

Cabinet – 22 July 2015

Consultation options for possible changes to the residual waste collection service

Portfolio: Councillor L Harrison - Clean and Green

Related portfolios: Councillor M Arif - Shared services and procurement

Service: Clean and Green

Wards: All

Key decision: No

Forward plan: Yes

1. Summary

1.1 At its meeting on 26th February 2015, the Council decided to introduce alternate weekly collections 2016/17 to help deliver the significant savings required by the Medium Term Financial Strategy. This decision placed an obligation on the Council to reduce the waste and recycling collection service to alternate weekly collections (AWC). The purpose of this report is to seek approval from Cabinet to carry out a consultation exercise on potential service changes to the waste collection service in light of this decision.

1.2 In December 2014, Cabinet received two reports:-

- a) Seeking approval to start the procurement process in respect of contracts for treatment, recycling and final disposal of municipal waste.
- b) Reporting compliance with the Waste Framework Directive (WFD) and Waste (England and Wales) Regulations 2011 – Recycling Collections and Material Streams.

The procurement process for the waste disposal contracts, of necessity, triggered a service review as required in the WFD, and approval was given for officers to undertake a service options appraisal relating to future service delivery.

1.3 To this end, an options appraisal in respect of waste collections has been carried out resulting in a proposal to consult on the following fortnightly residual waste collection options.

- Option 1 - Swapping Garden waste and Residual Waste Bins
- Option 2 – 140 litre residual waste bins collected fortnightly with larger bins for larger families

- 1.4 As part of the 2015/16 programme of budget consultation we asked the public for their views on alternate weekly collections (AWC). Feedback reported to February 2015 Cabinet, showed that opinions were divided, with concerns about AWC centring on the capacity of the bin to enable fortnightly collections and also, to a lesser extent, the smell and vermin issues that people feel may arise as a result of rubbish being left longer between collections. Detailed consultation on how AWC could be delivered is now required.

2. Recommendations

- 2.1 That Cabinet approve the public consultation strategy in this report and consult the public on their preferred Option 1 or 2.
- 2.2 That Cabinet note that any savings delivered through a change in collection service may be offset of increased costs in the disposal of recyclable materials via the new disposal contracts currently being tendered.
- 2.3 That Cabinet note a final report detailing the outcome of the tendering of the disposal contracts, the outcome of public consultation, the compliance with WFD, service options and policy changes will be presented in December 2015.

3. Report Detail

Options Appraisal




- 3.1 As a Unitary Authority, Walsall Council has the responsibility to make arrangements for both the collection and disposal of municipal waste.
- 3.2 Under the Environmental Protection Act, Section 45 places a duty on the Council to collect household waste and Section 48 places a duty on the Council to provide a place for the disposal of waste collected by the Council.
- 3.3 This report is relevant to the collection of kerbside waste and recyclable materials only.
- 3.4 The current service was introduced in 2009 and comprises the following collections:

	Bin size	Collection frequency
Rubbish	140 litres	Weekly
Recycling	240 litres	Alternate Weekly
Garden waste	240 litres	Alternate Weekly


- 3.5 The cost of the collection service is circa £4.75 million.
- 3.6 In order to meet savings targets, an options appraisal of different alternate weekly collection methods was carried out to identify what savings could be made. Two options for alternate weekly collections of residual waste were identified that delivered significant savings and were compliant with the WFD.

Both options have alternate weekly collections of each waste streams and both options are operationally deliverable although Option 2 requires a longer implementation period.

3.7 Collection Option 1 - Swapping Garden and Residual Bins

<div data-bbox="335 443 635 1120"> <p>1 (Bin Swap)</p> <p>NO CHANGE</p>  <p>Fortnightly (140 L)</p>  <p>Fortnightly (240 L)</p>  </div>	<p><u>Pros</u></p> <ul style="list-style-type: none"> • £736k savings (including impact of disposal diversion) • Service user satisfaction with refuse and recycling likely to be OK • Relatively easy implementation • No specialist vehicles required <p><u>Cons</u></p> <ul style="list-style-type: none"> • Lower recycling rate than other options • Lower overall savings than Option 2 • Service user dissatisfaction on garden waste (too small bin for some) – mitigated partially by optional charged extra bin • Management of increased contamination of dry recycling <p><u>Risks</u></p> <ul style="list-style-type: none"> • Small garden bin is not common • Increased use of HWRC sites
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3.8 Collection Option 2 – Alternate Weekly Restricted Residual

