

14 October 2020		ITEM: 10 Decision: 110532
Cabinet		
Waste Strategy Update		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Aaron Watkins, Cabinet Member for Environment, Sports and Leisure		
Accountable Assistant Director: Daren Spring, Assistant Director, Street Scene and Leisure		
Accountable Director: Julie Rogers, Director of Environment, Highways and Counter Fraud		
This report is Public		

Executive Summary

The Council's Waste Strategy expires in 2020 and requires a refresh to ensure that it is in line with the National Strategy, as well as being forward looking and ambitious in its targets. As part of the strategy re-refresh, three streams of work have emerged that are inter-dependent:

- A Cross Party Working Group was established by Cleaner, Greener and Safer Overview and Scrutiny Committee in August 2019. The group paused in March 2020, in response to Covid measures, recommencing in June 2020. The Working Group were to investigate the declining recycling levels and ways in which the current level of 34.76%, in the Borough, could be increased to meet the national target of 50% in 2020 and 65% in 2035. The other focus was understanding the national strategy and how it impacts on Thurrock, while contributing to the development of the new Waste Strategy.
- The suite of Waste Disposal Contracts required to be re-procured; and
- A review of Waste Collection options undertaken, while considering the required changes for implementation, including vehicle procurement.

This report seeks to provide an overview of each of the work streams, identifying the interdependencies and providing the necessary background and analysis of implications for decisions to be made with regard to the future configuration of the Waste Service.

1. Cabinet is recommended to:

1.1 Agree the new Waste Strategy, attached as Appendix 1.

1.2 Review the options relating to potential changes in the Waste Collection Service, and agree option 2b as outlined in the report.

1.3 Delegate authority for the re-procurement and/or extension of the Waste Disposal contracts to the Corporate Director of Finance, Governance and Property and the Director of Environment, Highways and Counter Fraud in consultation with the Portfolio Holder for Environment, Sports and Leisure.

1.4 Delegate authority for the procurement of waste containers, collection vehicles and communication materials to facilitate the change in collection to the Corporate Director of Finance, Governance and Property and the Director of Environment, Highways and Counter Fraud in consultation with the Portfolio Holder for Environment, Sports and Leisure.

2. Introduction and Background

2.1 Central Government published its “Waste, our Resources: A strategy for England” in December 2018. It identified a number of proposals designed to drive up recycling performance. The proposals include:

- Improve recycling rates by ensuring a consistent set of dry recyclable materials is collected from all households and businesses;
- Reduce greenhouse gas emissions from landfill by ensuring that every householder and appropriate businesses have a weekly separate food waste collection, subject to consultation;
- Improve urban recycling rates, working with business and local authorities.

2.2 The National Strategy has a number of statutory implications for the Council that requires implementing changes to the way that waste is collected and disposed of. These include:

- Provide residents with separate food waste collections by 2023 (subject to consultation);
- Vastly improve recycling rates to work towards the 2035 National Recycling Target of 65%, (Thurrock’s recycling rate is currently 34.76%);
- Reduce the amount of municipal waste to landfill by 10%; and
- Ensure that dry recycling collections are consistent with Governments requirements and ensure that a cost effective collections system is in operation.

2.3 Cross Party Working Group - Cleaner, Greener and Safer Overview and Scrutiny Committee

2.3.1 The Cross Party Working Group Chaired by Councillor Mike Fletcher was established specifically to identify ways in which the recycling rate in Thurrock, which has been stagnant for some years, could be increased. The activities of the group were wide ranging and have been documented in the report prepared and presented at Cleaner, Greener and Safer Overview and Scrutiny Committee on 1 October 2020.

2.3.2 The recommendations of the Cross Party Working Group have been incorporated fully in the refreshed Waste Strategy, in summary the key proposals are:

- Replacing the residual waste collections with a new weekly food waste collection to all households, with the associated supporting containers, and an alternate weekly residual collection. The benefit of this change, which has been adopted successfully at many other Local Authorities, is that it encourages residents to consider more carefully what can be recycled and to ensure that they have capacity in their residual bins for items that can only be disposed of in that way;
- Retaining the weekly collections of co-mingled dry recycling;
- Retaining the fortnightly collections of garden waste, implemented during the Covid-19 response period;
- Redevelopment of the Household Waste and Recycling Centre;
- Review of Thurrock's waste collection fleet to ensure a reduction in carbon footprint and fuel usage whilst ensuring that maximum efficiency and effectiveness is achieved;
- Ensuring that any future waste disposal contract negotiations include the following principles:
 - Reduction in distance travelled to disposal sites;;
 - Identifying opportunities for additional recycling and re-use; and
 - Ensuring a reduction in waste sent to landfill;
- Reducing the occurrence of single use plastics within the Borough and within Council activities where the use of alternatives should be prioritised. This will require a detailed work programme covering all service areas and operations, with specific focus required from procurement and communications;
- Investigate the feasibility of creating a transfer station within Thurrock to support alternative disposal options; and
- Investigate the feasibility of building an energy recovery facility in the Borough as both a means of reducing disposal costs for residual waste and generating income.

