

Gloucester City Council

Meeting:	Cabinet	Date:	25th February 2015
Subject:	A Proposal to Review the Waste & Recycling Service		
Report Of:	Cabinet Member for Environment		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Lloyd Griffiths, Head of Neighbourhood Services		
	Email: lloyd.griffiths@gloucester.gov.uk		
	Tel: 39(6355)		
Appendices:	1) Details of the Existing Waste & Recycling Service		
	2) Fleet Renewal Details		
	3) Briefing Note on The Waste (England & Wales) Regulations 2011		

1.0 Purpose of Report

- 1.1 To inform Cabinet of the proposal to undertake a review into an alternative method of collecting recycling and to seek approval for its commencement.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) The contents of the report and the positive proactive work that has been carried out in respect of waste & recycling by The Environmental Projects Team, be noted;
- (2) The review process as outlined in the report be approved; and
- (3) The implementation of a Members specific working group, to be set up and chaired by the Cabinet Member of Environment, be approved.

3.0 Background and Key Issues

- 3.1 The Councils Streetcare Service contract commenced in 2007 and is due to run until 2022 with current partner AMEY. Within the contract is a mutual option to extend to 2027. In respect of waste & recycling services the contract was let on a service model whereby recyclates would be sorted and collected at the kerbside.
- 3.2 The dry recycling element of the service has remained in this form since commencement of the contract although modifications have been made to residual waste collection frequency through introduction of fortnightly

collections, introducing a charge for the collection of garden waste in order to offset cost of service and the introduction of food waste recycling.

- 3.3 The recycling service currently available to all of our residents is comprehensive as they are able to recycle glass, cans, paper, plastic, food waste and garden waste at the kerbside. Furthermore we have recently reviewed recycling facilities we offer at various supermarket sites across the City and residents are able to recycle cardboard and mixed plastics at these locations which compliment our kerbside service. If the majority of residents utilised these services to a greater degree than currently, then it is likely that we would be meeting both our landfill diversion and recycling targets. Details of the service we currently provide are included at **Appendix 1**.
- 3.4 Furthermore over the last twelve months several other proactive projects have been delivered or are under development. This includes our work to expand the kerbside recycling service to accept food & drink cartons and aerosols bringing the total number of commodities a resident is able to recycle at the doorstep to nine. Work is currently underway to deliver this project in the very near future and we will soon be communicating with residents this positive development to the service.
- 3.5 We are still seeing the benefits of the Flats Recycling Incentive Scheme which focussed on our flatted properties in Matson. In partnership with Gloucester City Homes and AMEY we improved communal waste storage areas, provided additional capacity to recycle and then supported residents through education and domestic waste audits. Following this we then provided residents with an incentive to recycle by offering a prize of £50 shopping vouchers for the resident who recycled the most material within each of the participating blocks.
- 3.6 In addition to this work has been undertaken to identify those areas with the lowest recycling rates. Residents within these areas have been supported by our officers through the roll out of our residual waste project. This involves intensive doorstep support by raising awareness of recycling, provision of advice and the offer of carrying out a domestic waste audit to physically illustrate to residents how to recycle and what to recycle.
- 3.7 In addition we are currently considering the potential for developing a more formal and substantial Household Recycling Facility at a strategic location within the City to meet the needs of our residents as we look to maximise the opportunities for residents to recycle a wider range of commodities with the addition of material such as wood, metals and electrical equipment.
- 3.8 Research from across England & Wales clearly suggests however that the type of service we currently deliver is not conducive to achieving recycling rates in excess of 50% due to the fact that residents consider it complicated, time consuming and messy. This has the impact of reducing our recycling participation rates which is critical if we are to achieve key targets. What the current service does provide us with however is a clean recyclate that achieves both a high end and consistent income stream.

