

Central Bedfordshire Council

Executive

10 May 2018

Waste Collection & Street Cleansing - Service Design and Delivery Method

Report of: Cllr Ian Dalgarno, Executive Member for Community Services
(ian.dalgarno@centralbedfordshire.gov.uk)

Responsible Director(s): Marcel Coiffait, Director of Community Services
(marcel.coiffait@centralbedfordshire.gov.uk)

Purpose of this report

1. To outline the possible options for the kerbside collection of household waste in Central Bedfordshire, consider the:
 - results of the public consultation,
 - potential impact on environmental performance,
 - financial modelling of the options and
 - operational deliverability of each option,and make recommendations for future service provision.
2. To outline the possible options for the commissioning of the kerbside collection of household waste and street cleansing services in Central Bedfordshire and recommend a preferred commissioning route.

RECOMMENDATIONS

The review of waste collection has enabled the council to set our strategy for the service for future years. Residents are strongly in favour of recycling more and saving money in the service and therefore the primary objectives are to:

- a. drive up recycling rates by making it as easy as possible for our residents to recycle
- b. give our customers a consistent service and
- c. deliver best value to our rate payers.

On the basis of this the Executive is asked to:

1. **consider the information contained in the report and appendices and approve the following recommendations that the council:**

- 2. offers a harmonised waste collection service across the whole of Central Bedfordshire.**
- Commits to increasing recycling rates to meet targets of 50% by 2020 and 55% by 2025.**
- To achieve these commitments the council will:**
- **Introduce a weekly food waste collection to the south of Central Bedfordshire**
 - **Maintain a free green (garden) waste collection service to all residents, where possible offering the choice of a bin or reusable bags**
 - **Approve the separate collection of glass as a desired future additional service to residents and include as an optional item in the procurement of the services**
 - **Support residents to maximise recycling by the use of proactive, targeted officer and contractor support particularly to those having difficulties**
 - **Following the introduction of the new recycling services and initiatives across the whole of Central Bedfordshire, recycling rates should improve the residual waste decrease, once this has been achieved, delegated authority is given to the Director of Community Services in consultation with the Executive Member for Community Services to implement a three-weekly residual collection service.**
- 3. delegates authority to the Assistant Director – Environmental Services in consultation with the Executive member for Community Services and working in conjunction with procurement officers to commence and carry out a full procurement process compliant with the Public Contracts Regulations 2015 to out-source the services to a third-party supplier in order to maximise cost efficiencies.**

Overview and Scrutiny Recommendations

- 3. Sustainable Communities Overview and Scrutiny Committee have received a report outlining the waste collection options, the interim results of the public consultation, financial modelling and environmental performance of the options and operational deliverability.**
- 4. The Committee made the recommendation that the following comments from the Committee be provided to Executive during its consideration of the proposals:-**
- i) **That a new contract allow for flexibility within its processes in order to maximise service level efficiencies.**

- ii) That the Committee support the harmonisation of service delivery across the north and south of Central Bedfordshire in relation to food waste and green garden waste collection.
- iii) That the majority of the Committee supported a £nil charge for green garden waste.
- iv) That the kerbside collection of glass, paper and cardboard be supported.
- v) That the option of a dual service [for green waste] for residents in order to increase the choices available to them be supported.
- vi) That, following changes, the directorate invest time and resources to supporting and educating the public with regards to appropriate recycling and waste disposal.
- vii) That the service be kept as simple and as streamlined as possible.
- viii) That the vehicles should be suitable for multi-operational collections as necessary, minimising the impact on the capital budget.

Background

5. The Council's waste collection services are currently delivered by Biffa Municipal Ltd. under two contracts which expire in 2019. The end of these contracts presents an opportunity to fully review the design of the services and set the way they are delivered into the future. This opportunity will not come around again for a period of at least 7 years.
6. The current recycling rate for Central Bedfordshire is 46%. Under the revised Waste Framework Directive from 2008, EU member states must achieve 50% recycling (including composting and re-use) by 2020. The EU's Circular Economy Package contain challenging recycling targets for member states of 55% by 2025, 60% by 2030 and 65% by 2035. It is expected that these requirements will be transposed into UK law.
7. In order to achieve a balanced budget, the Council is required to make significant savings and efficiencies within the Medium Term Financial Plan (MTFP). To this end the current MTFP includes a total saving target of £2.55m from retendering and changes to waste services in 2019/20 and 20/21.

8. A report to Executive on 6 February 2018 set out the options for future waste collection in Central Bedfordshire and gained approval to carry out a public consultation on the possible options for the future service. In addition to a comprehensive consultation, further work has been undertaken to further understand the financial implications, environmental performance and operational considerations for each of the options as well as learning from other Local Authority experiences and best practice.

Options Considered

9. Details of the future collection options are set out in Appendix A and described below:

Option 1. Recycling - Continue as is

10. This is the recycling system currently adopted across Central Bedfordshire where recycling is presented by residents fortnightly, mixed in a wheeled bin.