<div data-bbox="335 1361 635 1971"> <p>2 (Restricted Residual)</p> <p>NO CHANGE</p> <p>NO CHANGE</p>  <p>Fortnightly (140 L)</p> </div>	<p><u>Pros</u></p> <ul style="list-style-type: none"> • £921k savings (including impact of disposal diversion) • Higher recycling rate than Option 1 • No new or specialist vehicles required <p><u>Cons</u></p> <ul style="list-style-type: none"> • Service user dissatisfaction with residual volumes • Management of increased contamination of dry recycling • Longer lead time on delivery of service change <p><u>Risks</u></p> <ul style="list-style-type: none"> • Walsall has relatively high amounts of residual waste. With no food waste collection there is an implementation risk that the bins are too small – Mitigate with trials and consultation?
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3.9 The table below details the estimated savings relevant to each option

Option	Rubbish	Recycling	Garden waste	Net estimated saving (including disposal diversion impact)
No change	Weekly 140 litre bin	Alternate Weekly 240 litre bin	Alternate Weekly 240 litre bin	£0
1	Alternate Weekly 240 litre bin	Alternate Weekly 240 litre bin	Alternate Weekly 140 litre bin	£736,000
2	Alternate Weekly 140 litre bin	Alternate Weekly 240 litre bin	Alternate Weekly 240 litre bin	£921,000

- a) Options 1 and 2 will deliver a reduction in collection costs.
- b) All the options modelled are price sensitive.
- c) The options appraisal used prices current at the time the modelling exercise (April 2015).
- d) The impact of disposal diversion is the adjustment of tonnages from residual waste to recycling and vice versa but does not take account of changes in rates due to the re procurement of disposal contracts.

3.10 Cabinet should note that in relation to disposal contracts, the commodity market is very volatile and the prices achieved in the tender process may be very different to the current prices and the prices used in the modelling

3.11 The value of recyclable materials has dropped considerably since the last tender process in 2011. The prices the council has benefited from during the term of the current contract are no longer achievable. Materials prices are subject to market forces and are beyond the control of the Council.

3.12 It is likely that the level of savings above may be offset by the reduced income received for recyclable materials.

3.13 Public Consultation

3.14 As part of the 2015/16 programme of budget consultation we asked the public for their views on alternate weekly collections (AWC). No details of how AWC would operate were provided. Feedback reported to February 2015 Cabinet, showed that opinions were divided, with concerns about AWC centring on the capacity of the bin to enable alternate weekly collections and also, to a lesser extent, the

smell and vermin issues that people feel may arise as a result of rubbish being left longer between collections.

- 3.15 AWC were approved as part of the 2015/16 budget. In order to develop plans for AWC and to ensure the views of the public help shape the service, further more detailed consultation on how AWC could be delivered is now required, a commitment that was made as part of the 2015/16 budget.
- 3.16 A wide and detailed programme of consultation will be undertaken, designed to gather the views of as many people as possible, from all areas of the borough and from all backgrounds. It will be particularly important to understand the views of:
- a) households of 4+ occupants
 - b) larger households 6+ occupants
 - c) households with children aged under 3 years
 - d) households that produce medical waste
 - e) households that receive assisted bin collections
- 3.17 During June and early July 2015 an initial phase of listening and engagement was conducted. This phase involved officers speaking to people within the key groups listed above as well as the public more generally. Findings from this initial phase have been used to inform the formal phase of consultation and to refine the options.
- 3.18 Approach to Public Consultation
- 3.19 Consultation will begin on 30 July 2015 for a 10-week period allowing sufficient time for people to fully consider the options and have their say.
- 3.20 Consultation will focus on:
- a) Finding out which option for AWC people prefer
 - b) Understand the impact(s) each option may have on individuals/households
 - c) Understand any concerns people may have
 - d) Invite suggestions for alternative options
- 3.21 Consultation will take the form of both quantitative and qualitative methods.
- 3.22 A questionnaire will be sent to a random sample of households, with addresses drawn from the council's Local Land Property Gazetteer (LLPG). The LLPG comprises an up-to-date source of addresses and includes the type of waste collection received. This will be used to exclude businesses and households who receive a communal collection, as they will not be affected by the changes. Using a stratified random sample, we will aim to receive at least 1,100 responses for meaningful analysis. We will look to boost response rates in areas that have previously not responded well to postal surveys. Those sent the postal questionnaire will be given the opportunity to complete it online, reducing the cost of data entry and return postage.
- 3.23 The questionnaire will also be made available online, in libraries and handed out at Household Waste Recycling Centres (HWRCs). Data from these

questionnaires will be analysed separately to the random postal survey as different sampling approaches are being used. A separate online questionnaire has been created for the People's Panel (a 550 strong online panel) and council staff who live in the borough.