- 3.9 Our recycling participation rates are also affected by several factors that are outside of the control of our organisation alone and these include a transient population, a high proportion of flatted properties and areas of deprivation. It is vital therefore that any recycling service should be easy to understand and uncomplicated to participate in.
- 3.10 Over the term of the contract period increasing emphasis has been placed on increasing rates of recycling and reducing the amount of waste being sent to landfill. This pressure has coincided with an unprecedented reduction in budget which has seen the price of the contract value needing to be reduced through our ongoing savings plan. Gloucester City has also grown over the term of the contract with 4409 residential units being built and forecasts suggest that over the remaining life of the contract we will see a further 5000 new units built which we will need to furnish with a waste & recycling service.
- 3.11 It is these pressures which can be grouped into performance, efficiency and capacity that have resulted in a proposal to formally consider an alternative method of collecting recycling. The proposed review has also been timed to coincide with the scheduled fleet renewal programme details of which are provided at **Appendix 2** and which are discussed in further detail at para 3.19.
- 3.12 Initial scoping meetings have been held with AMEY in respect of a potential service change of which was to identify the drivers for such a change and to start to think about alternative service models that would meet Gloucester's particular needs. Information from the scoping meetings leads us to believe that in order to manage these pressures effectively a significant change to the service should be considered and that such a change is likely to involve moving to Co-Mingled Recycling and a reduction in recycling collection frequency from weekly to fortnightly.
- 3.13 'Co-mingled' recycling refers to the system in which a range of recyclates are collected together in one refuse vehicle, instead of being sorted by an operative into separate commodities and handled separately throughout the collection process. With a co-mingled system both the collection and processing systems are designed to handle a mix of recyclates with materials being separated for onward re-use or processing at a Materials Recovery Facility (MRF).

Review Process

- 3.14 The focus of the review is to identify the cost savings that could be achieved by implementing a co-mingled recycling service whilst at the same time ensuring we can provide a service that residents are satisfied with and which supports them in improving our recycling capture rates.
- 3.15 A number of review delivery options are currently being considered as we seek to manage the review in a cost effective and timely manner with a view to both identifying and achieving the necessary savings at the earliest possible opportunity. These will be finalised shortly and staffing arrangements organised.

3.16 The review will include the following elements –

- Baseline costing of existing service
- Benchmarking
- Analysis of Relevant Operational & Financial Data
- Best Practice Exercise
- Review of Service Specification
- Assessment of Vehicle Specification
- TEEP Assessment
- Modelling of Preferred Co-mingled Option

Review Timetable

3.17 The timing of the review takes into account that the fleet of waste & recycling vehicles currently delivering our services have a shelf life and it is imperative that any change of service is decided upon well in advance of that date so that lead in times are factored in.

3.18 The bulk of vehicles that collect recycling (kerbsiders) are due for renewal in December 2016. Five out of the eight vehicles that collect our residual waste (Refuse Collection Vehicles or RCVs) are now also approaching 10 years old and are requiring an increasing amount of maintenance to keep them on the road. Many of these are in AMEYs ownership so are not approaching an end of lease period but given their age are fast approaching the point where they need to be replaced.

3.19 It is difficult to go into significant detail in respect of a timetable as the process is likely to be dynamic in nature. We are clear however that the review should be completed in a timely manner without compromising its quality and it is our intention to present a preferred option report for Cabinet in August 2015 with a recommendation for a preferred option to be approved at Full Council in September 2015.

Member Involvement

3.20 Discussions with colleagues in Councils who have undertaken similar reviews have emphasised the important role that Members can play in such a review by way of a Members Project Group. An Overview & Scrutiny Task & Finish Group (Waste & Recycling) was formed in November 2012 whose ambitions were to increase recycling rates and make recycling more accessible to the community by developing an improved service. This group made a number of recommendations all of which related to the investigation of alternative models of service delivery and which this review seeks to deliver.

3.21 Through this previous piece of work there are Members who are familiar with the current service we offer and have undertaken a process that has already carried out some scrutiny of the service. It would be advantageous, for the efficient delivery of the review, to utilise these Members with the addition of the Cabinet

Member for Environment to form a 'stand alone' Project Group and officers would welcome and value this arrangement.

- 3.22 Throughout the term of this project regular update reports are intended to be provided to Cabinet and with the make up of the recommended Members Project Group being cross party, Members can be updated by their Project Task & Finish Group Member at monthly group meetings.

Additional Considerations

- 3.23 Alongside the mainstream waste & recycling service offered at the kerbside the review will also ensure that any service change takes into account the other recycling services we currently offer and are considering developing in the future and these include both the supermarket recycling facilities, Household Waste Recycling Centre and the Bulky Waste Service.
- 3.24 Furthermore the review will explore the opportunities available to work more closely with partner organisations such as Gloucestershire County Council, neighbouring District Councils and the charitable sector as we seek to reduce duplication and make the most of services that already exist and have the capacity to take on additional business.
- 3.25 It is also considered prudent to consider both short and medium term targets in respect of recycling and landfill diversion. With a nationally set target of 70% recycling by 2030 any service we provide moving forward should provide us with a basis to exceed the shorter term 50% target by 2020, and not restrict us to dealing with small margins through ad hoc measures.
- 3.26 One further consideration that will need to be incorporated into the review process has come out of the enactment of The Waste (England & Wales) Regulations 2011 which places a duty on Waste Collection Authorities to ensure that their recycling collection service is Technically, Economically and Environmentally Practicable (TEEP) to deliver. Further information on TEEP and its potential implications is contained at **Appendix 3**.