Option 2. Recycling - Separate paper and card

11. For this recycling option, residents would present their paper and cardboard in a box by the side of their wheeled bin containing the rest of the recycling (plastic packaging and metal tins and cans) and they are collected fortnightly.

Option 3. Recycling - Separate glass

12. This recycling option is the same as option 1 with fortnightly collection of recycling, but glass would be collected separately using a box by the side of the wheeled bin containing plastic packaging, tins and cans, and paper and card. This is the current recycling system for around 13,000 households in the south of Central Bedfordshire.

Option 4. Weekly food waste collection

13. This involves the roll out of separate weekly food waste collection in the south to harmonise the service across the whole of Central Bedfordshire. All residents in the south would receive a small brown outdoor caddy to use for kerbside collections and a smaller kitchen caddy and a roll of bags to use in the house.

Option 5. Three-weekly residual (black bin) collection

14. This involves the collection of residual (black bin) waste on a three-weekly basis rather than fortnightly.

Option 6. Chargeable green (garden) waste collection

15. This involves charging for the green waste collection, for residents who want to use it. Green waste would be collected fortnightly and for the full year rather than the 9 months of the current service. The service would be optional and an indicative annual charge of £40 per household has been proposed and consulted on.

Summary of Findings

16. The **consultation results** show that the public are highly supportive of increasing recycling with 95% of respondents to the open survey agreeing that people should be helped to recycle as much as possible. A majority also supported the need to make savings in this service. There was a preference for separate food waste collections and separate paper/card recycling services and there was also majority support for the separate collection of glass. Opinions are less positive on both three-weekly residual (black bin) collections however, such views would be influenced if mitigating factors were put in place such as keeping other services as they are. A chargeable garden waste service was the least popular option.
17. **The environmental performance** analysis would suggest that all options, when combined with the roll out of food waste, would increase recycling rates. However, not all options are predicted to achieve the environmental performance target of 50%. The option that delivers the highest recycling rate includes food waste collection together with separate glass collection and three weekly black bin collection which is predicted to achieve 57% recycling. This would exceed the expected 2025 target of 55% recycling.
18. **The financial modelling** assumes food waste collections are rolled out across the area. The modelling suggests that the most cost-effective combination of options would be to move to a new recycling service including separate paper and card collection and food waste collection services, combined with the introduction of a year-round, discretionary and chargeable garden waste service. Whilst there are some variables that would affect the costings of this (e.g. take up of the garden waste service and market value of paper and card) this combination would enable the highest financial savings. The next best value combination would be to introduce three weekly residual black bin collections (instead of chargeable garden waste) together with separate paper and card collection and food waste collection services.

However, with the current market instability for paper and card in particular this combination becomes less favourable.

19. There are some important **operational issues** which have been highlighted which could impact the deliverability of the options. Some would require appropriate service negotiations or policies to enable the option to be delivered or to mitigate their impacts. The most significant impacts, however, are the current uncertainty in the market for recyclable materials and the introduction of the new national Deposit Return Scheme and the UK Plastics Pact which will have an unknown impact on the current volumes of material collected at the kerbside. Because of this uncertainty, it would not be sensible to make wholesale changes to the collections of recycling at this time, particularly where the case for change is based on either the cost or volume of collected materials. However, the council would see financial benefits from operating the service over the whole area, rather than via the two separate contracts currently in place. Offering a harmonised service enables efficiencies and economies of scale from working across the whole area rather than in two separate geographic zones related to the old districts.

Consultation Results

20. In order to fully understand the views of the residents of Central Bedfordshire, the council has undertaken an extensive consultation exercise which launched on 26 February and closed on 20 April. The approach included:
 - Household leaflets delivered across Central Bedfordshire and inviting 211,000 residents to give their views on options around future recycling and waste services
 - A written survey, open to all residents, and available on line and through paper copies
 - A telephone survey with a sample of 1,200 people who are representative of the whole population
 - A series of discussion groups with residents from towns and villages across Central Bedfordshire
 - A series of drop in sessions to answer resident's queries and encourage participation in the consultation.
21. The Council promoted the consultation widely and at the close of the consultation 15,086 responses have been submitted via the open survey. The full Consultation Results report can be found in Appendix B and includes the results of the open survey, the telephone survey and feedback from discussion groups.

22. A summary of the headline results is set out below:
- There are some consistent themes from all of the consultation methods.
 - Almost everyone agreed it is important to help people to recycle as much as possible.
 - The majority agree that savings should be found from these services.
 - On recycling, retaining the status quo was the least preferred option, with majority support for both the alternatives (separating paper and card and glass collections).
 - Separating paper and cardboard is the most popular recycling option.
 - The majority of respondents support food waste collection for households across Central Bedfordshire.
 - The majority do not support three weekly black bin collections, although over a third did.
 - Retention of free garden waste collection and introduction of food waste collection would be the most influential factors in changing the opinions of residents who disagree.
 - The introduction of charges for green waste collection was the least preferred option with less than a third supporting it.
 - Retention of the fortnightly domestic waste collection would be the most influential factor in changing the opinions of those who disagreed with charging for green waste. However, a greater proportion said that their opinion could not be changed.
 - Comments in the surveys and focus groups highlight some of the practical issues and concerns residents raised about each of the options and how some of these could be mitigated.

