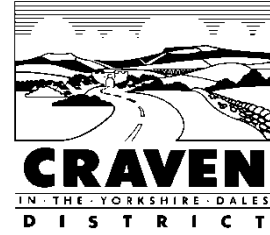


Policy Committee – 19th July 2016

Waste Collection Arrangements



Report of Director of Services

Lead Member; Councillor C Lis

Ward(s) affected: All

1 Purpose of the Report

To inform Members of the alternative waste collection options available to mitigate the loss in re-cyclate income and seek approval to introduce a co-mingled collection of glass, cans, plastics, paper and cardboard with effect from April 2017 subject to a satisfactory TEEP Assessment.

2 Recommendations

Members are recommended to:

- 2.1 Approve in principal the introduction of a co-mingled collection of glass, cans, plastics, paper and cardboard with effect from April 2017 subject to a satisfactory TEEP assessment.
- 2.2 Approve a supplementary revenue estimate of up to £15,000 to fund the undertaking of a TEEP assessment and comprehensive communication programme informing residents of the changes to waste collection arrangements.
- 2.3 Request a further report to Policy Committee in December 2016 informing Members of the outcomes from the TEEP assessment.

3 Background

- 3.1 Local Authorities are continuing to face pressure to make efficiency savings, having faced a 40% reduction in funding since 2010 with reductions to continue in future years settlements. This coupled with a downturn in the global commodities markets means that Local Authorities have to identify significant savings. Along with these budget cuts and falls in recyclate values the Council must still comply with its statutory duties in relation to waste collection in what is a highly visible public service.
- 3.2 In addition to the statutory duties the UK also has a duty under the EC Waste Framework Directive to meet a 50% recycling target of municipal waste by 2020. The majority of EU waste management law has been transposed directly into domestic law by secondary legislation. The legislation is not immediately affected by the UK's withdrawal from the EU however it is understood there is cross party political support on waste reduction, disposal and recycling so it is unlikely current targets on recycling will be reduced or lessened.

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- 3.3 These targets, the reduction in recyclate value, plus the further planned reductions to budgets mean Craven District Council must re-think how it can achieve additional savings in waste management whilst still attaining desired performance levels.
- 3.4 The Council currently operates a five stream waste collection service comprising;-
- Fortnightly 240 litre wheeled bin collection of residual waste
 - Fortnightly blue bag collection for paper and cardboard
 - Fortnightly 240 litre wheeled bin collection for garden waste (Mar – Nov)
 - Fortnightly 240 litre wheeled bin collection for glass, plastics and metals
 - Weekly trade waste collection service bespoke to customer requirements
- 3.5 The Council's current waste management strategy is to achieve a 50% household recycling rate by 2020, reflecting the EU Waste Framework Directive target. Currently the Council achieves a 42.10% recycling rate against the national average of 43.70% (2014/15).
- 3.6 The waste treatment plant at Allerton Park which is currently under construction and scheduled to open in 2018 will separate any remaining recyclable material from the waste collected by Craven Council. The percentage of recyclable material recovered would then contribute towards Craven's target, enabling the Council to achieve closer to the 50% target.
- 3.7 As a result in the collapse in the commodities market for dry re-cyclables the Council is receiving significantly less in income from the sale of the materials it collects at the kerbside and from bring sites. Whereas previously the Council was able to offset some of the costs of operating the service from the sale of glass, can, plastics and paper it now has to pay to send these materials for processing with an adverse budget swing of around £400,000 per annum. Given the financial climate the Council now operates in it is not sustainable to continue to operate the existing waste collection arrangements.
- 3.8 Several options are open to the Council, all with their own advantages and disadvantages. The key to selecting the right option is to strike the right balance between maximising the amount recycled whilst collecting in the most effective manner. To help the Council determine the right option it commissioned White Young Green (WYG), specialists in waste management, to model the potential savings from four alternative collection arrangements.
- 3.9 This report summarises the alternative collection options available for the collection of waste and makes a recommendation on the solution that best satisfies the need to improve service delivery whilst also mitigating the financial impact from the fall in re-cyclate values.

