



COUNCIL

11<sup>TH</sup> DECEMBER 2018

AGENDA ITEM (9)

FUTURE WASTE SERVICE REVIEW

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<b>Purpose of Report</b>	To consider the design of the future waste service from 2019 and delegations for contract awards associated with service changes (having regard to recommendations from the Cabinet).
<b>CABINET RECOMMENDATIONS</b>	<p><b>That Cabinet recommends to Council that:</b></p> <p>(a) the consultation summary, the financial estimates and other information provided within this report be noted and, based on this evidence, the future Waste and Recycling Service be delivered as follows (based on a combination of an enhanced version of the current service (Option 1) and Option 2b, as set out in this report):-</p> <ul style="list-style-type: none"><li>• a fortnightly collection of residual waste (as existing);</li><li>• a fortnightly collection of dry recyclates (as existing) but subject to an enhancement to the existing kerbside sort collection service, to include additional materials (i.e. waste electrical and electronic equipment (WEEE), textiles and cartons) and a change in receptacle for cardboard;</li><li>• a separated weekly food waste collection;</li><li>• a separated fortnightly garden waste collection;</li></ul> <p>(b) revenue costs be mitigated by introducing an annual three-month suspension of the garden waste service during the winter period (dates to be determined);</p> <p>(c) capital be allocated as set out in Appendix 'D' - Table 3 for the selected option for the procurement of fleet and new containers;</p> <p>(d) one-off revenue allocations be agreed of up to £180,200 for the additional waste service management of mobilisation and procurement, delivery of containers, communications to the public, and additional customer services and operational support immediately prior to and during service launch;</p>

	<p>(e) delegated authority be given to the Council's Chief Finance Officer, in consultation with the Group Manager (Council Advisory Services), Leader of the Council and Cabinet Member for Environment, to take the decision on fleet contract awards;</p> <p>(f) a contract for the bulking and onward sale of all recyclates collected in the new service be produced; and delegated authority be given to the Council's Chief Finance Officer, in consultation with the Group Manager (Council Advisory Services), Leader of the Council and Cabinet Member for Environment, to take the decision on such materials handling contract award.</p>
<b>Reason(s) for Recommendation(s)</b>	To respond to the public consultation on the waste service, and seek to ensure recycling performance is enhanced and service costs are managed whilst providing a service to the public that is operationally efficient and easy to understand and use.

<b>Ward(s) Affected</b>	All
<b>Key Decision</b>	Yes
<b>Recommendation to Council</b>	Yes, from the Cabinet

<b>Financial Implications</b>	Annual revenue implications are summarised below - detailed revenue and capital costs are provided in the tables in the Appendices:				
	<b>Cost Estimates</b>	Current service 2018/19	<i>Option 1 Baseline with Growth</i>	<i>Option 2a (fortnightly garden waste)</i>	<i>Option 2b (weekly garden waste)</i>
	Annual net service cost	£3,437,924	£3,472,178	£3,493,991	£3,950,606
	<i>Seasonal garden waste saving</i>	£0	£213,000	£122,000	£213,000
	<b>Net revenue position</b>	£3,437,924	£3,259,178	£3,371,991	£3,737,606
	<i>Cost to CDC to separate food and garden waste collection (included in costs above)</i>			£185,952	£270,566
<i>Saving to GCC in processing costs for garden &amp; Food waste</i>			-£87,000	-£87,000	

	<p>The one-off revenue implication to facilitate a service launch which does not impact negatively on the customer is estimated to be a maximum of £180,200.</p> <p>The one-off capital costs are shown in <b>Appendix 'D'</b> - Table 3 for each option.</p> <p>If seasonal collections are introduced, Christmas tree recycling will still be provided - this has not been costed as a separate service yet.</p>
<p><b>Legal and Human Rights Implications</b></p>	<p>The recommendations will ensure the Council meets its Waste Collection duties, and is compliant with current statute including TEEP (Technically, Environmentally and Economically Practicable) provisions. It is also likely that the recommended options will be closely aligned to National Waste Strategy due to be published in November.</p>
<p><b>Environmental and Sustainability Implications</b></p>	<p>A key objective is increasing recycling performance, and consideration is also given to maximising fleet efficiency and reducing the carbon impact of the Council's operations. The carbon impact of each option is included in <b>Appendix 'E'</b>.</p>
<p><b>Human Resource Implications</b></p>	<p>(i) The one-off revenue costs of the staff resource implications are included within the financial implications of this report.</p> <p>(ii) The service change will be managed by the Joint Waste Team (JWT) and overseen by the Group Manager - Council Advisory Services. Additional resource will be required within the Joint Waste Team to manage the procurement of fleet, the recycling material contract and containers as well as container delivery and service communications. The Council currently funds 50% of a Waste Contracts Manager post within the JWT.</p> <p>(iii) Additional resources will also be required within Customer Services during the communication campaign, container delivery and new service launch although the exact resource requirement will depend on the changes made during the Customer Services and digital transformation projects which Publica have now commenced. The resource sought is based on current customer service delivery but every effort will be made to reduce that requirement.</p> <p>(iv) There will also be a need to enhance Ubico's operational staffing during the transition period, including additional supervision and crews to respond quickly to missed collections, excess materials presented, etc.</p>