Environmental Performance

23. The modelled recycling and residual waste mass flow for each of the collection options was used to calculate the greenhouse gas (GHG) emissions of collection and disposal. The model accounts for the GHG impacts from the following activities:
- Recycling in to other items;
 - Residual (Black bin waste) disposal;
 - Infrastructure (running of MRFs and depots); and
 - Transport (collection and onward transport).

All options show a net GHG reduction due to the collection of food waste from the south of the area.

24. The recycling rates for each option have been modelled and are set out in table 2. These all show an increase on the current rate of 46% due to the collection of food waste in the south. The combination of options that is likely to generate the highest recycling rate is Recycling Option 3 – separate glass, weekly food waste collection and three-weekly black bin collection.

Table 2- Predicted Recycling Rates

Recycling Option	Food (Option 4)	Residual (Option 5) (where applicable)	Chargeable Garden waste (Option 6) (where applicable)	Recycling Rate
Recycling (Option 1)- Co-mingled Recycling (as is)				
Option 1	Weekly	Fortnightly	Free	49%
Option 1 with 3-weekly residual	Weekly	3-weekly	Free	55%
Option 1 with chargeable garden	Weekly	Fortnightly	Chargeable	48%
Recycling (Option 2)- Co-mingled with Separate Paper & Card				
Option 2	Weekly	Fortnightly	Free	49%
Option 2 with 3-weekly residual	Weekly	3-weekly	Free	55%
Option 2 with chargeable garden	Weekly	Fortnightly	Chargeable	48%
Recycling (Option 3)- Co-mingled with Separate Glass				
Option 3	Weekly	Fortnightly	Free	51%
Option 3 with 3-weekly residual	Weekly	3-weekly	Free	57%
Option 3 with chargeable garden	Weekly	Fortnightly	Chargeable	51%

25. When looking at each recycling option independently, only Recycling Option 3 – separate glass (with food waste collection), would achieve the target of 50% by 2020. Recycling Options 1 and 2 (with food waste collection) achieve the target once combined with three-weekly black bin collection. Any combination of the recycling options with food waste collection and three-weekly collection look to increase recycling rates to 55% or more which is the expected recycling target for 2025.
26. To improve the quality and volume of recycling the Waste (England and Wales) Regulations 2012 require all local authorities to collect paper, glass, plastics and metals separately from each other unless it can be demonstrated that it is not necessary to produce high quality/volumes of recycling or it is not technically, environmentally or economically practicable to do so. The analysis carried out indicates that separate collection of one or more of the four materials is not 'necessary' to comply with the regulations and so any of the options is suitable to take forward.

Financial Modelling

27. The Environmental Services team have accessed independent consultancy support from environmental consultancy Eunomia, funded by the Waste and Resources Action Programme (WRAP) to investigate the requirements and related costs for all options available to the Council for service design. The modelling includes one off capital costs of containers and infrastructure such as adaptations required at tipping facilities, the ongoing capital costs of container replacement and ongoing revenue costs of vehicles, staff, depots, waste transfer, waste disposal and recycling material sales. The capital costs include MRP and interest over 10 years.
28. The indicative costs and savings of each of the options has been modelled in comparison to the Business as Usual (BAU) baseline and are set out in table 1 below.

Table 1- Financial Costs/Savings against Baseline (BAU)

Recyling Option	Food (Option 4)	Residual (Option 5) (where applicable)	Chargeable Garden waste (Option 6) (where applicable)	Costs/Savings (,000)	
				Annual Revenue Cost	Total Capital Cost
Recycling (Option 1)- Co-mingled Recycling (as is)					
Option 1	Weekly	Fortnightly	Free	£15	£603
Option 1 with 3-weekly residual	Weekly	3-weekly	Free	-£1,105	£792
Option 1 with chargeable garden	Weekly	Fortnightly	Chargeable	-£1,846	£1,206
Recycling (Option 2)- Co-mingled with Separate Paper & Card					
Option 2	Weekly	Fortnightly	Free	-£1,353	£2,527
Option 2 with 3-weekly residual	Weekly	3-weekly	Free	-£2,720	£2,527
Option 2 with chargeable garden	Weekly	Fortnightly	Chargeable	-£3,214	£2,943
Recycling (Option 3)- Co-mingled with Separate Glass					
Option 3	Weekly	Fortnightly	Free	-£65	£1,088
Option 3 with 3-weekly residual	Weekly	3-weekly	Free	-£1,075	£1,083
Option 3 with chargeable garden	Weekly	Fortnightly	Chargeable	-£1,926	£1,501

Important note: The figures are indicative only and are to be used as a comparison between the various options rather than taken as an absolute cost or saving. They do not show cost variances against the base budget held in the service.