4 Alternative Collection Options

- 4.1 Principally there are four alternative collection options available to the Council and these were modelled in the WYG report. The four options being;-
- Option 1: Four weekly recycling with alternate weekly residual collections
 - Option 2: Three weekly recycling and residual collections
 - Option 3: Alternate weekly co- mingled recycling and residual collections
 - Option 4: Alternate weekly kerbside sorted recycling and residual collections
- 4.2 The four options above were modelled both with waste management crews working i) 5 day week ii) extended days (4 days at 9.25 hours).

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- 4.3 Appendix A sets out the advantages and disadvantages of the four collection options.
- 4.4 The potential revenue cost savings from adopting each of the four alternative collection options when compared to the existing arrangements are set out in table 1 below.

Option	Indicative Cost Savings (£000)		% Recycled
	4 day week	5 day week	
Option 1	163	196	43.3
Option 2	247	281	48.2
Option 3	162	111	48.2
Option 4	133	81	42.7

Table 1

- 4.5 The greatest savings can be made from option 2, three weekly collections on the existing 5 day working week pattern. This option also increases recycling rates to an indicative 48.2% from 42.1% as a consequence of reduced capacity in residual waste bins, encouraging residents to recycle more. A move to three weekly collections however is likely to be unpopular with residents who will see their residual waste collection frequencies reduce. There will also be a pressure on the capacity in the residual waste bins for some householders.
- 4.6 Option 1 generates the next highest level of savings however savings are offset by the capital investment required to replace existing waste collection vehicles with three split body vehicles. Parts of the district are also inaccessible to split body vehicles due to side loading requirements, there would be a reduction in service level by reverting to four weekly recycling collections and it is unlikely recycling rates would increase.
- The purchase of weighted blue bags is also recommended should option 1 be preferred to address the operational issues arising from the use of the existing plastic bags. This would require additional capital expenditure.
- 4.7 Option 3, alternate weekly co- mingled recycling and residual collections offers both a reasonable level of savings (either £111k or £162k per annum depending on whether the service is delivered over a standard five day week or extended working days) whilst also providing an improved service by increasing the frequency of glass can and plastic collections from four weekly currently to fortnightly. An increase in the percentage recycling is also projected due to the easier collection arrangements and the Council can withdraw the unpopular blue bags used for paper collections.
- 4.8 With option 3 the costs of disposal increase significantly due to the additional treatment costs required to separate the co-mingled material and its re-sale value. This additional cost is then offset by the savings that are then made by reducing the number of waste collection rounds.
- 4.9 The Waste Framework Directive requires all Waste Collection Authorities to collect paper, metals, plastic and glass separately where it is technically, environmentally and economically practicable (TEEP).

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- 4.10 If the Council made an in principal decision to introduce a co-mingling service the Council would need to carry out three detailed TEEP assessments i) the current 'as is' service ii) collecting recycling separately and iii) co-mingling to establish whether it was practicable to retain a separate recycling collection. It is also considered prudent to complete a TEEP assessment on the two other waste collection options available to the Council i.e. three weekly collection / four weekly recycling collections in the event the Council does not pursue a co-mingling service bringing the total number of TEEP assessments to five.

Indicatively it is considered unlikely the Council will pass the economically practicable element meaning the introduction of a co-mingling service satisfies Regulation 13. Officers are also aware of one West Yorkshire Authority who recently introduced a co-mingled service, moving from separate recycling collections.

- 4.11 Due to the highly technical requirements and level of detailed work involved in carrying out a TEEP assessment which will require external support it is recommended this work proceeds only if the Council makes an in principal decision to implement co-mingling.

5 Implementing a Co-Mingled Collection Service – Next Steps

- 5.1 It is recommended Members approve the in principle introduction of a co-mingled service subject to a satisfactory TEEP assessment.

Once complete the TEEP assessment will be reported to Members of Policy Committee in December 2016.