<p><b>Key Risks</b></p>	<p><u>Financial</u></p> <p>(i) The existing fleet is 6 years old but is experiencing high frequency of breakdowns and repairs. The introduction of new fleet as soon as is feasible, within decision-making, procurement and vehicle lead-in times, is essential to prevent excessive overspend against budget. Delaying the introduction of a new service by twelve months would result in an additional cost to the Council in excess of £1M.</p> <p>(ii) Whilst every effort has been made to model services, sensitivity test and benchmark data and assumptions, there is a significant risk that calculations may not fully reflect the operational</p>
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delivery when service changes are made. The financial projections are based on a range of assumptions, current material tonnages, and values and forecast property development rates, operational methodology (i.e. number of crew and vehicle type, pass rates and tonnages collected per vehicle) - these are subject to change but it is not possible to predict whether they will rise or fall. There is therefore a risk that service costs will increase.

(iii) The value of materials fluctuates due to changing global markets for these materials. There is a risk that material values drop, which will reduce the income achieved, or for the dual stream or fully comingled options increase the service costs.

(iv) The value of recycling credits may reduce. Recycling credits help off-set the cost of services so if the County Council reduce the credits paid this will have a financial impact on CDC.

#### Operational impacts

(v) Ubico staff and management were consulted and have carried out a risk assessment for each option. Ubico have indicated a dual stream or fully comingled service would be preferred by the contractor as it would significantly reduce manual handling and assist with staff recruitment and retention. There is a national driver shortage and the physical nature of a kerbside sort service can make recruitment of drivers and loaders difficult.

(vi) Options that require additional vehicles may not be viable as the vehicle limit within the Operator's licence may be exceeded. Option 3 for a weekly recycling service is not considered viable for this reason.

#### Legal Compliance

(vii) If the Council took a decision to move to a comingled service (option 6) or a dual stream comingled service (Option 5), it could be challenged by the EA or third parties regarding compliance with the Waste Regulations without a very strong steer from the public that a change to a comingled service would encourage them to recycle more. A case could be made for a dual stream service; however, it is highly unlikely a fully comingled service could be justified, and a decision to pursue option 6 would expose the Council to a very high risk of legal challenge.

(viii) The government is developing a new Resources and Waste Strategy, due to be published in the Autumn. It is anticipated that there will be a focus on high quality recycling through separated collection. Whilst the policy content is not known, there is a risk a move from kerbside sort to a dual stream or comingled service could conflict with emerging policy.

#### Performance

(ix) If no change to the service is made, it is unlikely the Council will be able to make significant progress in driving up recycling rates and over time it may fall behind in its performance.

(x) Impact on recycling performance is hard to assess - the public have not indicated a strong desire for a radical change in service design and current recycling performance is high. There is a risk that changing to a dual stream or comingled service would see a dip, albeit temporary, in recycling performance particularly with an increase in contamination although these options are modelled as creating the greatest increase in recycling rates. Service enhancement and increased promotion is likely to stimulate

