

Allerdale Borough Council

Allerdale Waste Services Shareholder Committee

08 September 2021

Waste and Recycling Collection Round Design Options

Portfolio holder	Councillor Jim Lister Portfolio Holder for Environmental Services
Report from	Charles Holmes, Managing Director
Wards affected	All Wards
Is this a key decision	No

1.0 The reason for the decision

- 1.1 This report provides an update on the options for the future waste and recycling collection round designs and outlines the potential associated annual costs of the options and the impact they will have on the Council's budget. The collection of Waste and Recycling makes a positive contribution towards the Council Strategy 2020-2030 and helps improve the lives of all who live, work and visit Allerdale.

2.0 Recommendations

- 2.1 It is recommended that the Shareholder Committee review the options for the future design of the collection rounds and provide confirmation of the option which is to be to be fully developed for implementation.

3.0 Background and Introduction

- 3.1 The Council's Executive met on 2 December 2019 and agreed to the operation of a Local Authority wholly owned trading Company (LATCo) in line with the Business Plan presented to the Executive. The creation of the LATCo was in response two main drivers:

- To deliver cost effective and sustainable services into the longer-term with increased flexibility to deal with changes in financial circumstances.

- To meet the wider aims underpinning the Council Plan 2019-23, being the delivery of
 - Economic opportunity and growth
 - Stronger and healthier communities
 - Quality places to live

3.2 The collection of waste and recycling was transferred to Allerdale Waste Services Ltd on 3 April 2020. The Company has operated in this capacity, gaining a better understanding of the operational costs of the service and worked with the Council to further develop the options for the future of the service. These options are presented in this report for the purposes of the Shareholder Committee to decide on the future option to fully developed and mobilised for commencement of operations.

4.0 Content

4.1 The waste collection round options have been developed through the work undertaken by the Council, Allerdale Waste Services and Webaspx. If these rounds are to be used, they will require additional work to be mobilised as “operational” rounds. This further work with Webaspx and Whitespace including agreed timescales and engaging with the workforce at Allerdale Waste Services will aim to ensure that there is a smooth transfer at the time the new collections commence. These conversations are ongoing.

4.2 The current service comprises of the domestic residual waste collections carried out on the same day each week, with a combination of recycling on fortnightly basis and paper and card on a 4 weekly basis also on that same day. Trade waste collections are included in the current service, often collected as part of the domestic rounds

4.3 The proposed options include:

- Weekly collections of residual waste, with different collection days for the different waste streams, including trade waste collections
- Fortnightly collections of residual waste, with different collection days for the different waste streams, included trade waste collections.

n.b. we will work to ensure that the number of different collection days will be kept to a minimum

4.4 For each of these options there is a further opportunity to separate the trade collections from the domestic rounds operating the trade service as a separate entity. This opportunity would provide improved domestic tonnage data as well as a commercial opportunity.

4.5 There is a requirement to restructure the collection of waste and recycling to enable cost savings and efficiencies to be made. There is a base budget saving of £200k to be made as identified through the budget setting process for 2021/22. Depending on annual outturn this may increase.

4.6 The table below sets out the four options and provides a project timeline for implementation, provisional costs and an indicative potential savings.

Options		2021/22		2022/2023				
		Qtr3	Qt4	Qtr1	Qtr2	Qtr3	Qtr4	
Option 1 – Domestic weekly collections with trade combined on different collection days	EXP	33K						
	INC		potentially 83K	356K				
Options 2 - Domestic fortnightly collections with trade combined on different collection days	EXP	33K	166-605K*					
	INC					432K		
Option 3 – Domestic weekly collections with trade separate	EXP	33K						
	INC		*Unknown – options to develop trade					
Option 4 – Domestic fortnightly collections with trade separate	EXP	33K	166K-605K*					
	INC					305K		

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4.7 As noted above in 4.1 more detailed workings are required to quantify budget savings and associated costs.

