

Report to Environment & Economy Overview and Scrutiny Panel

Agenda Item:
A.4

Meeting Date: 28 July 2016
 Portfolio: Environment and Transport
 Key Decision: Not Applicable:
 Within Policy and Budget Framework YES
 Public / Private Public
 Title: RETHINKING WASTE PROJECT UPDATE
 Report of: Neighbourhood Services and Enforcement Manager
 Report Number: LE 14/16

Purpose / Summary:

This report provides an update on the progress of the Rethinking Waste Project and highlights key issues going forward. A separate presentation at the meeting will provide more detail.

Recommendations:

Scrutiny Panel is recommended to receive the report, note the progress made and to agree future dates to review progress as the project approaches implementation and post implementation.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

1. INTRODUCTION AND BACKGROUND

On 29 June 2015, the Executive considered a range of options for the future shape of the Council's refuse and recycling collection service. At this time the Executive agreed to support the recommendation (option one) subject to the development of a full business case. This would see the fortnightly collection of:

- refuse in a 240 litre wheeled bin for the majority of households
- garden waste in a 240 litre wheeled bin for the majority of households (where appropriate)
- recycling (card, paper, glass, plastic and cans) using a 'modern Resource Recovery Vehicle'.

This report now provides an update for Scrutiny on the progress of the Rethinking Waste Project and highlights the key developments as we work to improve our refuse and recycling service for the benefit of residents. The report and supporting presentation will:

- provide an update of progress against the original aims of the project
- confirm the key dates (project plan)
- outline our commitment to communication and what the project will mean for residents
- identify the developments and preferred vehicle options
- provide information on the likely financial impact of the changes

2. AIMS

The original aims of the project are outlined below:

- Acquire new refuse collection vehicles to replace and modernise our fleet
- Acquire new vehicles to collect all dry recycling materials in one go
- Retain the current collection containers and bins
- Introduce appropriate changes in the collection rounds to maximise efficiency
- Bring in-house all the recycling collections
- Develop a transfer station to manage the materials
- Develop a new team to manage and deliver the service and transfer station and potentially introduce changes to working patterns of operational staff to maximise productivity and reduce costs
- Meet TEEP (Technically, Environmentally and Economically Practicable) requirements and seek to increase recycling rates across the borough.

2.1 Update on the original project aims

2.1.1 Acquire new refuse collection vehicles to replace and modernise our fleet

Two new refuse collection vehicles (RCVs) were delivered in October 2015 to replace older vehicles. A further RCV (smaller 16ton vehicle) has been ordered and will be delivered in August 2016.

In addition, a procurement process is currently underway to confirm prices and the availability of a range of different vehicle options to support the Rethinking Waste Project. To support this, a fleet replacement programme is being developed to identify the dates when Council vehicles and plant will need replacing on a rolling 5 – 7 year programme and to ensure that capital resources are appropriately identified and planned for.

The specification of the new vehicles is also being refined in discussion with staff to ensure that our fleet is flexible and fit for purpose. Typical examples would include:

- improving safe access - rear steer, improved turning circles, narrower vehicles, shorter wheelbase, routes individually risk-assessed
- improved efficiency – larger (32 tonne) collection vehicles have been viewed and are being modelled to see if this can introduce further efficiencies by reducing the frequency of trips to the tip (down time)
- improved monitoring – improved vehicle trackers and on-board CCTV
- improved communication / response – in-cab technology, route guidance, back office links etc.
- increased safety – emergency stop buttons, ‘drive-lock’ technology, driver training

2.1.2 Acquire new vehicles to collect all dry recycling materials in one go

This remains the key part of the review. Following extensive trials, a different vehicle solution is now favoured for both operational and financial reasons.

2.1.3 Retain the current collection containers and bins

This remains a key objective to minimise disruption for residents and to support the financial case.

2.1.4 Introduce significant changes in the collection rounds to maximise efficiency

We are using specialist software to support the re-design of refuse and recycling collection rounds and to support the assumptions being made on the number of vehicles and staff needed to deliver an efficient, effective and safe service for residents within the available budget but at the same time addressing the growth needed to accommodate new housing.

2.1.5 Bring in-house all the recycling collections

The Council's green box collections contract (currently with FCC) has been extended to end of February 2017 at existing contract rates. This service will then transfer back to the Council from the 01 March 2017 with the staff transferring under TUPE.