	<p>increased performance.</p> <p>(xi) Residents have expressed some desire for a reduction in containers and a simplified service - a kerbside sort service will not achieve this and separating out food and garden waste will see some households that currently place their food waste in their garden waste bin, presenting an additional container (food waste caddy) at the kerbside.</p> <p><u>Flexibility</u></p> <p>(xii) Statutory changes present a constant risk; however, the recent media interest in plastics pollution and the proposed changes, including the bottle deposit scheme, place the future tonnages of some materials into question. In addition, the impact of Brexit on the waste industry and waste targets is not known. Waste Regulations may be relaxed, reducing the burden on businesses. Recycling targets may also be watered down to allow for England's stagnating recycling rates as the UK is not on track to meet the Waste Framework Directive's 50% re-use and recycling target by 2020. The potential impact that this may have on CDC's waste and recycling collections is that quality standards may be relaxed which may cause the price of dry recyclables to fall, directly affecting the income received by the Council which goes to partly offset service costs.</p> <p>(xiii) The type of vehicles which would be used for a kerbside sort collection are less versatile and more expensive to maintain and repair than standard RCVs which would be used for a comingled service.</p>
<b>Equalities Analysis</b>	Not applicable to this report - the impact of any changes on those with mobility problems who receive an assisted collection will be carefully considered to ensure they are appropriately supported.
<b>Related Decisions</b>	This report should be considered alongside the MTFs due to the considerable Capital and Revenue implications.
<b>Background Documents</b>	<p>(i) Resource Futures - CDC Waste and Recycling Collection Options Appraisal - September 2018.</p> <p>(ii) Public Waste Survey - June 2018.</p> <p>(iii) Members' Waste Service Workshop - August 2018.</p> <p>(iv) Town and Parish Council Waste Service Workshop - August 2018.</p> <p>(v) All background documents are available at <a href="http://www.cotswold.gov.uk">www.cotswold.gov.uk</a></p>
<b>Appendices</b>	<p><b>Appendix 'A'</b> - Summary of Consultation</p> <p><b>Appendix 'B'</b> - Existing Service Description</p> <p><b>Appendix 'C'</b> - Performance Benchmarking data</p> <p><b>Appendix 'D'</b> - Financial summary:-</p> <ul style="list-style-type: none"> <li>• Table 1 - Annual Revenue Costs;</li> <li>• Table 2 - One-off Revenue Costs;</li> <li>• Table 3 - Capital Costs;</li> <li>• Table 4 - Options to mitigate Revenue Costs.</li> </ul>

	<p><b>Appendix 'E' - Carbon impact of options</b></p> <p><b>Appendix 'F' - Option appraisal summary</b></p>
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<p><b>Performance Management Follow Up</b></p>	<p>(i) Implement Council decision(s).</p> <p>(ii) The Waste Service Review is a Key Task and, as such, progress and performance will be reported quarterly.</p> <p>(iii) Delivery of operational changes will be monitored by a project management team including the Cabinet Member, officers from the Joint Waste team, Ubico, Publica Customer Services and Communications Teams and the Group Manager (Council Advisory Services).</p> <p>(iv) Once any service changes are implemented, recycling and residual waste performance will continue to be monitored as Performance Indicators. Financial performance will be monitored monthly and reported quarterly, as per standard reporting procedures.</p>
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<p><b>Options for Joint Working</b></p>	<p>The Waste services across Cotswold, West Oxfordshire and Forest of Dean District Councils are managed jointly by Publica. This provides the opportunity for learning and sharing of best practice.</p>
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<p><b>Background Information</b></p> <p>1. <u>Background</u></p> <p>1.1 In 2012 Cotswold District Council and Cheltenham Borough Council created Ubico Limited, a Teckal company designed to deliver Environmental services, offering better value for money than commercial contracts. CDC's service transferred from SITA UK Limited to Ubico in August 2012 and some weeks later a new kerbside plastic collection service was launched.</p> <p>1.2 The Council purchased recycling collection vehicles at that time, which enabled materials, which are pre-sorted by residents in black boxes and blue and white bags, to be loaded onto different compartments (stillages) on the vehicle. The vehicles were built to order with the size of each compartment being designed around the quantity of each material being collected in the Cotswolds. Most waste and recycling collection vehicles have a useful life of around 7 years, after which the cost to repair and maintain them becomes excessive and replacement is the better financial option. Vehicles are likely to breakdown more frequently as they get older and this can impact on the service to the customer and lead to considerable hire costs, particularly as it is difficult to replace with a like-for-like replacement for bespoke vehicles.</p> <p>1.3 As the Cotswold recycling fleet commenced service in 2012, it is due for replacement in 2019; but we are already experiencing high repair costs, due to the punishing nature of this large rural district. A review is currently underway to consider depreciating fleet over 6 years, comparing replacement cost against maintenance and repair costs and considering qualitative factors such as disruption to services.</p> <p>1.4 Replacement of vehicles provides the opportunity to review the collection service that is provided. There are a range of different collection vehicles available, so vehicles are acquired that can best deliver the service. This means there may be very limited options to change a service during the 7 year life of the fleet without incurring additional costs to sell and then replace vehicles. There are a number of reasons to consider service change, notably a desire to enhance existing service provision, and therefore recycling performance, a need to reflect changing demands (i.e. housing growth, changes in material quantities presented), and financial pressures.</p>	
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## 2. Shared Objectives - The Joint Waste Committee (JWC)

