

**PART I**

<b>SUBJECT:</b>	<b>Future Waste and Recycling Services Report</b>
<b>REPORT OF:</b>	<b>Officer Management Team - Director of Services</b> <b>Prepared by - Head of Environment</b>

**Purpose of Report**

- 1.1 To update Members on the progress of the project to introduce new waste and recycling collection services from February 2014 and seek Cabinet and Council approval for certain aspects.

**Links to Council Policy Objectives**

- 2.1 This matter is related to the following local and national policy objectives:
- South Bucks Sustainable Community Strategy and Corporate Plan Key Theme - Sustainable Environment - protecting our heritage, protecting our future.
  - Council priority to continue to improve the street scene and cleanliness of the district as a key public services coordinator
  - The current Joint Waste Management Strategy for Bucks policies, including “to secure a long-term strategy for the management of wastes for which the member authorities are collectively responsible”.
  - The Council’s recycling/composting target of 60% by 2025 as part of the Joint Waste Management Strategy for Bucks. The national target of 45% by 2015 and 50% by 2020. There are no longer District specific targets.

**Background**

- 3.1 On 13<sup>th</sup> March 2013 this PAG considered a comprehensive report presenting the background, estimated costs and operational implications of changing refuse and recycling services in the District. This PAG recommended that that a new service should be introduced prior to subsequent Cabinet sign off. In summary this service comprises:
- Fortnightly refuse collection from a wheelie bin
  - Fortnightly recycling collections using wheelie bins and existing paper boxes
  - Weekly food waste collections from a 25l container
  - Chargeable garden waste collection service
  - A start date between February and June 2014
- 3.2 Certain details relating to the service still needed to be confirmed at the time the last report was presented, and the decision on these was delegated to the most relevant Director in consultation with the Portfolio Holder for the Environment and/or Resources as appropriate. The progress of these delegations is mentioned in the relevant sections of this report.

**Discussion**

- 4.1 The project is being managed in line with the Council's Project Management Guidance and is underpinned on a day to day basis by a detailed project plan. Project Board Meetings take place every fortnight, with alternate meetings attended by senior Officers and Member representatives (Cllr Naylor and Cllr Clark). A risk register is attached as Appendix A. A Waste Project Officer has been appointed to assist the Contracts Manager.
- 4.2 Vehicles have been ordered via a letter of intent to Biffa.

#### **Capital Requirements for this Project**

- 4.3 The capital requirement for this project presented in March has been amended to take into account the addition of a garden waste (see para 5.1 below) collection vehicle, a shovel loader for management of the recycling bays at Dropmore Rd depot and updated vehicle costs at the point of order.
- 4.4 Certain items, namely roll-out publicity and staffing costs, were allocated to capital costs and should have been allocated to revenue costs; these have been removed. Conversely, certain extra costs such as wheelie bins for garden waste collections, ICT costs and glass recycling bin replacements have been added. The revised capital requirements are shown in the table in Part II of this report.
- 4.5 Although the capital costs were presented in the March report, no specific request was made at the time for monies to be allocated to the capital budget. Members are therefore asked to agree that the necessary capital monies are allocated to the Environment Unit's capital budget in the relevant financial years.
- 4.6 Members are asked to note that the £1.7m capital monies already allocated in the Council's capital programme for vehicle replacements in 2014/15 will be reduced as described in Part II of this report as it will only be required for the purchase of new street cleansing vehicles. The decision as to whether the Council should purchase these vehicles directly from the capital budget next year or ask Biffa to purchase them and spread the cost over subsequent years will be made by the Heads of Finance and Environment in consultation with the Resources and Environment Portfolio Holders in due course.

#### **Revenue Requirements for this project**

- 4.7 The revenue cost of the new service was reported in the Part II report in March 2013 is outlined in Part II of this report.
- 4.8 The following factors have affected the revenue budget since these figures were last presented:
- ❖ The advice from the Head of Finance that the publicity and staffing costs associated with the roll out of the new service cannot be paid for from capital monies. These are therefore now included as 2013/14 revenue costs;
  - ❖ The inclusion of the costs and income associated with undertaking garden waste collections ourselves rather than via Biffa's Green Waste Club.
  - ❖ The inclusion of the loss on capital incurred in 2013/14 to subsequent years, as this was omitted previously.
- 4.9 Revised revenue costs are presented in Part II of this report.