29. These figures include the savings that would be made from the efficiency and economies of scale of operating a unified service across the whole of central Bedfordshire rather than the two distinct areas and differential services currently in place.
30. The roll out of weekly food waste collections to the south of the area has been included in the modelling for all options. This was a prerequisite of the WRAP funding and shows the effect of harmonising the food collection service across the whole of Central Bedfordshire. If food waste collections are not included the impact on costs is a net revenue saving of £15k.
31. In all cases assumptions have been used relating to areas such as material costs, locations of future depots and tipping points, material tonnages, staffing and vehicle requirements. For example, the savings for chargeable garden waste are based on several assumptions including where residents might dispose of their green waste if they don't join the scheme and the likely participation rate (a participation rate of 43% has been used in the modelling, this is the median rate from comparator authorities). Any differences in these assumptions once the scheme was operational would impact on the actual costs.
32. Also, these indicative figures rely heavily on the modelled prices for recycling. These can fluctuate considerably over a short period. The market for paper and card has declined considerably since the first modelling was produced, and it is uncertain when or to what extent the market might recover.
33. The modelling does not show the impact the decline in the materials market has on the current base budget held within the service because the baseline costs are also impacted and the modelling shows the variance against this baseline. The effect of the decline on base budget will also need to be reflected via associated pressures of several hundred thousand pounds which has already been flagged as a risk in 2018/19.
34. The figures show there are opportunities to make significant savings or roll out additional services at a low cost. The table shows the combination of Recycling Option 2 – separate paper and card, weekly food waste collection and chargeable green waste collection offers the most significant savings. The second most financially beneficial combination of options is Recycling Option 2 – separate paper and card, weekly food waste collection and three-weekly residual waste collection. However, as previously stated, the current market conditions for the sale of paper and card are declining and would therefore impact on the modelled savings.

Operational Considerations

35. The practicality of operating each of the options has been further investigated, including researching other local authorities who already operate these systems for their experiences and to obtain best practice. The results of this work are set out overleaf.

Option 1. Recycling - Continue as is

36. This is the current system used across the whole of Central Bedfordshire to collect recycling, mixed, in a wheeled bin. The operational advantages of this system are that:
- This is a tried and tested system,
 - It does not involve any changes to the current system.
37. The operational disadvantage is that operating differential services across the area does not enable the most efficient service.
38. There are no operational risks related to this option.

Option 2. Recycling - Separate paper/card

39. The operational advantages of this method are:
- This gives residents more capacity for recycling avoiding overflowing bins or the need for larger bins.
40. However, the operational disadvantages are that:
- Each section of the vehicle must be exactly the right size to ensure both sides fill up at the same rate and further work will be necessary to ensure the system is as efficient as possible,
 - The specialised vehicles cannot be used to collect other materials reducing the flexibility of the fleet,
 - The lead times for procuring specialised vehicles is longer than for standard vehicles,
 - An additional container is required for residents to store,
 - The additional container increases the time taken to collect and could cause road congestion,
 - Boxes are unlikely to be large enough to contain the large volumes of cardboard packaging collected and residents might put any excess in the wheeled bin thereby contaminating the plastic and cans,
 - Open boxes can lead to the paper and card blowing out of the box causing littering,
 - This requires residents to further sort their recycling increasing contamination and reducing efficiency if they don't, and
 - A thorough communications campaign would be required to roll out this option.

41. The operational risks are that:

- The transfer station, owned and operated by a neighbouring authority would need to be adapted, at their discretion, to allow separate tipping of paper and cardboard and sorting of the mixed plastic and cans and this is not viable at the current time,
- A national Deposit Return Scheme (DRS) for plastic, metal and glass drinks containers is being introduced and the impact of this on volumes of these materials is not known.
- The UK Plastics Pact is also gaining momentum, with organisations who are responsible for 80% of the plastic packaging on the UK's products signing up. This could reduce overall volumes of plastic waste but increase the recycling of what is left, making it difficult to predict the most efficient split of the vehicle.
- The paper and card may also require further sorting before sale and there are only a handful of facilities available to do this,
- Central Bedfordshire Council do not currently have the expertise or resources to sell materials directly on the open market,
- The specialised vehicles required are more prone to breakdown risking delays in collections, and
- Open boxes lead to paper becoming dirty and wet and of less value.

Option 3. Recycling - Separate glass

42. This system has the operational advantage that:

- Glass can be collected separately across the whole of the council area, without impacting on the way residents present the rest of their materials.

However, the disadvantages are that:

- Each section of the vehicle must be exactly the right size to ensure both sides fill up at the same rate and this is more difficult to predict where historic information on the potential volumes of glass does not exist.
- The specialised vehicles cannot be used to collect other materials reducing the flexibility of the fleet,
- The lead times for procuring specialised vehicles is longer than for standard vehicles,
- An additional container is required for residents to store
- The additional container increases the time taken to collect and could cause road congestion,
- This requires residents to further sort their recycling increasing contamination and reducing efficiency if they don't,
- A thorough communications campaign would be required to roll out this option.