- 3.24 The closing date for all questionnaire formats will be 8 October 2015, to allow sufficient time for data entry, analysis and reporting to Cabinet/CMT prior to December Cabinet.
- 3.25 In order to understand views and concerns in more detail, qualitative research in the form of at least 20 informal sessions, where there will be an opportunity for people to express their views face to face, have been planned. These will cover every Area Partnership in locations such as Libraries, First Stop Shop, Children's Centres, Fun Days, Community Events, Local Shopping Centres and Markets. The sessions will take place throughout July, August and September.
- 3.26 Clean and Green officers will staff the sessions, answering questions and encouraging people to have their say via the use of questionnaires, comment boards and discussion.
- 3.27 Meetings to discuss the options are being held with disabled groups including the Disability Forum.
- 3.28 100 short telephone interviews, conducted by Clean and Green staff, will be held with a random sample of households who have larger bins and/or produce medical waste.
- 3.29 Findings from the qualitative research will be thematically analysed and reported alongside the results from the questionnaires to give a full and detailed picture of opinions.
- 3.30 The Consultation will be promoted via the local press, the Council's website and social media, via partner organisations including the Community and Voluntary Sector, Area Partnerships, on suitable customer facing plasma screens and in Public Council buildings including Libraries, Leisure Centres, and Day Centres.
- 3.31 Sufficient background information on the waste collection service, the options, as well as any early options that were discounted, will be published online and made available in libraries as well as on request. This transparent approach supports intelligent consideration and meaningful comment.
- 3.32 All consultation methods will be supported by sufficient background information with details about how to access further information online should they wish to.
- 3.33 Throughout the Consultation interim results will be shared with the Portfolio Holder and the Corporate and Public Services Scrutiny Committee to enable full and conscientious consideration of the feedback prior to any decisions being made. In addition the demographics of respondents will be closely monitored to ensure a broadly representative response is achieved and boosted where appropriate. Full results will be reported to Cabinet on the 16 December 2015 where a final decision is required.

3.34 Procurement Strategy

3.35 Fleet:

3.36 The Council's fleet of refuse collection vehicles (RCVs) is critical to the delivery of the refuse collection services in particular its configuration for the different types of collection. Its fleet of 14 vehicles is due for replacement. In anticipation of potential service change, the procurement of replacement vehicles has been put on hold pending Cabinet approval on the new service provision. The lead-in time for procurement, order and delivery of an RCV is circa 12 months from placement of order. Against this background the options are:

- a) To extend existing leases during the transition period between now and 2016.
- b) To allow leases to expire and revert to short/medium-term contract hire in the transitional period.

3.37 Both options are achievable to meet existing and future service delivery options within current budgets and Clean & Green Services will work with corporate procurement and leasing to ensure best value for the Council.

3.38 Bins:

3.39 Option 1

3.40 If this is the preferred option, this would result in a capital requirement for bins under the larger family policy (still to be determined). Circa 2,000 households would potentially be eligible assuming six or more occupants per household.

3.41 There may be an additional impact with this option with the brown bins for the garden waste service, if additional bins are required. The way forward for additional brown bins will be dealt with separately under this option.

3.42 Option 2

3.43 If this is the preferred option, there would be a capital requirement for bins under the larger family policy (still to be determined). Circa 25,000 households would potentially be eligible assuming four or more occupants per household.

3.44 Bins are currently purchased under a framework arrangement through the Yorkshire Purchasing Organisation (YPO).

3.45 Procurement and delivery timescales at this stage in the process are not definitive but, a 6-9 month lead-in will be required.