5.0 Option analysis

Option 1: Domestic weekly collections with trade combined on different collection days	
Advantages	Disadvantages
<ul style="list-style-type: none"> • An easy option in relation to lift and shift • Meets base budget savings requirement potentially in 2021/22 and fully in 2022/23 • Potential 3 months savings in 2021/22 - £83K 	<ul style="list-style-type: none"> • No improvement in recycling rates <ul style="list-style-type: none"> ◦ Currently lower than Copeland and Carlisle • No reduction of residual tonnages

<ul style="list-style-type: none"> • Reduction of 3 leased vehicles <ul style="list-style-type: none"> ○ providing environmental benefits and savings • Reduction of associated transport costs • Reduction in staffing levels • Easiest and quickest option to implement • Least disruption • No container costs • No delivery costs • No public consultation • No change to the current waste policy 	<ul style="list-style-type: none"> • Mismatch of collection arrangements with Copeland and Carlisle • Frequency of collection <ul style="list-style-type: none"> ○ EPR necessary costs and 80% threshold • Disruption impact unknown • Dedicated project team • No trade service growth <ul style="list-style-type: none"> ○ Possible loss of customer base • No capacity for additional service e.g. events
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Option 2 - Domestic fortnightly collections with trade combined on different collection days	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Alignment of current collection arrangements with Copeland and Carlisle • Potential increase in recycling rates • Recycling behavioural change • Reduction of 7 vehicles <ul style="list-style-type: none"> ○ reduction of associated transport costs ○ reduction of staffing levels ○ substantial environmental benefits • Significant potential savings subject to bin capacity choice <ul style="list-style-type: none"> ○ Unlikely to be fully realised until 2023 	<ul style="list-style-type: none"> • Considerable initial capital spends • Containers – currently unbudgeted • Savings unlikely to be fully realised until 2023 • Considerable project management resource <ul style="list-style-type: none"> ○ Criteria data collection and validation if different bins sizes are introduced based on household numbers • Policy change required <ul style="list-style-type: none"> ○ Impact in relation to timeframe for consultation • Public dissatisfaction • Future collection plans in Copeland and Carlisle unknown • Decision on joint collection arrangements can be/will be made by the new authority • Disruption impact unknown

Option 3 – Domestic weekly collections with trade separate	
Advantages	Disadvantages
<ul style="list-style-type: none"> • As option 1 above without savings 	<ul style="list-style-type: none"> • Additional resources required to grow the trade waste service

<ul style="list-style-type: none"> • Separating trade waste will enable future growth <ul style="list-style-type: none"> ○ particularly relevant in establishing a commercial trade collection service across the new West Cumbria Unitary Authority • Trade waste externally provided in Carlisle, in house service for residual only in Copeland 	<ul style="list-style-type: none"> ○ Sales teams ○ Delivery teams ○ Finance and legal support • Disruption impact unknown • Dedicated project team
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Option 4 – Domestic fortnightly collections with trade separate	
Advantages	Disadvantages
<ul style="list-style-type: none"> • As option 2 above • Reduction of 5 vehicles <ul style="list-style-type: none"> ○ reduction of associated transport costs ○ reduction of staffing levels ○ substantial environmental benefits 	<ul style="list-style-type: none"> • Additional resources required to grow the trade waste service <ul style="list-style-type: none"> ○ Sales teams ○ Delivery teams ○ Finance and legal support • Disruption impact unknown • Considerable project management resource <ul style="list-style-type: none"> ○ Criteria data collection and validation if different bins sizes are introduced based on household numbers

5.1 The Government’s Resources & Waste Strategy will introduce several new areas of legislation in relation to the production, collection, and processing of Waste & Recycling.

This could include:

- Mandatory collection of a core set of materials.
- Mandatory weekly collection of food waste.
- Free minimum garden waste service (240L, fortnightly).
- Replace recycling credits of packaging, and potentially non-packaging, and introduce the concept of necessary costs.
- Introduction of an Extended Producer Responsibility (EPR)Scheme.
- Introduction of a Deposit Recycling Scheme (DRS) for Plastic Bottles and cans.

5.2 Government announced the outcome of the LGR consultation on 21 July 2021 and announced that it intends to progress with the Allerdale and Copeland joint proposal for two unitary councils – East and West Cumbria. The next step will be for the Government to issue a Structural Change Order to the existing Authorities, outlining the process for the creation of the new Councils. Following this it is likely that a Shadow Authority will be created for West Cumbria which will agree how the services in the new Authority will be structured.