The operational risks are that:

- The new DRS scheme could reduce the volumes of glass being left out for collection making this option less efficient.
- The UK Plastics Pact is likely to impact on the volumes of plastic, making it difficult to predict the most efficient split of the vehicle.
- The transfer station, owned and operated by a neighbouring authority would need to be adapted, at their discretion, to allow separate tipping of paper and cardboard and sorting of the mixed plastic and cans and this is not viable at the current time,
- Central Bedfordshire Council do not currently have the expertise or resources to sell materials directly on the open market,
- The specialised vehicles are more prone to breakdown risking delays in collections.

Option 4. Weekly food waste collection

43. The operational advantages of this option are that:

- This is a tried and tested system across the north of Central Bedfordshire. There is high participation in the scheme with almost 5,000t of food waste being collected annually,
- It is fairly simple operationally to roll out food waste collections to the south,
- It will be simple for residents to understand and does not impact on the way residents present the rest of their materials for collection,
- Separate vehicles are used so there are no issues with sections of the vehicle filling up more quickly than others,
- No modifications to the transfer station are required,
- This enables the efficiency of running the service across the whole area.

44. The operational issues are that:

- Additional resource will be required to roll out food waste collection to the south of the area including designing and distributing communications, distributing outdoor and kitchen caddies and bags and ensuring that the collection runs smoothly once it is in place,
- An additional container is required,
- This requires residents to further sort their waste, reducing the efficiency of the service if they don't,
- A thorough communications campaign would be required to roll out this option.

45. There are few risks related to this option as we have successfully rolled it out and are operating it within the north of the area.

Option 5. Three-weekly residual (black bin) collection

46. Operational advantages include the need for fewer vehicles and crew to operate this system.
47. The operational issues are that:
- Significant additional resource will be required to roll out a three-weekly collection system including, but not limited to, designing and delivering communications, dealing with requests for larger bins, delivering larger bins and collecting in old bins, inspecting bins and dealing with complaints,
 - If residents struggle to contain three weeks of residual waste in their bins they may leave out additional side waste or leave bin lids up and policies around these issues will need to be drawn up and approved,
 - Residents may be confused about which bins to present each week resulting in more complaints and calls to the contact centre,
 - General calls to the contact centre will increase as a result of anticipated customer questions and concerns,
 - A thorough communications campaign would be required to roll out this option.

The risks are:

- A move to three-weekly collections could influence customer satisfaction and could be seen as a reduction in service,
 - Although food waste would be collected weekly from all households some residents will not use this, potentially causing odour and pest issues in their residual bins,
 - As a system this is not well established; only 17 out of 369 district and unitary authorities responsible for waste collection have moved to a three-weekly collection of residual waste so there is limited data on the risks and issues of doing so.
48. The findings from further research on other local authorities who have introduced three-weekly residual collections is summarised in Appendix C. This includes information on when three-weekly collections were introduced, the collection system provided, policies for nappies and hygiene waste, provision for larger households, policies for replacement bins, closing of bin lids, side waste, assisted collections and clinical collections.

Option 6. Chargeable green (garden) waste collection

49. The operational advantages of this service are that:
- Based on updated research, as this is not a statutory service that councils are legally required to provide, 188 (47%) of councils now charge for these collections so there is good data available on the impacts of introducing it,

- Frequent requests for replacement bags for garden waste in the north would no longer be made,
 - No additional collection vehicles would be required in the north as overall amounts of green waste are not forecast to increase (due to the extra green waste from bins being offset by the lower estimated participation rates).
50. The operational issues are that:
- Additional resource will be required including designing and distributing ongoing communications, collecting in and distributing bins, administering the scheme and ensuring that the collection runs smoothly once it is in place,
 - An additional wheeled bin is required, however options for retaining bags or having a smaller bin at a lower cost are possible,
 - The roll out of the scheme is operationally challenging, involving the removal of bins where residents have not joined the scheme,
 - There must be some way for collection crews to easily identify which bins have been paid for that cannot be tampered with or copied,
 - Policies, for example, for larger bins, additional bins, concessions or continuing to use bags, would have to be agreed and approved,
 - A thorough communications campaign would be required to roll out this option.
51. The operational risks are that:
- The service would be resourced to a level based on the modelling, but participation or volumes of garden waste could be much higher than anticipated and as a result more vehicles could be required at short notice.
52. The findings from further research on other Local Authorities that have introduced charged garden waste schemes is summarised in Appendix D. This includes information on the charge, the months collected, charges for additional bins and the availability of sacks or smaller bins.

Public Health Considerations

53. Considering each of the options, the only option that has the potential for impacting public health is the introduction of a three weekly black bin collection. A report on the potential health impacts of extended collection frequencies by Zero Waste Scotland in 2014 is included as a Background Paper. It includes a full risk analysis and suggested mitigating measures. It concluded that 'laboratory analysis findings demonstrate that certain characteristics of non-recyclable waste are affected by collection frequency.

Although householders, collectors and staff at tipping facilities could theoretically be affected by these factors, the conclusion is that the lower exposure of householders and the availability of simple precautions mean the risk for them is little changed from that experienced with existing weekly and fortnightly collections.'