2.3.3 The Cross Party Working Group initiated an investigation into the impact of service changes on the recycling rate. The Working Group were clear that the decisions they would make were purely in relation to linking to the national strategy and increasing recycling rates. No financial implications were presented, considered or discussed by the group and it is therefore important

they be fully considered in this report.

2.3.4 The Council were asked to provide an outline of collection models that the top quartile high performing recycling authorities were using to drive up recycling rates. A number of options were discussed such as:

- Kerb side sorted collections – This was not progressed due to the number of containers required at each property.
- Three and Four weekly collection schedule.
- Paid for garden waste service – This was considered to be too much of a significant change for residents at this time.

2.3.5 The financial impact of COVID-19 and the impact on the Medium Term Financial Plan could not have been predicted when the Waste Working Group commenced this work; however, it cannot be overlooked when considering findings. The table below provides the range of collection options considered in detail, the recycling potential and the high-level financial implications. This illustrates the change in both collection and disposal costs and the potential efficiencies that could be realised:

Thurrock Council Cost Modelling

Note: all options, excluding Baseline, include flats recycling)	Baseline	Current Collection	Option 1	Option 2		Option 3	
				A	B	A	B
Refuse	Weekly	Weekly	Weekly	Alt. Weekly	Alt. Weekly	Alt. Weekly	Alt. Weekly
Recycling	Weekly	Weekly	Weekly	Weekly	Weekly	Alt. Weekly	Alt. Weekly
Garden Waste	Weekly	Alt. Weekly No Charge	Alt. Weekly Paid	Alt. Weekly No Charge	Alt. Weekly Paid	Alt. Weekly No Charge	Alt. Weekly Paid
Food Waste	Not offered	Not offered	Weekly	Weekly	Weekly	Weekly	Weekly
Collection Cost	£6,018,822	£5,997,174	£5,524,597	£5,709,843	£4,630,126	£5,370,995	£4,279,317
<i>Change in Collection Cost</i>		<i>-£21,648</i>	<i>-£578,577</i>	<i>-£393,511</i>	<i>-£1,473,047</i>	<i>-£732,178</i>	<i>-£1,823,856</i>
Change in Disposal Cost	£7,803,324	£7,538,459	£7,536,711	£7,288,439	£7,395,824	£7,313,242	£7,420,627
<i>Change in Disposal Cost</i>		<i>-£264,865</i>	<i>-£1,748</i>	<i>-£250,020</i>	<i>-£142,635</i>	<i>-£225,217</i>	<i>-£117,832</i>
Total Collection and Disposal Cost	£13,822,145	£13,535,633	£13,061,308	£12,998,281	£12,025,950	£12,684,237	£11,699,944
<i>Change in Collection and Disposal Cost</i>		<i>-£286,513</i>	<i>-£580,325</i>	<i>-£643,531</i>	<i>-£1,615,682</i>	<i>-£957,395</i>	<i>-£1,941,688</i>
Recycling Performance (Includes HWRC)	37.00%	38.20%	38.30%	54.30%	52.00%	50.50%	48.20%
Capital Investment							
Containers		£360,000	£360,000	£360,000	£360,000	£360,000	£360,000
Fleet included within modelling		£0	£2,800,000	£2,000,000	£2,000,000	£3,400,000	£3,400,000
Total		£360,000	£3,160,000	£2,360,000	£2,360,000	£3,760,000	£3,760,000

3. Issues, Options and Analysis of Options

3.1 The Working Group initiated a resident consultation with every household in the borough given the opportunity to participate.

3.2 The results of the survey provided insights that have informed thinking regarding adjustments to the collection service. It was noted, not unexpectedly, that residents are reluctant for services to change, with the exception of acceptance for a weekly garden waste collection. However, against that backdrop 83% of respondents identified as people who recycle, with the key barrier identified as a lack of knowledge. 64% of participants were willing to further separate waste to improve recycling rates. There was strong support (72%) for the separation of food and garden waste. The

provision of a kitchen caddy to support food waste collection was considered to be an important factor. The results also revealed that with weekly collection, residual waste and composting bins are less than three quarters full for the majority of respondents. Recycling bins were reported to be almost full after a week.