2.1 The Gloucestershire Joint Waste Committee (which includes Cotswold and Forest of Dean District Councils, Cheltenham and Tewkesbury Borough Councils, and the County Council) have agreed a shared objective of working towards a common waste and recycling collection service in the County. Whilst not members of the Committee, Gloucester City and Stroud District Councils have also expressed an interest in this common aim. The more aligned services are, the greater the opportunity for shared services, joint procurement, increased resilience and significant savings. It would also present a simpler message to the public, particularly for those residents that may move between districts or have families in different areas. This in turn would enable more consistent communication strategies in support of the targets and aspirations set out in the Joint Municipal Waste Management Strategy.

2.2 CDC is the first authority to review its services since this objective was agreed. The JWC were consulted on the public consultation that was developed for CDC and have approved its use as the template for all future waste consultations across the districts.

2.3 The challenge is now to develop a service model that may suit all partners, particularly as there is such a diverse range of collection methodology currently used - from a fully pre-sorted kerbside service at Cotswold to a full comingled service at Tewkesbury. There also needs to be recognition that some collection methods will be better suited to certain demographics/environments and the challenges of collections in a rural district like Cotswold will be very different to the challenges of collections in an urban district like Cheltenham. Complete alignment may not be feasible but the objective will be to achieve comparable and standardised services where at all possible.

2.4 The Cotswold service is currently very similar to the Cheltenham service, the only difference being the frequency of garden waste collections and the combined collection of foods and garden waste. If services can be aligned with neighbouring authorities it presents the opportunity to consider cross boundary working, which could generate savings for both authorities.

2.5 The modelling and service options considered by CDC were presented to the Joint Waste Committee on 10<sup>th</sup> October for their review and recommendation. There was some support for consideration of a suspension of winter Garden Waste collections at other partner authorities - an approach already adopted by Stroud District Council. There is a strong desire from the Committee that Cotswold moves to separate its Garden and Food waste.

## 3. Parameters for Change

3.1 The following are key considerations for changing the service:

- Meeting customer needs - reflect what residents want and be flexible in meeting their diverse needs, shaped both by household demographics and property type.
- Communication - the service should be simple and easy to communicate.
- Improvement in reuse, recycling and composting performance.
- Reduction in refuse collected.
- Practical operational delivery - capable of being efficiently delivered.
- Legal compliance - compliant with legal requirements and must not place the Council at an unacceptable risk of challenge.
- Affordability - within the Council's budget allocation for the service.

3.2 A summary of these considerations is set out in Section 4 of this report (details in **Appendix 'F'**) and such considerations have been used to develop the following options which have been modelled to enable cost and recycling rate performance comparisons. There are no changes

proposed to the residual waste service and all options include a weekly food waste collection. The green boxes show that the service is the same as it is now (the baseline). Purple boxes show where the service is different to the existing service:

Options	Dry recycling		Garden waste	Collected with Food Waste
Baseline	Fortnightly	Multi-stream*	Weekly	Combined
1	Fortnightly	Multi-stream	Weekly	Combined
2a	Fortnightly	Multi-stream	Fortnightly	Separated
2b	Fortnightly	Multi-stream	Weekly	Separated
3	Weekly	Multi-stream	Fortnightly	Separated
4a	Fortnightly	Dual-stream	Weekly	Combined
4b	Fortnightly	Dual-stream	Fortnightly	Separated
5a	Fortnightly	Dual-stream	Weekly	Combined
5b	Fortnightly	Dual-stream	Fortnightly	Separated
6a	Fortnightly	Comingled	Weekly	Combined
6b	Fortnightly	Comingled	Fortnightly	Separated

3.3 Multi-stream means materials are separated by the householder and collected separately at the kerbside. A dual-stream collection means one or more materials are separated out, usually fibre (paper and card) or glass. A 'Co-mingled' single stream collection means all dry recyclate is collected together.