54. It further recommends that potential impacts can be mitigated by:
- Capturing biodegradable waste (e.g. absorbent hygiene products (including nappies) and food waste) through separate, more frequent collections. This will reduce the potential for bacteria and odour and will lessen attraction from vermin.
 - Promoting good practice measures for storage of waste. Encourage residents to bag waste, rather than placing it loose in bin.

Other Considerations

55. Any of the proposed changes to the collection service will impact on at least half of the residents of Central Bedfordshire and, in some cases, all. These include changes in container, collection frequency and expected behaviour around maximising recycling. This will require sufficiency of resource for receiving and dealing with incoming queries and concerns, proactive communications encouraging recycling to all residents and to ensure the smooth roll out of new services on the ground. This could include additional temporary staff or a reconfiguration of the team to implement the changes successfully.

Recommendations for Collection Methodology

Waste Collection Strategy

56. The review of waste collection has enabled the council to set our strategy for the service for future years. Residents are strongly in favour of recycling more and saving money in the service and therefore the primary objectives are to:
- a. drive up recycling rates by making it as easy as possible for our residents to recycle
 - b. giving our customers a consistent service and
 - c. delivering best value to our rate payers.

Harmonised service

57. This report recommends that the council offers a harmonised waste collection service across the whole of Central Bedfordshire. The current service is not uniform across all areas with food waste only being collected in the north and, for green waste, bags are provided in the north and bins in the south. Also 13,000 homes in the south have a separate glass collection. Harmonising the service will allow the

efficiency and economies of scale from the working across the whole area rather than in two distinct 'district' areas. It will also ensure council tax payers are receiving an equivalent waste service across the area.

Increase recycling rates

58. The council's current recycling rate is 46%. This is under the national target of 50% by 2020. Further targets of 55% by 2025, 60% by 2030 and 65% by 2035 are likely to be introduced. Consultation responses made it clear that residents are strongly in favour of being helped to recycle as much as possible with 95% agreeing in the open survey and 98% in the telephone survey. Recycling also reduces costs as the disposal of recycling is around four times cheaper than the disposal of the material put in the black bin – therefore making best value of tax payers money. Despite efforts to promote and encourage recycling, the council will not achieve these targets unless new recycling services are introduced. Residents will be encouraged and supported to make every effort to recycle as much as possible.

To achieve these commitments the report recommends that the council will:

Introduce weekly food waste collections to the south

59. Introducing a weekly food waste collection to the south of Central Bedfordshire at the start of the new contract. Food waste collection is very popular with residents and will both harmonise the service across the area and facilitate an increase in recycling rates. Separate food collection is currently provided in the north of the area and so is operationally proven. It will be at a minimal cost due to the reduced disposal costs of food waste versus black bin waste. The outputs of treating food waste can also create electricity and be used as a fertiliser on farms.

Choice of container for green waste

60. Although significant savings could be made with a chargeable scheme an increased cost to council tax payers is incurred and this is unpopular with residents. Also, although it is operationally deliverable it does not improve recycling rates. This option has therefore been discounted. However, we do have an opportunity to harmonise the service across the area. Currently the north have two reusable sacks and the south have wheeled bins. Feedback from the consultation showed residents wanted flexibility in choice of container. Therefore, it is recommended that, as of the date of the new contract and where practicable, bins are offered to those who would like them in the north and bags are offered to those who would prefer them in the south. This will incur further cost for vehicles and disposal of additional green waste, particularly if the uptake of bins in the north is high. However, this will have the effect of further driving up recycling rates and therefore supports the overall strategy.

Separate collection of glass

61. It is recommended to approve the separate collection of glass at the kerbside as a potential future additional service to residents and include as an optional item in the procurement of the services. This is popular with residents, harmonises the service across the area and increases recycling rates. However, there are restrictions on flexibility of the fleet and the unknown impact of the new national Deposit Return Scheme (DRS). Therefore, a separate glass collection, which can be introduced at any stage in the future once the impact of DRS is known, is recommended. This will be at a higher cost than the modelling indicates as separate vehicles would be used for collection rather than the two stream vehicles modelled but it will increase recycling rates.
62. Due to the many unknowns for the separate collection of paper and card, and the fact that it does not increase recycling rates, although this option is popular with residents it is being discounted at this stage in preference for separate glass collection.

Supporting residents to maximise recycling

63. It is recommended that an ongoing, proactive and targeted campaign is introduced to engage residents to use the new services and help them to recycle as much as possible. The recommended service changes will also need to be delivered effectively from a public perspective including dealing with incoming queries and concerns and ensuring the smooth roll out of new services to residents on the ground. This will require sufficiency of resource and will require additional fixed term or permanent staff, support from the collection contractor or a reconfiguration of the team.

Three-weekly black bin collection

64. Although just over half of residents did not support this option, over a third did and many of those who didn't said their opinion could be changed by keeping other services available, such as free garden waste collection. We believe that by maximising recycling through introducing new services and helping residents to recycle more, we can move to three-weekly black bin collection in the longer term but only when everyone has maximised efforts to recycle as much as possible and are ready for the change. We recognise the difficulties some elements of the waste stream may pose for some residents, such as nappies or hygiene waste, and we will look at how we might mitigate these learning from best practice elsewhere.