Members are asked to note that the following factors will affect the revenue calculations.

- ❖ The number of properties that sign up to garden waste collections could be higher or lower than the predicted number and our income will be affected accordingly;
  - ❖ The Avoided Disposal Savings income outlined in Part II is dependent on the IAA being signed and on a predicted and achievable level of recycling. A letter of intent has been received;
  - ❖ If more or less paper is collected than forecast, our income will be affected accordingly;
- 4.10 Following advice from the Head of Legal and Director of Resources, Officers recommend that wheelie bins and other ancillary products be purchased using an established Framework Contract. Such contracts have been specifically designed to negate the need for Local Authorities to undertake costly individual procurement exercises and this route will therefore provide best value for the Council.
- 4.11 The posts of admin staff and roll-out assistants to assist with calls and site visits have been advertised and most interviews conducted.
- 4.12 Most of the new admin staff are due to start as the first piece of publicity, a letter delivered by Royal Mail, is delivered to residents w/c 23<sup>rd</sup> September. This will be followed a couple of weeks later by further information (leaflet, FAQ leaflet and calendar) which will be delivered by Biffa over a period of 3 weeks. No delivery method is 100% accurate, but it is hoped that by sending publicity via two different routes that 100% coverage will be achieved. Additional admin staff will start in early January when the bins start to be delivered as this is likely to generate further customer contact. Use of the Council's website to access information will be encouraged.
- 4.13 A publicity plan was approved by the Environment PAG on 12<sup>th</sup> June. A public consultation exercise was undertaken and this helped to inform certain aspects of the service, such as the colour of the bins. The first round of publicity will, at the time this report is presented, be being printed and a series of dates for roadshows in October and November will be available. Member attendance and assistance at these events is requested.
- 4.14 A policy document outlining how properties will be assessed to see if they can or cannot accommodate wheelie bins has been approved by the Portfolio Holder and circulated to the Environment PAG.
- 4.15 Instead of properties that cannot accommodate a recycling wheelie bin continuing with all existing recycling boxes (black and green), it has since been decided by the Director of Services in consultation with the Environment Portfolio Holder that coloured sacks will be supplied instead as it has been confirmed that the recycling facility can accept these.
- 4.16 Two interim 18 month contracts for processing food waste and garden waste have been awarded by Bucks CC. These contracts give SBDC the security that we have locations where this waste can be taken. This, along with not knowing where our tipping points would be, was highlighted as a risk in the March report. Food waste will either be tipped at the London Rd depot or at the High Heavens facility in Wycombe. We will continue to work with Bucks CC to secure longer term treatment capacity.
- 4.17 One matter not mentioned in the March report was that in addition to the increased list of recyclable items we will be collecting from households from February 2014, we will also be collecting small quantities of textiles. Residents will be limited to presenting no more than two supermarket-sized bags of textiles per collection due to the limited storage space on the vehicles, but the textile banks at recycling centres are likely to

remain in place for larger quantities. We will be working in partnership with the Salvation Army for the initial 6 months of this service after which this will be reviewed.

- 4.18 Other aspects of the project, such as IT requirements, bring site reorganisation and contractual and operational matters relating to the end destination of the items we will be recycling are also underway and the project is currently on target.

#### **Paper recycling contract with UPM**

- 4.19 Members may recall that at the time of the previous report, the decision whether to continue collecting paper and card in the black recycling boxes or to ask residents to put card in the recycling wheelie bin (with paper only in the box) had not yet been made. This decision was delegated the Director of Services in consultation with the Environment Portfolio Holder and the latter option (paper only in the boxes) was made on financial grounds.
- 4.20 An interim variation to our joint contract with UPM is currently being finalised and a new variation, or separate SBDC only contract will be arranged prior to the service change in 2014. The effect on our income of this change is outlined in Part II of this report.