- 5.2 To implement a co-mingled service there is also the need to establish alternative waste disposal arrangements. Currently the Council is under contract with Yorwaste for the disposal of recyclables separately and although the contract provides for variation by written agreement of the parties a change to a fully co-mingled recycle collection would constitute a change in the collection arrangements in the contract and not within the scope of the original procurement. A new contract is therefore required.
- 5.3 Six months' notice of termination under the existing contract is required and the Council will not give the required six months' notice until alternative arrangements have been confirmed. Depending on the procurement route selected this could take a maximum of six months which would mean giving notice in February 2017 with a co-mingled collection commencing August 2017.
- 5.4 Alternatively the Council could sign up to the Yorwaste 'Teckal' Collaboration Agreement, agree terms with and award a new contract to Yorwaste using a 'Teckal' exemption. Yorwaste would then procure the service required to deliver the disposal of the co-mingled material.
- 5.5 A 'Teckal' exemption enables a local authority to let a contract to a third party without needing to follow EU procurement rules provided the local authority exercises a level of control over the third party that is similar to its own departments, which the collaboration agreement addresses, and that at least 90% of its turnover is conducted within the local authority boundary. The benefits of a 'Teckal' collaboration agreement are that it allows the Council to commence its new service on April 2017, the process is compliant with procurement rules and is cost effective. 'Teckal' contracts are open book allowing value for money to be demonstrated.

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It is therefore recommended the Teckal approach be adopted and details of the contract reported to Members along with the outcome of the TEEP assessment in December 2016.

- 5.6 There are two operational ways of delivering the Co-Mingling service either over the standard five day working week or extended working hours over four days. The latter has the potential to increase the level of savings however it is important the Council first consults with its workforce on an extended working hours pattern. The consultation with the workforce will be undertaken concurrently with the TEEP assessment and contractual review to enable the Council to reach a decision on which operational methodology to adopt if and when co-mingling is introduced.
- 5.7 The Council will also consult residents and businesses on the proposal to move to a co-mingled service over the period August to October 2016.
- 5.8 Table 2 below sets out the timetable leading to implementation of a co-mingled collection.

OUTLINE TIMETABLE FOR IMPLEMENTATION OF CO-MINGLED SERVICE	
Action	Timescale
In principle decision on Co-Mingling	Council 2 nd August 2016
Consultation on extended working hours proposal	August – October 2016
Public Consultation on Co-Mingled Proposal	August – October 2016
Alternative Waste Disposal Arrangements Confirmed	December 2016
Policy Committee Report on TEEP Outcomes	December 2016
Complete Review of Routes / Risk Assessments	January 2017
Communication to resident on changes	February and March 2017
Co-mingling collections commence	April 2017

Table 2

6 Financial Implications

- 6.1 There are no additional capital costs required to implement the co-mingled option should this method of collection be adopted as existing vehicles and wheeled bins can be utilised.

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- 6.2 It is projected revenue savings of £111, 000 will be generated by adopting a co-mingled service over a standard five day week or £162,000 over a four day week working pattern.
- 6.3 A supplementary revenue estimate of £15,000 is required to undertake the TEEP assessment and communicate the waste collection changes effectively to residents.

7 Legal Implications

- 7.1 The Waste (England and Wales) (Amendment) Regulations 2012 transpose the revised Waste Framework Directive into UK law and the Council must demonstrate compliance. The Environment Agency is responsible for regulating compliance in England.
- 7.2 Regulation 13 of the revised Waste Framework Directive November 2008 requires all Waste Collection Authorities to collect paper, metals, plastic and glass separately where it is technically, environmentally and economically practicable to do so. If the TEEP assessment concluded that separate collections were not technically, environmentally and economically practicable, the Council would be in a position to demonstrate compliance with regulation 13.

If the TEEP assessment was successfully challenged, the Council will be required to cease operating a co-mingled service and either revert to the previous collection arrangements or adopt a suitable alternative.

- 7.3 A move to a co-mingled collection constitutes a change in the collection arrangements in the existing contract and is not within the scope of the original procurement. A new contract for the disposal of recyclate material collection by the Council will therefore need to be procured.

8 Equality Impact Assessment

The Council's Equality Impact Assessment Procedure has been followed and an Equality Impact Assessment completed. Initial screening of the procedure identified that the proposed policy, strategy, procedure or function does not have the potential to cause negative impact or discriminate against different groups in the community based on age, disability, gender, race/ethnicity, religion or religious belief, sexual orientation or rural isolation.

9 Contribution to Corporate Priorities

The collection of household waste and recyclates links to the Council priority for 'Resilient Communities' by creating greener communities through reducing waste to landfill.

10 Background Papers

White Young Green Options Appraisal Report

11 Appendices

Appendix A: Advantages and Disadvantages of Alternative Collection Options

12 Author of the Report

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