Therefore, it is recommended to approve the option of three-weekly residual collection and include it in the procurement of the services as a future service variation.

Delivery Model Options

65. As well as the opportunity to revise the collection method, the end of the current contracts for waste collection also provide the opportunity to review the commissioning options for the service rather than assuming that an outsourced service is the most beneficial for Central Bedfordshire.
66. The following commissioning options were considered and appraised for cost, qualitative factors and risks:
 - Outsourcing: conduct a new procurement exercise and engage an external contractor to deliver the waste and recycling services. This is most familiar option as our current commissioning route.
 - In-house: bring the services in-house, or in-sourcing, is another common service delivery model to deliver environmental services.
 - Local Authority Company (LAC): deliver the environmental services through a LAC (commonly referred to as a Teckal company), either by setting up a new company, or use an existing company founded by another authority, to deliver the services. This service delivery model is growing in popularity, although it is still relatively uncommon.

Out-sourcing

67. The principle advantage of procuring an external contractor (outsourcing or contracting out) to provide environmental services is to benefit from market competition. Procuring a service from the market enables authorities to secure a price-competitive contract that allows relative certainty of service cost throughout the life of the contract and demonstrates best value through transparent, open competition. The ability of the authority to maximise these benefits will largely be determined by three factors:
 - the degree of competitiveness of the market at the time of procurement combined with the attractiveness of the contract to the market- the contract can be designed to be clear and simple, less risky and with a simple procurement process making it more attractive to potential providers and there are several key providers who have already expressed an interest in supplying a service for Central Bedfordshire;
 - the structure of the contract tendered, including the authorities' and the contractor's attitude to the allocation of risk and the mechanisms used to regulate payment and performance- the council have a risk sharing approach and are well practiced at designing and delivering payment and performance mechanisms within contracts; and

- the contract management approach taken by the authority and the culture of both the authority and the contractor- a partnership approach is preferred where ideas and innovation are key and this would form part of the specification requirements.

In-House

68. The option of bringing services in-house (or in-sourcing) is always open to currently outsourced authorities at the end of a contract, as there is no legal requirement to re-tender services, provided best value can be demonstrated. There are a number of advantages and disadvantages associated with this model:

- In-house services offer the greatest level of direct, day-to-day control of services for the authority, but at the expense of not being able to share reputational or financial risk with a third party;
- The lack of access to the market as a source of creativity, innovation and problem solving is also a limitation;
- In-house services are more costly, despite avoiding the need to generate a profit margin for distribution to third party shareholders. Unit labour costs are higher, driven by better terms and conditions of employment for workers, in particular as a result of the requirement to enrol local authority staff onto the Local Government Pension Scheme (LGPS).

Local Authority Company (LAC)

69. Over recent years, LACs are becoming a more popular vehicle for providing local authority services. A LAC is an independent legal entity but is wholly owned and ultimately controlled by one or more shareholding local authorities. They can be set up to perform statutory and non-statutory services, with a view to third-party trading or otherwise. The principal benefits of adopting this option include the ability to:

- operate in a more culturally distinct way than many in-house services are able to do, perhaps including being more commercially driven and structured however a well drafted contract for outsourcing can also achieve the same results;
- deliver services more flexibly compared to an out-sourced service but again an outsourced contract can be designed to allow flexibility during the term of the contract and should even encourage it based on innovation and a partnership approach; and
- have the ability to offer lower operating costs than an in-house service

However:

- a major obstacle can be the complex process of establishing and operate a LAC, particularly for an authority with no experience of doing so; also

- a LAC lacks the scale of an external provider and thus benefits of drawing on staff, fleet, equipment, spares and maintenance resources from across their business.

Proposed Delivery Model

70. It is recommended that the council agrees to out-source the services to a third-party supplier and undertake a full EU procurement process in order to maximise cost efficiencies. Generally In-house services are flexible but carry a greater cost and out-sourcing is less flexible but also less costly. However, flexibility can be designed in to a contract to ensure that changes can be made quickly and efficiently at any time during the term, particularly where a partnership approach is adopted. Although a LAC could be similarly priced to an out-sourced contract and would allow flexibility, the complexity of establishing one in an authority with no experience of doing so is prohibitive. For these reasons it is recommended to continue to out-source the contract to a third-party supplier.

Council Priorities

71. The review of waste collection services supports three of the Council's key priorities –
 - a. Provide Value for Money- Maintaining a range of recycling services whilst providing cost savings and efficiencies
 - b. Enhance Central Bedfordshire- Keeping the number and movement of waste vehicles down to a minimum and reducing emissions.
 - c. Quality Universal Services- Continuing to provide excellent recycling and waste collection service to Central Bedfordshire residents.