4.0 Alternative Options Considered

- 4.1 As outlined within the report there are several valid reasons why a review of how we deliver our recycling service is necessary. Without the review and with the impending need to renew much of the vehicle fleet the alternative option is to maintain the status quo and continue to deliver a service that is not achieving recycling or landfill targets, has no capacity to serve a growing population and within which savings would be difficult to identify without significantly reducing the quality of service offered.
- 4.2 The review process itself will identify and assess several co-mingled collection options for consideration and these will be reported on throughout the duration of the project to both the Members Project Group and Cabinet.

5.0 Reasons for Recommendations

- 5.1 At this current time our waste & recycling service is at capacity and there is little or no headroom to service the additional number of residential units which are forecasted to be built within the City within the remaining contract period. It is essential therefore that moving forward we develop and provide a service that not only provides a quality service for existing residents but has the capacity and flexibility to do so for future additional residents.
- 5.2 If we wish to meet both our short and medium term recycling targets then we need to consider alternative service delivery models that are known to encourage high end participation rates due to ease of use and the simple communications that go with such a service. These targets, including our landfill diversion target, are linked to income streams and the review will also allow us to look at how we can best secure income through a service that will increase our performance.
- 5.3 With a significant savings target set in respect of the waste & recycling element of the AMEY contract, it will be difficult to achieve this whilst maintaining an excellent service without a well considered re-configuration of our resources. The review process will establish whether a co-mingled collection of recycling can achieve those aims.
- 5.4 With the introduction of The Waste (England & Wales) Regulations 2011 and the need to ensure the recycling service we deliver is TEEP compliant, the review presents us with an opportunity to carry out such an assessment which will be extremely important in allowing us to move forward confidently in the event of legal challenge.

6.0 Future Work and Conclusions

- 6.1 Pending approval to undertake the review it is our intention to formalise project management arrangements and to bring together a supporting Officers project group to commence initial discussions.
- 6.2 Arrangements will then be put in to place to organise membership of a Members Project Group and to arrange its first meeting whereby background information in respect of the review will be shared and group arrangements agreed.
- 6.3 If the review identifies that a service change is necessary and this receives Council approval, an implementation project group will then be set up. The focus of this group will be to 'manage in' the service change including the development of a communication plan for residents and stakeholders.

7.0 Financial Implications

- 7.1 Where possible the cost of carrying out the review will be managed within existing service budgets. Where it does create a budget pressure this will be offset against the future savings the review will identify. It is very likely however that the cost of delivering such a focussed review project will be insignificant when compared to the savings it could potentially deliver.

- 7.2 The review process will be overseen and managed by The Environmental Services Manager as part of normal duties thereby generating no additional management cost.
- 7.3 Initial work that has been carried out has identified that a move to a co-mingled collection service in January 2016 would result in indicative revenue savings of £138,000 in the 2015/2016 financial year and this outlined in **Table 1** below.

Table 1 – Summary of Indicative Revenue Savings in 2015/2016 (January 2016 Implementation Date)

Gross Saving from move to Co-mingled Recycling	£300,000
Early Buy Out Charge on Vehicles (January 2016)	- £62,500
Projected Loss in Commodity Income	- £100,000
Projected Net Saving	£138,000

- 7.4 Additional costs and loss of income resulting from a move to co-mingled recycling would be off-set by the fact that recycling rates are likely to increase, resulting in an increase in recycling credits which in the current financial year based on our current service is forecast to raise £380,000 in income.
- 7.5 The impending need to replace the fleet creates a timely opportunity for this service review. It should be noted however that an early buy out charge would be borne by us if replacing the vehicles before the end of their hire period. As of January 2015 that cost stands at £502,000 and reduces by £21,000 / month to zero cost in January 2017.
- 7.6 A change to a co-mingled collection service is likely to require the purchasing of additional receptacles as residents would need to be provided with a wheeled bin to place some of or all of their dry recycling into. Through discussion Financial Services have supported cost effective capital spend with a view to achieving the savings identified within the current savings plan in respect of the AMEY contract. They are also supportive of the fact that it may be that these changes can only be achieved in 2016/2017 given the time required to implement any service change.
- 7.7 Where capital investment has a potential to generate revenue savings this will be highlighted by the review. Financial Services will be a member of the Officer's Project Group to assist in costing and identifying savings opportunities.