#### **Dropmore Road Depot**

- 4.21 Waste, recycling and street cleaning services operated from the site between 1<sup>st</sup> March and 26<sup>th</sup> July 2013. Biffa have since move to the Council's depot on Bath Road in Taplow whilst demolition and construction works are undertaken at the Dropmore Road site.
- 4.22 Biffa are due to move back into the Dropmore Road site by mid-December when the works are completed and the Bath Road depot will be used as an operational base for the delivery of wheelie bins to properties for circa 6 months prior to being redeveloped also. The future of Bath Road depot is considered elsewhere on the Resources PAG agenda.
- 4.23 The final design of the Dropmore Road depot was amended following planning decision on March 27<sup>th</sup>. In addition the drainage plan has been amended so that the storage bay can be used as a dewatering bay for street cleansing waste in the future if we wish. All pre-commencement conditions were cleared on time and the application for an Environment Agency permit has been submitted.
- 4.24 The bulking of recyclable materials will continue at London Rd until we can move back into Dropmore Rd and a gate fee for this is being charged by CDC/WDC's waste contractor Serco. The agreed cost of per tonne mentioned in Part II of this report is in line with budget provision.

#### **Garden Waste Collection Service**

- 5.1 At the time of the report on this matter in March, it was undecided as to how this optional service would be managed. The options were to:
- ❖ undertake this service ourselves through our existing Biffa contract and using SBDC admin staff to take bookings.
  - ❖ Ask Biffa to entirely manage the service through their separately managed "Green Waste Club"

- 5.2 At the time of the last report the latter option was preferred and this is what was taken into account when calculating the capital and revenue implications of the new waste and recycling service change as a whole. The final decision was delegated to the Director of Services in consultation with the Environment Portfolio Holder and the decision has been made to take the former option because it is more financially advantageous - i.e. that the service will be run by SBDC in partnership with Biffa and not by a separately managed part of Biffa at our request. In light of the impact of this decision on capital and revenue budgets, this decision will also need to be approved by the Head of Finance in consultation with the Resources Portfolio Holder.
- 5.3 The annual subscription cost for this service in Year 1 has been confirmed as £45 per bin reduced to £35 for orders received before 31<sup>st</sup> January 2014. It is not possible for the option of paying by direct debit for this service to be ready for the roll out although it is hoped that this will be in place for year 2. Residents will be able to pay by credit or debit card and online ordering will be encouraged.
- 5.4 The revised capital and revenue implications following the inclusion of this service are presented in the **Part II** section of this report.
- 5.5 The alternative option for properties that cannot have wheelie bins is due to be paper garden waste sacks due to the manual handling dangers of using reusable hessian/polypropylene sacks. This alternative service will only be available to properties that cannot accommodate a wheelie bin and will not be available to residents who do not want a bin or would prefer a more ad-hoc service. Residents on this alternative service will not have the same annual capacity for their garden waste as those with wheelie bins due to the cost of the sacks.

## IAA

- 5.6 A letter of intent has been received which outlines the avoided disposal income we would expect to receive from Bucks CC once this service is introduced. There are many factors that will affect the actual precise sum we will receive and the figure presented in the table in the Part II section of this report should be seen as indicative. An interim IAA is currently in place along with the assurance that it will be formally agreed and in place for 2014/15.
- 5.7 In addition to the initial distribution of publicity in September/October, the procurement of bins, vehicles and other equipment and staff recruitment discussed in this report, recruitment for the Contracts Manager's maternity cover will also commence shortly.
- 5.8 The next big challenge is the series of roadshows that will be held around the district in October/November. Residents who cannot have wheelie bins will be contacted in November/December and the bins will start to be delivered in January for a service start date of 24<sup>th</sup> February 2014.

## Conclusion

- 5.9 Members are asked to note that the project is currently on schedule but that certain vehicles are expected to be delivered up to 4 weeks late so additional vehicles will be hired to ensure that the service can be introduced as planned. Almost all outstanding details have been agreed but certain aspects of the project do still carry some risks, which are discussed at Project Board meetings.

## Resource and Wider Policy Implications

6.1 Every effort has been made to calculate accurate resource implications based on budget forecasts and the previous experience Officers have of rolling out new services such as these; but they may vary by an estimated 5% either way.

## Summary

7.1 Cabinet is requested to recommend to Council that:

1. The capital and revenue budget changes as outlined in Part II of this report are made.
2. A Framework Contract is for the purchase of wheelie bins and ancillary equipment, such as food waste caddies.

In addition, Members are asked to note that a delegation has previously been approved for the final decision on capital spend prior to placing new vehicle orders is approved by the Director of Resources in consultation with the Resources Portfolio Holder and the Head of Finance. Members are asked to extend this delegation to cover the purchase of wheelie bins and ancillary equipment.

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<b>Background Papers:</b>	<b>Previous reports on this matter.</b>