- 3.3. The Cross Party Working Group also identified through research from other Councils and experience within Thurrock (the rollout of 3-wheeled bins to households in 2009) that significant change in the collection service could be an essential stimulus to drive engagement in recycling with all residents. It was noted that only by making food waste and dry recycling bins the most frequently collected, that separation of materials by residents would be encouraged.
- 3.4 The Cross Party Working Group recommended to Cleaner, Greener and Safer Overview and Scrutiny, 1st October 2020, option 2A from the table above in 2.3.5. The model indicates that it provides the highest level of quality recycling potential at 54.3%, whilst generating an efficiency saving of £643,531. It is important to note that focus of the Working Group was predominantly on improving recycling rates and not to consider cost efficiency for the service.
- 3.5 This model encourages residents to only use the residual waste bin when there is no other option available to them. Option 2A provides the following collection configuration:

Waste Stream	Collection Frequency
Food	Weekly
Dry Recycling	Weekly
Garden Waste (non charged)	Alternate Weekly
Residual Waste	Alternate Weekly

- 3.6 The changes recommended by the Cross Party Working Group are welcomed in facilitating increased recycling rates and the efficiencies this will generate at a time when the focus is on financial implications resulting from COVID-19.
- 3.7 Option 3B provides the greatest financial efficiencies with weekly food, fortnightly recycling, fortnightly refuse and a paid for fortnightly garden waste service. This will provide an annual cost saving of £1,941,688, however reduces the recycling potential to 48.2%. This still falls below the current government target of 50%. This option equates to a total of £1.3M more in annual savings.
- 3.8 Option 2B is considered to be the most appropriate choice in current circumstances. Whilst maintaining the principles of the Cross Party Working Group, this option introduces a charged for garden waste service, retaining a recycling rate potential of greater than 50% (52%) and achieving a further saving potential of £1M per annum. Support for this option would enable the

authority to have the opportunity to exceed the 50% national recycling target, whilst achieving a significant reduction in the annual cost of the waste service.

- 3.9 Residents have benefited from a non-paid for weekly garden waste service for many years. A high proportion of Councils charge for the collection of garden waste at varying prices. A national survey conducted in 2017/2018 indicated the average charge to be £42.50, whilst a benchmarking activity has shown prices as high as £72.60.
- 3.10 The model 'B' options in the table assume a 50% take up rate, with a very low annual charge of £30 per household for a bi-weekly collection, for residents who wish to sign up for the service. The annual fee is considered one of the lowest in the Country. This is proposed in order to make this an affordable transition for residents, while still supporting the need for efficiencies. Residents can compost or take their garden waste to the Household Waste Recycling Centre if they do not wish to enrol for this charged for collection service.

4. Waste Disposal Contracts and Capital Procurement

- 4.1 In December 2017, the Council entered in to several three-year contracts for various elements of waste disposal with options to extend to five years. These contracts were due to expire in December 2020, but have been extended by 9 – 12 months (depending on the contract). This was implemented to enable Thurrock's Waste Strategy to be written and adopted by the Council before the new contracts were procured.
- 4.2 The details of the contracts to be extended or re-procured are:

Type of contract	Contract start date	Estimated annual value of contract	Estimated value of a 5 year contract
Food Waste	September 2021	£300k	£1.5
Green Waste	September 2021	£400k	£2m
Wood Waste	December 2021	£30k	£250k
Residual waste (Reuse and Recycling Centre only)	December 2021	£600k	£3m
Mixed Dry Recycling	September 2021	£1.2 Million	£6m
Haulage & Disposal	December 2021	£300k	£1.5

- 4.3 The timing of the contract renewals and extensions will be determined following Cabinet's adoption of the waste strategy and a decision on the collection frequencies. This work will also need to be planned in terms of timescales for the contract extensions and the procurement of new contracts to fit with the operational implementation of the new collection service. It is

therefore, requested that delegated authority be given to the Corporate Director of Finance, Governance and Property, the Director of Environment, Highways and Counter Fraud and the Portfolio Holder for Environment, Sports and Leisure to procure at the appropriate time within the values outlined in the report.