Corporate Implications

Legal Implications

72. Recycling: Under the revised Waste Framework Directive from 2008, member states must achieve 50% recycling rate (including composting and re-use) by 2020. The EU's Circular Economy Package contain challenging recycling targets for member states of 55% by 2025, 60% by 2030 and 65% by 2035. It is expected that these requirements will be transposed into UK law. Individual local authorities do not currently have specific recycling targets.
73. Garden waste: The collection of garden waste is non-statutory. Under the Controlled Waste Regulations 2012, local authorities are permitted to charge for collection of garden waste, and a third of local authorities currently do so.

74. Food waste: The collection of food is non-statutory. Government published a Food Waste Recycling Action Plan in July 2016 to help increase the quality and quantity of food waste collected for recycling and are planning further work in 2018 to encourage a higher capture rate from households. The Circular Economy Package includes measures to achieve the UN's Sustainable Development Goal of halving per capita global food waste at the retail and consumer level.
75. Three-weekly collections: There is no legislation that requires local authorities to collect any waste at a specific frequency.
76. Separate collection: The Waste (England and Wales) Regulations 2012 require all local authorities to collect paper, glass, plastics and metals separately from each other unless it can be demonstrated that it is not necessary to produce high quality recyclate or it is not technically, environmentally or economically practicable to do so. The modelling has shown that all of the options, including BAU, comply with the regulations.
77. Receptacles: Local authorities are at liberty to specify the type and number of receptacles used by householders to present waste for collection under the Environmental Protection Act 1990.

Financial and Risk Implications

78. The costs, savings, issues and risks of each option are set out in the relevant section of this report. The figures are indicative and to be used as a comparison between the various options and the baseline rather than taken as an absolute cost or saving. Also, these costs do not take in to consideration the £300k and £2.25m saving already in the current MTFP in 2019/20 and 2020/21. For MTFP purposes any additional savings would need to be shown as net of these pressures and savings. The effect of the decline in the market on base budget will also need to be reflected via associated pressures which have already been flagged as a risk in 2018/19.
79. Should the recommendations be taken forward the likely impact on the budget will be an increased cost in the short term when introducing additional food and glass collection services and harmonising the green waste service. A potential £1m saving would be achieved at the point of introducing 3 weekly residual collections, however the actual saving will be subject to the procurement process for the service and will not be clear until that is completed.
80. It is clear that the recommendations contained in this report will not achieve the £2.25m savings set out in the MTFP. It will, therefore be necessary to find supplementary savings from elsewhere in the organisation.

Equalities Implications

81. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
82. This report includes the full results of the consultation on the changes that may impact on residents. The Council has followed good practice guidance by conducting a consultation to ascertain their needs, attitudes and priorities and consider their feedback as part of the service design process. The consultation has attracted responses from a broad cross section of residents and the findings have been largely consistent across different groups. Comments in the surveys and focus groups have highlighted some of the practical issues and concerns residents raised about each of the options and how some of these could be mitigated.

Sustainability Implications

83. The environmental impacts are covered within the main report. All options show a net GHG reduction and an increase in recycling due to the collection of food waste from the south, the inclusion of glass collection or the change in recycling behaviour encouraged by three weekly black bin collection.

Public Health Implications

84. Considering each of the options, the only option that has the potential for impacting public health is the introduction of a three weekly black bin collection. The Zero Waste Scotland report includes a full risk analysis, concluding that the risk to health is little changed from operating a fortnightly collection. Also, the suggested mitigating measures including separate collections of food waste and nappies and promoting good practice measures for storage of waste could all be offered should three weekly black bin collections be introduced.

Procurement Implications

85. In delivering this procurement, the Council will act in accordance with the EU Procurement Directives and ensure that all procurement activity is conducted in compliance with the Public Contracts Regulations 2015. The internal procurement team have been fully engaged with this process, will support and oversee the procurement process and remain engaged until contract award. A full audit trail will be in place covering the entire exercise which will be kept as a full record of the process for the required period.

Community Safety Implications

86. The Council's statutory duty under Section 17 of the Criminal and Disorder Act 1998 includes the need to address environmental crimes such as fly tipping. The provision of a waste collection service allows residents to safely deposit their waste items, in a responsible and legal manner. If the provision of this service were disrupted it could lead to an increase in the incidents of fly tipping, a criminal offence. The recommendations ensure that the Council fulfils its statutory duties in relation to crime and disorder.

Conclusion and next Steps

87. Should the recommendations in this report be agreed, the contract documents and related procurement documentation will be completed. A tender for the services will commence in July 2018 and a report asking for approval to award the contract will be submitted to Executive later this year. The resourcing required to deliver the recommendations will be considered and steps taken to ensure sufficiency of resource at the appropriate times.

Appendices

Appendix A:	Future Collection Options
Appendix B:	Consultation Results
Appendix C:	3 Weekly Collections Research Findings
Appendix D:	Chargeable Green Research Findings

Background Paper

Commentary Report: The Potential Health Impacts of Extending the Frequency of Non-Recyclable Waste Collections, Zero Waste Scotland, July 2014

Report author:

Tracey Harris, Assistant Director Environmental Services

tracey.harris2@centralbedfordshire.gov.uk