5.3 Consideration therefore needs to be given to the implementation of the change at a time when the details of the services to be delivered by the new Unitary Authority are at a

formative stage. The new unitary authority will be both the collection authority (as the districts currently are) and the disposal authority (the County Council's current role).

- 5.4 Additional work will be required by Webaspx and Whitespace to transpose the tactical rounds to an operational round for service delivery on the ground. This work is estimated as £13,000 currently.
- 5.5 Thought needs to also be given to the issuing of new hard copy paper calendars to some/all households, prior to the commencement of the new rounds. Should this be required that estimated cost is up to £20,000 for all households.
- 5.6 If a different frequency to weekly is chosen then we need to agree the size of containers to be used then it will be necessary to undertake a procurement exercise for the purchase and distribution of any new containers.
- 5.7 The approach to bins size that is taken by Council's that collect waste on a fortnightly frequency varies. Copeland Borough Council and Carlisle City Council currently collect refuse in a 240ltr container and have a policy for households requesting a larger container or additional container as shown below
- 5.8 The most recent large scale bin procurement exercise undertaken by the Council produced a unit cost for the purchase and distribution of new 240ltr containers at approx. £17.30 (depending on the current unit costs and volumes this may change)
- 5.9 Therefore, if a decision is to issue a replacement container to all residents on a 120L currently, a conservative estimate for the purchase and distribution of 240L containers to align with the other authorities (based on 35,000 households requiring larger bins) would be £605K.
- 5.10 If a different criterion to providing a 240L for every household is developed, the costs would reduce as below, however this would require a policy change, discussion with our new partners and additional resources to establish evidence-based validations.
 - £166k (20% of new containers required)
 - £332k (40% of new containers required)
 - £498k (60% of new containers required).

6.0 Conclusion

- 6.1 Option 1 appears to provide the best opportunity in the short term to meet the project goal of providing savings for the Council before the advent of Local Government Reorganisation and prior to the as yet unknown implications of the Environment Bill.
- 6.2. In addition to the required savings this option provides least disruption for the residents but also provides significant environmental benefits in terms of vehicles being taken off the road.
- 6.3 If that option is chosen then the Council will work with our new partner authorities and the Cumbria Strategic Waste Partnership to amalgamate and consolidate our services at a future date but also to look at the efficiencies that removing geographical boundaries can achieve such as directly delivering waste from the

north of the Borough to Hespian Wood in Carlisle or having households in the north of the borough collected out of the Carlisle depot. Such efficiencies would remove yet more vehicles from the roads with the associated environmental benefits.

6.4 The possibility of;

- mandatory weekly food collections,
- reduced tonnages of drinks cans and bottles due to the proposed Deposit Return Scheme,
- the removal of Recycling Credits to be replaced by the payment of 'necessary costs' and the associated incentives and
- the introduction of a core set of materials to be collected

in the near future all mean that the requirements for councils beyond 1/4/23 are as yet unknown and will develop as we work with our new partners and any wholesale changes now may be counterproductive in the medium term.

6.5 There is potential for Allerdale Waste Services to enhance their trade waste offering across the new authority and officers will work on this over the coming months to ensure that Allerdale Waste Services are well placed to take advantage of the new opportunities.

7.0 Delivery arrangements

7.1 Consideration needs to be given to the resourcing requirements to successfully enable all the stages outlined in this report to be delivered as well as the work which will be needed to deliver the Local Government Reorganisation arrangements and also in the case of the Waste Team the outcomes of the Environment Bill consultations.

7.2 It is recommended that the project itself is fully resourced through the Programme Office, with a project group consisting of officers from Allerdale Waste Services, Finance, Waste Services, Procurement, Communications and Customer Services.

8.0 Implications and Impact

8.1 The work of Allerdale Waste Services and the proposals set out in the report meet the following Council's Priorities in the Council Strategy for 2020-2030:

- A financially secure Council – through providing options to help address the projected budget gap and contribute towards becoming self-sufficient by 2030
- A cleaner greener Allerdale – by providing options to reduce waste and increase recycling and in collecting waste and recycling making sure our neighbourhoods are clean and tidy
- Outstanding local services – by looking at new and better ways to deliver our services
- Thriving towns and villages – by helping to keep clean and tidy encouraging people to visit our towns.