3.46 Project Timetable

Date	Activity	Formal Consideration
June – July 2015	<ul style="list-style-type: none">• Informal discussions /scope with key users• Prepare Consultation documentation	

	<ul style="list-style-type: none"> • Complete EqIA 	
July – September 2015	Public Consultation <ul style="list-style-type: none"> • Online • Mail Shots • Face to Face • Telephone 	Cabinet 22 July 2015
October 2015	<ul style="list-style-type: none"> • Review consultation outcomes • Review EqIA 	
November 2015		Scrutiny 26 November 2015
December 2015	<ul style="list-style-type: none"> • Agree preferred Option 	Cabinet 16 December 2015
January – April 2016	Implement Option 1 <ul style="list-style-type: none"> • Procurement of bins • Review of round modelling • Communication to public 	
January – October 2016	Implement Option 2 <ul style="list-style-type: none"> • Procurement of bins • Review of round modelling • Communication to public 	

4. Council Priorities

4.1 The Corporate Plan establishes the following priorities for the Council- With fewer resources available we will concentrate on protecting the most vulnerable and reducing inequalities through:

- Support with Cost of Living
- Creating Jobs and helping people get new skills
- Improving Educational Attainment
- Helping local high streets and communities
- Promoting health and well-being
- Helping create more affordable housing

4.2 The change to AWC will contribute to delivering the following priorities contained in the Corporate Plan, Helping local high streets and communities and Promoting health and well-being. By :

- Reducing the waste to landfill
- Maximising recycling collections

- Reducing traffic movements of large goods vehicles, improving environmental benefits, saving fuel and reducing the carbon footprint
- Reducing the frequency of bins presented for collection
- Minimising Health and Safety risks by reducing vehicle movements

5. Risk Management

5.1 Option 1

5.2 Where recycling is set-out in wheeled bins it can be difficult to manage contamination. The terms for how contamination will be dealt with under the new MRF disposal contract may well be different to the current terms. However, contamination will still need to be controlled. Reduction in residual (rubbish) household capacity from 140 litres per week to 120 litres per week. Risk of capacity issues and cross contamination into recycling and garden waste streams. Increased communication and collection monitoring will be required to minimise this risk.

5.3 Use of 140 litre bin for garden waste collections is not common practice nationally. Risk of capacity issues and the nature of garden waste materials being difficult to discharge from a smaller/narrow bin at point of collections which could have operational impact on collections. It may be possible to offer larger or second garden waste bins to properties on a chargeable basis.

5.4 Option 2

5.5 Reduction in residual (rubbish) household capacity from 140 litres per week to 70 litres per week. Risk of capacity issues and cross contamination into recycling and garden waste streams. Where recycling is set-out in wheeled bins it can be difficult to manage contamination. The terms for how contamination will be dealt with under the new Materials Recycling Facility (MRF) contract may well be different to the current terms. However, contamination will still need to be controlled and there is a significant risk under the 140 litre option that this control will involve additional costs and/or that contamination levels become excessive (i.e. beyond the reasonable levels that can be managed in a MRF). Increased communication and collection monitoring will be required to minimise this risk.

5.6 There are very few examples of 140 litre bins being used for residual waste fortnightly, making benchmarking difficult and to estimate the impact. Walsall has relatively high amounts of residual waste. With no separate food waste collection there is an implementation risk that the bins will prove to be too small. Large family policy to be reviewed and amended accordingly.

5.7 The increased cost of disposal and recycling has been highlighted as a budget pressure for 2016-17 onwards. The introduction of AWC will help to mitigate the risk of increased disposal costs.

5.8 The impact of the re-procurement of tenders will not be known until autumn 2015.

5.9 The following risks have been identified dependant on the preferred Option:

- 5.10 The public will see a reduction in service and could be reluctant to cope and accept change. Capacity issues, perceptions of fortnightly residual collections, acceptance and compliance with the service requirements may be an issue. Positive communications will be required to mitigate this.
- 5.11 The national picture continues to show a trend of Authorities moving away from weekly residual collections. A recent benchmarking exercise via APSE (the Association of Public Service Excellence), with 72 Local Authority respondents, carried out in March and April 2015 identified:
- a) 72% of Authorities were operating AWC collections for residual waste
 - b) A further 5 expected to go to AWC collections within the next 2 years
 - c) A further 4 expected to go to 3 weekly collections within the next 2 years
 - d) A further 2 expected to go to 4 weekly collections within the next 2 years
- 5.12 Waste diversion to HWRC sites will result in increased demand and pressure on sites particularly at peak periods such as weekends and bank holidays. Traffic management issues in relation to queues at peak periods are likely. Additional monitoring of the HWRC contracts will be required.
- 5.13 In order to optimise operational efficiencies, collection rounds will need to be reviewed and re-modelled moving towards a model of area based working. The likely impact is circa 80% of households will experience day changes to their current collection day. Risks will include presenting bins on wrong day of collection. Positive communications will be required to mitigate this risk and the risk is likely to be a low/short life risk immediately, proceeding implementation which would normalise within the first few weeks. There is likely to be additional short term demands on contact centre resources which can be mitigated by up scaling staffing levels during the implementation stage. Additional costs will need to identified and funded from within the service.
- 5.14 In order to implement a smooth transition of service a robust communication strategy will need to be developed and implemented. Failure to do so may result in the risk of longer term challenges of managing public perceptions, dealing with contamination and capacity issues, and ensuring service compliance and expected service standards. A communication plan will be developed and implemented. Additional costs will need to identified and funded from under spends or windfall income within the service.