- 4.4 In order to support the waste collection changes, some of the waste fleet will need to be changed to incorporate food pods and/or split loaded vehicles, dependent on the option approved. Similarly, procurement of food containers and communication materials will be required to support the change. Capital expenditure has been outlined in the high level modelling, tabled at 2.3.5. The efficiency savings include the impact of borrowing on revenue. In order to expedite the changes as quickly as possible, it is requested that delegated authority be given to the Corporate Director of Finance, Governance and Property, the Director of Environment, Highways and Counter Fraud and the Portfolio Holder for Environment, Sports and Leisure to procure, at the appropriate time within the values outlined in the report.

5. Reasons for Recommendation

- 5.1 Since the Cross Party Working Group was formed, the Council's financial position has changed. The findings of the working group have been welcomed and it has been recognised that their proposal was to obtain the highest recycling rate possible. In view of the current financial situation and given that the garden waste service is not a legislative requirement, option 2b is recommended. This option will still see a significant increased recycling rate potential and offers efficiencies to assist with the gap in the medium term financial plan.
- 5.2 The Waste Strategy presented to Cleaner, Greener and Safer Overview and Scrutiny on 1st October has been updated to reflect the recommendation of this report and is attached as Appendix 1.
- 5.3 Thurrock has a rare opportunity with the timing of the re-procurement of the disposal contracts and the strategic refresh to reconfigure the collection service to achieve greater levels of recycling and the reduction in costs.
- 5.4 The consideration of costs is not only important in light of the current circumstances, but also when considering the housing growth agenda in the Borough. A continuation of the current service provision with the increase in household numbers is likely to require an increase in vehicles and resources.
- 5.5 The implementation of the Waste Strategy will result in significant change for residents and the service. It is important that all options are fully considered and a clear path identified. This will allow for careful planning and timing of the changes, so that residents have an opportunity to understand the impacts and reasons for change, whilst the potential for disruption is mitigated.

6. Consultation (including Overview and Scrutiny, if applicable)

- 6.1 The Cross Party Working Group commissioned a full public consultation on Waste in Thurrock between January and March 2020. This included capturing views on changes in collection regimes, disposal options, education and recycling.
- 6.2 Details of the Waste Strategy and Cross Party Working Group activities were considered by the Cleaner, Greener and Safer Overview and Scrutiny Committee on 1 October 2020.

7. Impact on corporate policies, priorities, performance and community impact

- 7.1 The proposed changes in the Waste Collection regime is likely to result in improved levels of recycling (currently reported Nationally through DEFRA and corporately).

8. Implications

8.1 Financial

Implications verified by: **Sean Clark**
Corporate Director of Finance, Governance and Property

Indicative high-level costings of all of the options highlight the savings potential. Option 2B and 3B provide the greater financial efficiencies and, in view of the recognised gap in the medium term financial plan, option 3B would provide the greatest saving though the higher recycling rates achieved through 2B is recognised.

Members will need to consider the £300k difference between both of these options against other savings that will need to be delivered.

The indicative figures also include an allowance for necessary capital expenditure to facilitate these changes. As a spend to save, Cabinet are able to approve this additional expenditure.

8.2 Legal

Implications verified by: **Tim Hallam**
Deputy Head of Legal and Deputy Monitoring Officer

Legally, subject to a number of exceptions, the Council is required to arrange for the collection of controlled/household waste in its area. No charge can generally be made for the collection of household waste. However, whilst

garden waste is household waste, the Council can, but does not have to, recover a reasonable charge for its collection from a person who requests the authority to collect it (section 45(3) Environmental Protection Act 1990 and regulation 4 of the Controlled Waste (England and Wales) Regulations 2012).

Any procurement activity relating to changes in service identified in the waste strategy and in the options set out in this report will be carried out in accordance with the Council's own internal governance, including its Contract Procedure Rules, and the Public Contracts Regulations 2015. Any 'refresh' of the Councils' Waste Strategy and changes in service identified in that or in the options would need to be consistent with relevant legislation, central Governments' 25 Year Environment Plan (published 11 January 2018, last updated 16 May 2019), its Resources and Waste Strategy (published 18 December 2018) and any subsequent relevant Government policy.

8.3 Diversity and Equality

Implications verified by: **Becky Lee**
Team Manager - Community Development and Equalities

A community and equalities impact assessment form has been completed; and there are no negative impacts identified on any parts of the community. Care will be taken to ensure all communications are accessible with an increased focus on education and empowerment. The assisted bin collection programme, for those unable to present their bins for collection, will be retained.

9. Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

N/A

10. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Cross Party Working Group Report for CGS O&S
- Waste Strategy (Appendix 1)
- Thurrock Waste Options Report
- Waste Disposal Contracts Report

11. Appendices to the report:

- Appendix 1 – Waste Strategy

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