2.1.6 Develop a transfer station to manage the materials

As previously reported to Scrutiny, this is no longer an aim of the project. An outline business case was prepared by our appointed consultants ‘Eunomia’ that confirmed that the rewards (increased income from sale of recycling) nowhere near justified the

significant financial investment (capital and revenue), the likely development control mitigation measures, and other associated operating risks (health and safety).

2.1.7 Develop a new team to manage and deliver the service and transfer station and potentially introduce changes to working patterns of operational staff to maximise productivity and reduce costs

A restructure of Neighbourhood Services has been carried out following consultation and at the time of writing we are in the process of appointing to the new structure. This will ensure that our structure is fit for purpose going forward. The requirement to manage a waste transfer station is no longer required.

As part of this restructure, an officer has been seconded to the role of Programme Lead Re-thinking Waste to provide an experienced and dedicated resource to take the project forward to full implementation.

2.1.8 Meet TEEP (Technically, Environmentally and Economically Practicable) requirements and seek to increase recycling rates across the borough.

The information outlined in appendix two will help to illustrate how the proposed changes address the TEEP considerations.

3. OTHER DEVELOPMENTS

Scrutiny is reminded of the work already carried out as part of the wider service improvements:

- **Drivers** – drivers have been assimilated to the new improved pay grade that better reflects their supervisory responsibilities (service quality / health and safety etc) and which has also supported recruitment.
- **Driver training** – a number of staff have also been trained as HGV drivers to increase service resilience and reduce reliance on external agency support.
- **Soft market testing day** – a soft market testing day was held to hear direct from the recycling and waste sector in terms of the options going forward to help guide service re-design and the development of the business case. In particular, the day was designed to gather information on the likely value of recycling based on the method of collection and degree of source separation.
- **Review of technology** – potential suppliers have also been invited to show-case their products and systems for vehicle trackers, on board cameras and in-cab communication / guidance. Integration of these systems into the Council's customer relationship management and other back office systems is a key part of this development.
- **Service Improvement Group** – a service improvement group has been established to hear regularly from staff directly about their ideas and suggestions for service improvement.

- **Health and Safety Inspection Visit** – the refuse and recycling collection service was subject to a formal visit from the Health and Safety Executive (HSE) in March 2016. Whilst we still await the final report, the HSE have provided very positive feedback and confirmed that they will not be taking any formal action against the council for any breaches or failings.
- **Apprenticeship scheme** – budget has been allocated to support the recruitment of up to five apprentices on a two year programme from August 2016 – 2018. This will provide for one apprentice mechanic in the Council's garage and up to four 'clean and green' apprentices to work flexibly and gain qualifications and experience across front-line Council services such as street cleansing, refuse and recycling, enforcement and also to experience horticultural work with our Green Spaces teams.

4. PROJECT PLAN

An outline project plan showing key dates is provided at appendix one.

Whilst the majority of residents will not notice a significant change in the services they receive the project will deliver improvements in both reliability and quality. The project will also extend collections of recycling, where possible and practical, to those areas that currently are not able to access garden waste and / or dry recycling collections at the kerbside. A start date of May 2017 is set for this 'new service' but where possible we will be introducing some changes earlier to help phase in the changes, reduce risks and improve our service offer in some areas.

5. COMMUNICATION

Effective communication with all stakeholders will be key to the successful implementation of the project and secure of public commitment to recycling. The Project Board continues to meet regularly and the views of the Cross Party Working Group and Scrutiny will form part of this communication plan.

As above, the vast majority of residents will not notice any significant changes in service delivery; the fact that the recycling is collected by the Council rather than a contractor and the fact that it is picked up by a different vehicle is rightly not something they should ordinarily be concerned about. Some residents will however be asked to present their bins and bags on a different day of the week to now and we recognise that changing habits in this regard may take a little while to settle. As we work with residents we will put in place a 'response' squad to address issues that emerge in the early weeks of implementation.

It will be important to provide simple, clear messages and calendars in terms of when and how residents should be presenting their bins, bags and boxes. And, to be very clear on what they can / cannot put in the recycling.

For those residents, where we are improving the kerbside offer, the changes should be welcomed.

The project will simplify the production of calendars reducing this from the current number of 112 different calendars down to a much more manageable number.

6. COLLECTION VEHICLES

The original aim of the Project was to introduce a different vehicle to support recycling collections which would protect the value of the recycling 'asset' by collecting it separated, at source, at the kerbside and therefore reducing contamination and presenting it to the market clean and separated. Three different types of vehicle were fully trialled in this regard in Carlisle with each presenting challenges, logistical issues and some serious operational risks (health and safety risks and performance). A different solution was therefore needed.