6. Financial Implications

- 6.1 The figures identified within the report in Section 3 above are estimated figures and cannot be finalised until implementation is complete. Tonnage diversions can only be estimated and final resources required are dependent on take up of larger bins, route optimisation and location of disposal sites.
- 6.2 Additional capital funding will be required for the purchase of additional bins dependent upon the preferred option. Estimates of capital funding requirements are detailed below.

	Option 1	Option 2
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Procurement of additional bins	£37,000	£463,000
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- 6.3 Cabinet should note however that the Council is in the process of re-tendering waste and recycling contracts. Historically, the Council has received income for the sale of co-mingled recyclable materials, although this has been compromised by contamination levels. However since the recession material prices have dropped and material quality is an area of major concern. Members should note that actual prices will not be known until the tenders have been received (autumn 2015) and, given the market fluctuations, they could be very different to the prices used in the modelling exercise
- 6.4 The costs of the consultation including consultants, leaflets etc will be covered by a carry forward and budgets within the service.

A summary of the key estimated figures is as follows:

Item	Option 1 (Swapping Garden and Residual Bins)	Option 2 (Alternate Weekly Restricted Residual)
Annual collection cost savings	£736k	£921k
New bin cost (capital)	£37k	£463k
Implementation date	May 2016	October 2016
16-17 savings	£675k	£461k

7. Legal Implications

- 7.1 Contracts will be procured in accordance with Public Contract Regulations. Clean and Green will consult with Procurement and Legal Services to ensure compliance.
- 7.2 Public Consultation and an EQIA's are required due to a service change under the Public Sector Equality Duty.
- 7.3 Under Best Value Statutory Guidance we should make arrangements to secure continuous improvement in the way in which our functions are exercised, having regard to a combination of economy, efficiency and effectiveness. To achieve the right balance – and before deciding how to fulfil their Best Value Duty – authorities are under a Duty to Consult representatives of a wide range of local persons; this is not optional. Authorities must consult representatives of council tax payers, those who use or are likely to use services provided by the authority, and those appearing to the authority to have an interest in any area within which the authority carries out services.

8. Property Implications

- 8.1 None.

9. Health and Wellbeing Implications

9.1 There are no direct health and wellbeing implications in respect of this report.

10. Staffing Implications

10.1 AWC will result in a reduction in the staffing profiles as detailed below:

Position	Option 1 Numbers	Option 2 Numbers
Operational Team Leader	2	2
Environmental Driver LGV	5	5
Environmental Operative	8	8
Total	15	15

10.2 Clean and Green has sufficient vacant full time posts (currently occupied by agency labour) to mitigate a compulsory redundancy situation.

11. Equality Implications

11.1 An Equality Impact Assessment will be required during and after the public consultation period. Equality Impact Assessments for service change and organisational change have been started and will be updated during and after the consultation process and completed prior to the scheduled report to Cabinet in December 2015.

11.2 The EIA will ensure policies and the way we carry out our services do what they are intended to do for everybody with consideration for those with protected characteristics such as disability, gender, including gender identity, and racial equality.

12. Consultation

12.1 This is covered in the main body of the report.

Background Papers

1. Cabinet Report 17.12.14; Contracts for treatment, recycling and final disposal of municipal waste.
2. Cabinet Report 17.12.14; Compliance with the Waste Framework Directive and waste (England and Wales) Regulations 2011 – Recycling Collections and Material Streams
3. Cabinet report xx – Budget setting items xx
4. Options Appraisal Outcomes Report
5. Consultation Questionnaire (Appendix 1)?

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14 July 2015



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Portfolio Holder Clean and Green

14 July 2015