(Financial Services have been consulted in the preparation this report.)

8.0 Legal Implications

- 8.1 If the outcome of the review is that the Council wishes to change the manner in which it collects recycling by means of a co-mingled service, such a change may constitute a material variation to the original Streetcare Service contract for the purpose of EU procurement rules. If this was considered to be a material variation then we would be required to re-tender the contract. Failure to re-tender would place the Council at risk of challenge for previously unsuccessful bidders. Legal Services in addition to our Procurement Officer will be a Member of the Officers Project Group to assist with investigating whether a such a move would be classed as a 'material variation' and what the costs and impact would be of re-tendering.
- 8.2 As outlined in para 3.22 and **Appendix 3** a TEEP review will be built in to both the review and any subsequent re-tending process to ensure that the Council is delivering a waste & recycling service that is TEEP compliant moving forward.

(Legal Services have been consulted in the preparation this report.)

9.0 Risk & Opportunity Management Implications

- 9.1 The opportunities which have been outlined throughout this report far exceed the risks. The most important opportunity is to develop a service that meets current need whilst also offering the flexibility to meet future need. As part of this development it allows us an opportunity to make the service more user friendly thus increasing our participation rates which will have a positive impact on our rates of recycling and landfill diversion.
- 9.2 The risk of not carrying out such a review is trying to identify significant savings on a piecemeal basis without fully considering the service as a whole. This can have a detrimental effect on the quality of service we provide to our customers and place pressure on the contract which has the potential to halt development of the partnership.
- 9.3 In terms of a review outcome, it may be considered a risk to undertake this process only to find that the status quo is the preferred option. If this was to be the outcome then this in itself should be considered positive in many ways. In such a case the review will have confirmed that the present system of service delivery is the most cost effective and best fit for our residents needs. The process will also have ensured that the service is TEEP compliant in the event of legal challenge.
- 9.4 As part of the review process, risks and opportunities associated with the co-mingled model of service delivery will be considered and will form an integral part of any decision making process. A risk management strategy will support a final Preferred Options Paper to ensure that such a proposal has a successful outcome.

10.0 People Impact Assessment (PIA):

- 10.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required. However the need to carry out a full PIA will be re-assessed in the event of any future service changes.

11.0 Other Corporate Implications

Community Safety

- 11.1 Waste & Recycling and Community Safety are intrinsically linked as studies have shown that areas that have good environmental quality levels and are free from issues such as waste on streets are less likely to suffer with anti-social behaviour.

Sustainability

- 11.3 The lack of capacity within the current waste & recycling service has been identified as a significant risk. The current level of resource available having regard to the service we offer means that we will reach a position whereby we will be unable to provide a waste & recycling service to new residential units that are built. One of the aims of the review is to identify a service model that will be able to withstand and service housing growth within the City for the remainder of the contract life, thus making it a more sustainable service.
- 11.4 In addition a wholesale review of how we deliver our waste & recycling service brings with it the potential for significant environmental enhancements such as –
- New fuel saving fleet
 - A fleet able to use diesel/biofuel mix
 - Collection fleet fitted with electronic lifts
 - Single pass collections
 - Potential to drive recycling to 50% and beyond
- 11.5 It is potential changes such as these which can positively impact on greenhouse gas emissions and Nitrogen Dioxide emissions.

Staffing & Trade Union

- 11.6 N/A

Background Documents:

Overview & Scrutiny Committee – ‘Recycling Task & Finish Group’ Final Report and Recommendations – October 2013

Appendix 1 – Details of Current Waste & Recycling Service provided by Gloucester City Council

Residual Waste

Residual waste or non-recyclable waste is collected fortnightly in a black wheelie bin. There are some streets within the City whereby residual waste is collected in 'purple bags' rather than bins due to property design.

Dry Recycling

Dry recycling including glass, plastic, paper, cans and household batteries are collected weekly in the green recycling box.

Food Waste

Food waste is collected weekly in the brown external food caddy which can be lined with any type of plastic bag

Garden Waste

The garden waste collection service is a chargeable service with the current fee being £36 a year with a concessionary fee of £18 a year if a resident is receiving Housing Benefit or Council Tax support. Collections take place fortnightly, however the service is not available in all areas due to access issues for refuse collection vehicles.

