The proposal links to the Council Priorities by supporting the following aims and objectives of the Council's Business Plan:
- To put our customers first and provide access to high quality, value for money services that meet the needs of our communities.

- To minimise the impact of waste on the environment by increasing the amount of household waste that is recycled.

4.0 **RISK ASSESSMENT:**

4.1 **Risk in approving the recommendation.**

Risk	Implication	Prob*	Imp*	Total	Preventative action
Full costs of the project procurement elements fall to the Council due to lack of partner participation.	Procurement costs will be higher for the Council than if a partnership approach was taken; cost benefits due to economies of scale from putting higher relative tonnages of dry recyclates on to the market place at the same time would not be realised.	3	4	12	Head of Environmental Services to take an early lead and advocate the benefits of a joint procurement approach through the regular Waste Partnership meetings.

4.2 The key risks in not approving the recommendation are as shown below:-

Risk	Implication	Prob*	Imp*	Total	Preventative action
The operation of waste management does not support opportunities for an improved service.	The anticipated benefits of improved recycling; improved customer satisfaction; improved Health and Safety; and to achieve cost efficiencies will not be realised.	4	5	20	Engage technical expert support to undertake detailed modelling and options appraisal for the Council so that decisions taken on future service design are in the best interests of the Council and Council Tax payers.
The Council is not prepared for future developments that will impact on waste management, such as: increased dwelling stock, changes to the Waste Regulations and Allerton Waste Recovery Park.	The Council is potentially exposed to higher costs for its waste management services. Failure to follow a process that demonstrates regulatory compliance puts the Council at risk of challenge.	3	5	15	These aspects will form part of the project brief to mitigate as far as possible these risks to the Council.

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

4.3 Overall the risk of agreeing with the recommendations outweighs the risks of not agreeing them and is considered acceptable.

5.0 **FINANCIAL IMPLICATIONS:**

5.1 Overall the revenue effects of the comprehensive review of Waste Services are as described below.

Revenue Effects	2014/15	2015/16		
	£	£		
	Total Cost	Total Cost	1 Partners	4 Partners
Cost of:				
- Review of recycling services	10,000			
- Review of refuse services	7,500			
- Consultation (technical support costs are not factored in for the proposed public consultation as it is assumed that Council will organise this element).	10,000	5,000	5,000	5,000
- Preparation of the Waste Strategy	7,500			
- OJEU level procurements		48,000	24,000	9,600
- Contingency		10,000	10,000	10,000
Total approx. costs	35,000	63,000	39,000	24,600
Financed by:				
One-Off Fund				
	35,000	63,000	39,000	24,600

5.2 Another partner Council has expressed an interest in reviewing its own recycling services (including TEEP compliance). If this does proceed there could be a slight discount (5%) in respect of the total cost for the review of recycling services package. One area of opportunity to significantly reduce costs would be through joint (OJEU level) procurements with other partner Councils. This is a likely and realistic outcome as in 2012 the Council undertook a joint procurement with Harrogate, Craven and Richmondshire Councils to secure the present recycling contract, realising significant efficiencies. Preliminary talks with partner authorities have shown an appetite for further shared procurements and hence reduced costs are shown in the table above for one partner or four partners.

6.0 **LEGAL IMPLICATIONS:**

6.1 There are no legal implications as a result of this proposal.

7.0 **EQUALITY/DIVERSITY ISSUES:**

7.1 There are no significant equality issues associated with this proposal.

8.0 HEALTH AND SAFETY ISSUES:

8.1 The review will examine the potential to mitigate possible health and safety issues surrounding different collection methodologies. Under the present arrangement each Recycling Loader can expect to lift around 400 boxes per day and sort the material at the kerbside, some boxes can weigh up to 20kg. In 2013/14 there were 72 working days lost to musculo-skeletal/back issues in the recycling service, there were also incidents of cuts due to broken glass being deposited in boxes. Whilst risk assessments and personal protective equipment can mitigate these risks to a degree, the potential to eliminate these risks should be considered first.

9.0 RECOMMENDATIONS:

9.1 It is recommended that:-

- (1) Cabinet approve the recommendation to undertake a comprehensive review of waste services and the production of a Waste Management Strategy for the Council and agree the funding to facilitate this process;
- (2) provision be made for £98,000 from the Council's One-Off Fund.

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Background papers: Annex A Draft Project Plan for the Comprehensive Review of Waste Services.

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