The Rethinking Waste Project Board has therefore approved an alternative vehicle that supports the business case and addresses the operational and health and safety risks. The preferred vehicle option is therefore likely to be a more conventional split body, compaction collection vehicle. This is further illustrated in appendix two.

7. FINANCIAL CASE

Further to the amended approach to vehicle choices, further financial work is still being developed. The revised forecasting includes all relevant service costs and predictions, as well as modelling of:

- staff numbers (drivers and loaders)
- vehicle numbers
 - purchase price – capital cost
 - running costs – revenue
- income from recycling (based on the collection regime proposed)

The soft market testing day was crucial to this process confirming that the value of the recycling collected was not significantly affected to justify the investment in the number of vehicles required should we have pursued the RRV option (Resource Recovery Vehicle).

8. RISK MANAGEMENT

The project introduces operational, financial and reputational risks which will be systematically addressed as we work through the plan. These are contained in the Directorate risk register.

9. RECOMMENDATIONS

Scrutiny is asked to note the contents of this report and to receive further updates as the project moves closer to implementation.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

Clean up Carlisle, efficiency savings, sustainability

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Appendices: Appendix 1: Project plan
Appendix 2: Pros and cons

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's -

Deputy Chief Executive –

Economic Development –

Governance –

Local Environment –

Resources -

Pros and Cons of each Option for future recycling collection vehicles in Carlisle from April 2017

Option 2 60/40 or 50/50 split back RCV

- Materials split into two large compartments therefore less frequent trips to the tip which saves on time and fuel
 - Requires the least number of vehicles and staff compared to other options
 - Only one (or possibly none) small vehicle required as standard vehicles have rear steer so should be able to get to the majority of properties
 - Minimal change for the residents as the paper would be collected in the same container as the card
 - Reduced risk of contamination as source separated by the resident
 - The empty green bags can be placed into the green box after collection to avoid them blowing away and to help the pavements look tidier
 - Meets the required council savings as require the least capital and revenue costs
 - Likely to meet TEEP as our findings have shown that this option is the most efficient and economic way of collecting recycling.
 - Reduced health and safety risks:
 - Reduced manual handling
 - Reduced road risk
 - Improved speed/efficiency of collection
 - Flexible vehicles – able to support other service collections when necessary
- Not fully source separated in vehicle (paper and card in one side and plastic, cans and glass in the other side. However the plastic and cans would be removed from the glass in the separation process by the processor
 - No option to add food waste to these vehicles
 - Generates the least income from sale of recyclates

Pros and Cons of each Option for future recycling collection vehicles in Carlisle from April 2017

<p><u>Option 3</u> 50/50 split back RCV with Pod</p>	<ul style="list-style-type: none"> • Materials split into three compartments • Reduced risk of contamination as source separated by the resident • The empty green bags can be placed into the green box after collection to avoid them blowing away and to help the pavements look tidier • Reduced health and safety risks: <ul style="list-style-type: none"> ○ Reduced manual handling ○ Reduced road risk • Improved speed/efficiency of collection compared to option 1 but slower than option 2 • Likely to meet TEEP due to some source separation but with increased cost of collection over option 2. 	<ul style="list-style-type: none"> • Not fully source separated in vehicle (paper and card in one side, plastic and cans in the other side and glass in the pod. However the plastic and cans would be separated by the processor • No option to add food waste to these vehicles • The split back compartments are much smaller to allow for the pod at the front • These vehicles are longer and only standard size vehicles are made therefore access is likely to be an issue in some areas of Botchergate, Denton Holme and Newtown and in rural hard to reach areas • Financial case not as robust as option 2 and unlikely to meet the council's savings
<p><u>Option 4</u> As is currently with separate plastic and card and green box collections but green box would be collected in a 60/40 or 50/50 split back rather than a kerbsider</p>	<ul style="list-style-type: none"> • Materials collected in separate compartments (except glass and cans) • Materials split into four large compartments • Contamination is low as source separated by the resident • Likely to meet TEEP as majority is source separated but with increased cost of collection over option 2. 	<ul style="list-style-type: none"> • No option to add food waste to these vehicles • Wasted time and fuel by sending two vehicles to each property – potential for reputation damage • Increased risk of road accidents by sending two heavy goods vehicles into the same street and vehicles may obstruct each other's collections and access for residents • Separate recycling collections mean that crews are unable to place green bags into the green box after collection • Requires residents to have another recycling container (4 in total) to separate the paper from the glass and cans for safety reasons • Financial case not as robust as option 2 and unlikely to meet the council's savings