Bulky Waste

Our bulky waste service offers collection of 3 items at a cost of £24 with a charge of £8 for any additional item. For anyone receiving Housing Benefit or Council Tax support this cost is reduced to £12 for 3 items and each additional item will be charged at £4.

Supermarket Bring Back Recycling Sites

Our local recycling banks are now concentrating on materials not able to be recycled at the kerbside through our green recycling box. These include cardboard, mixed plastics, textiles and shoes. These sites are located at:

- Asda Superstore, Metz Way, Gloucester
- Sainsbury's Superstore, The Quays, Gloucester
- Sainsbury's Superstore, Barnwood, Gloucester
- Morrisons Superstore, Glevum Way, Abbey, Gloucester
- Scott Avenue, Podsmead, Gloucester
- Castlemeads Public Car Park, Gloucester
- Tesco Superstore, St. Oswalds, Gloucester

Appendix 2 – AMEY Fleet Renewal Dates

Type of Vehicle / Registration Number	Ownership Details	Renewal Date
Kerbsider - VU59 HUZ	On Hire	January 2017
Kerbsider - VU59 JLV	On Hire	January 2017
Kerbsider – VU59 JLX	On Hire	January 2017
Kerbsider – VU59 JMO	On Hire	January 2017
Kerbsider – VU59 JMV	On Hire	January 2017
Kerbsider – VU59 JMX	On Hire	January 2017
Kerbsider - VU59 JNF	On Hire	January 2017
Kerbsider - VU59 JNJ	On Hire	January 2017
Kerbsider - VU59 JNK	On Hire	January 2017
Kerbsider - VU59 JNL	On Hire	January 2017
Kerbsider – VU59 JNN	On Hire	January 2017
Kerbsider - VU12 HNH	On Hire	January 2020
Kerbsider – VU12 HNJ	On Hire	January 2020
RCV – KE07 BTY	Owned by AMEY	N/A
RCV – KE07 BUH	Owned by AMEY	N/A
RCV – VU57 YRG	Owned by AMEY	N/A
RCV – VX55 KXG	Owned by GCC	N/A
RCV – VU12 HNP	Under Lease	December 2019
RCV - VU12 HNO	Under Lease	April 2019
RCV - VX55 LHC	Owned by GCC	N/A
RCV - VU60 HBX	On hire	September 2017

RCV – Refuse Collection Vehicle

Appendix 3

Briefing Note – The Waste (England & Wales) Regulations 2011 (amended 2012)

These regulations are designed to implement the requirements of an EU Waste Framework Directive, the principle aim of which is to ensure that materials collected as recyclables are indeed recycled and do not end up in landfill. It places the focus for Waste Collection Authorities (WCA) on the quality of material collected and the ability of material processors to sort materials and provide high quality materials for onward use.

The Directive makes clear that the starting point for WCA should be to collect recyclable waste, and in particular paper, glass, plastic and metals as separate waste streams. At first sight this would appear to prevent co-mingled collections that will be considered as an alternative service delivery option as part of this waste & recycling service review.

The EU Directive is targeting the final product and not the manner of collection per se, there being concerns that the quality of materials collected is often poor, due to contamination, and instead of the materials being recycled, they are rejected and end up in landfill. The Directive and its Regulations which have been transposed into UK Legislation have therefore introduced what is known as 'TEEP'. TEEP is the acronym for "Technically, Environmentally and Economically Practicable" and in forming a judgement about the type of collection methodology a WCA wishes to implement, a TEEP analysis has to be undertaken to demonstrate that it is not Technically, Environmentally or Economically Practicable to collect the four described waste streams separately at the kerbside.

It had been hoped that Government would, through DEFRA, issue guidance to WCA on how they should approach TEEP and the need for the assessment. However this guidance was not forthcoming. Government has approached the issue partially through the introduction of a quality assessment programme for material recovery facilities (MRFs) whereby they will have to routinely sample incoming feedstock and outgoing materials to demonstrate the levels of contamination of collected materials and the quality of the final product

If as a result of the waste & recycling service review there is a need for a tender assessment process, prospective tenderers would need to address TEEP, both in terms of how their proposed collection methodologies reduce and control contamination. This would apply regardless of whether the final service delivery model was co-mingled or an adaptation of our existing kerbside sort service.

It should be noted that a TEEP Assessment is 'time & place' and will need to be kept under review to ensure ongoing compliance. TEEP is also an issue which is likely to remain high profile for the foreseeable future.