9.0 Legal and governance implications

- 9.1 Allerdale Borough Council has a legal duty to collect Waste and Recycling as outlined through the 1990 Environment Protection Act. The Council's Executive meeting on 2 December 2019 agreed to the operation of a Local Authority wholly owned trading Company (LATCo) to perform this function on behalf of the Council.
- 9.2 Following the establishment of Allerdale Waste Services as the LATCo, a contract was entered into in the form of a Services Agreement between the Company and the Council. This provides the legal framework, including the Services Delivery Plan, financial arrangements, and performance indicators associated with the delivery of the services. The Services Agreement will need to be amended and agreed following any agreement to change the delivery of the service.
- 9.3 This Shareholder Committee was formed to provide the governance framework overseeing the activities and operation of the Company and the decision-making body in relation to contractual arrangements. The decision-making authority given to the Shareholder Committee is provided through the Reserved Matters of the Committee.

10.0 Increasing satisfaction and service

- 10.1 The collection of Waste and Recycling is a key service provided by the Council, providing a weekly contact with every household and over 1,600 businesses through the trade waste service. Historically, the Council has experienced consistently high satisfaction in relation to waste and recycling services over a number of years.
- 10.2 The issues experienced by the Council throughout 2019 led to significant and widespread complaints about the service and have highlighted the importance of this service area and the link to satisfaction with Council services.
- 10.3 The options presented in this report provide for a refocus of the Waste and Recycling Service and present an opportunity to promote the importance of the service in reducing waste and increasing levels of recycling across the Borough. The existing recycling model of commingled (glass, cans and plastics) a separate paper and card collection and the collection of garden waste is popular with residents and undoubtedly contributed to the high levels of satisfaction with doorstep recycling.
- 10.4 The existing collection service and reprocessing route through the Transfer Station at Lillyhall and the Material Recovery Facility (MRF) in Hespian Wood, Carlisle is well established and therefore it is not proposed to alter the materials collected for recycling and the method of collection in the short term. The proposals provide a number of options for a change of frequency, timing of collections albeit the Waste Management Plan for England is proposing a number of changes to materials collected.

11.0 Equality impacts

- 11.1 There is no evidence that any particular groups with protected characteristics will be at a disadvantage from the implementation of the options presented. Collection

of Waste and Recycling is provided to all domestic properties without reference to the occupiers.

- 11.2 This includes the collection of waste from unofficial traveller sites in the Borough. Assisted collections are available for those residents unable to present their Waste and Recycling at the kerbside. An Equality Impact Assessment is attached to the report at Appendix 1.

12.0 Health and Safety impacts

- 12.1 Allerdale Waste Services Limited recognises its responsibility under current Health & Safety legislation and believes that incidents and ill health are preventable - this belief underpins our commitment to people and assets.
- 12.2 All options outlined and implemented will be developed and implemented putting the safe working of our workforce at the forefront of our operations. Allerdale Waste Services Health and Safety Policy Statement is attached at Appendix 2 of this report.

13.0 Health, wellbeing and community safety impacts

- 13.1 The collection of Waste and Recycling has a positive impact upon the health, wellbeing and community safety of our residents.

14.0 Environmental/sustainability impacts

- 14.1 Allerdale Waste Services recognises the importance of environmental protection and will comply with all environmental legislation, regulations and appropriate codes of practice relating to the processes and activities of the Company. It is the Company's objective to co-operate and maintain good relations with all regulatory authorities.
- 14.2 In addition to taking vehicles off the road the options developed and the re-routing and re-rounding of the service will be done to minimise the distance travelled and the use of fuel. All future vehicles procured will be to Euro 6/VI emission standards. In adopting the Euro 6/VI vehicle emission standards, these we can achieve up to a 99 percent reduction in the emission of pollutants like fine particulate matter (PM2.5), reducing the risk of ischemic heart disease, lung cancer, stroke, and asthma. Most of the options being considered involve a reduction in the number of vehicles being used to support the service.

Appendices attached to this report

Appendix number	Title of appendix
1.	Equality Impact Assessment
2.	Health and Safety Policy Statement

Background documents available

Name of background document	Where it is available
N/A	N/A

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