3.4 There are number of elements relating to the food and garden waste service which can be considered for change. The Council had no data on what proportion of the combined garden and food waste tonnages collected was food and how much was garden waste. Whilst there is WRAP data on the likely composition (Food Waste Ready Reckoner that assumes 73% garden waste and 27% food waste), this presented a risk, so some composition analysis was carried out to ensure modelling was as accurate as possible - this indicated 72% was garden waste, 24% food waste, 2% biobags/paper, and 2% contamination. Modelling and costings are therefore based on these figures.

#### Separation of Food and Garden Waste

3.5 Food waste is currently collected on the same vehicle as garden waste and residents subscribing to the garden waste service can tip their food waste caddies into the Garden waste wheeled bin. This is an economic collection method but is costly when the waste is processed. Food waste must be treated at an In-Vessel Composting (IVC) plant and therefore garden waste mixed with food waste must also be treated by IVC. If garden waste is collected separately, this material can go for open windrow composting which is a far cheaper process and environmentally beneficial.

3.6 CDC is the only district in Gloucestershire collecting food and garden waste together. The cost to treat this waste falls to the County Council as the waste disposal authority. Whilst collection of separated materials is more expensive (£185,952 for a fortnightly garden waste service and £270,566 for a weekly garden waste service based on options 2a/2b), there would be a saving in processing cost (£87,116), alignment in collection method across the County and an environmental benefit. If this was supported, a sharing of this processing saving would be sought from GCC, so that the District Council does not carry the full financial burden of this change.



3.7 Please note: Costs of separation in the Resource Futures report (£145,571) differ from the above figures as they were based on Option 5 and the costs in the table above are based on Ubico's operational costs not KAT Modelling.

Frequency	Costs	Combined/Separate collection	Costs
Cost of weekly garden waste	£1,073,397	Cost of combined weekly Garden & food waste	£1,279,616
Cost of fortnightly garden waste	£616,879	Cost of separated weekly Garden waste and food waste	£1,550,182
<b>Net saving for fortnightly service</b>	<b>£456,518</b>	<b>Net cost if separated</b>	<b>£270,566</b>
		Cost of separated fortnightly Garden waste and weekly food waste	£1,093,664
		<b>Net cost if separated</b>	<b>£185,952</b>

#### Seasonal Garden Waste Collections

3.8 Garden waste is currently collected weekly throughout the year. The service has been subsidised and the licence fee has remained at £30 for ten years since its introduction in 2008. All of the other districts in Gloucestershire collect garden waste fortnightly, so a move to a fortnightly collection would be beneficial to align Gloucestershire services and mitigate service costs. The £30 licence fee would cover the cost of a fortnightly service but leaves a £373,000 shortfall for a weekly service which the Council then have to fund.

3.9 An alternative option is seasonal collections - tonnages of green waste drop significantly during the winter months yet the weekly collection service remains in place although the resources are reduced by one vehicle. Some authorities cease garden waste collections during the non-growing season, i.e. November - January.

3.10 This would provide the following benefits:

- Cost reduction of an estimated £122,000 per annum for Option 2a and £213,000 per annum for Option 2b (fleet running costs and staff salaries).
- Ability to redeploy garden waste crews to other collection rounds, reducing the reliance on agency staff and assisting with driver shortage.
- Providing greater fleet resilience during Christmas and the winter when service disruption is likely, which would speed up catch up collections.

3.11 In addition, if the decision was made to separate the collections of food and garden waste, a physical break in the collection of garden waste soon after service launch would reinforce the communication to residents that they can no longer place food waste in their garden waste bins. The value of this service break in aiding communications should not be underestimated.

3.12 At an all-Member Briefing on 15<sup>th</sup> November 2018, the period of a winter suspension was queried as the weather had remained mild through the start of November. The period would be given further consideration and could be trialled for the first year with the potential for the start and end date to be changed in the second year.

#### 4. Key Considerations for a Revised Recycling Service

##### Meeting Customer Needs

4.1 The Council carried out consultation during July and August 2018, which included workshops for District Councillors and Town and Parish Councils and a public consultation - the summary consultation report is attached at **Appendix 'A' (i)**. The key areas for change highlighted by the consultation and desktop sessions were options to:

- (a) Increase capacity/change container for cardboard recycling
- (b) Change food waste container
- (c) Separate out food and garden waste collections
- (d) Make seasonal garden waste collections
- (e) Increase the range of recycling materials collected
- (f) Move from kerbside sort recycling collection method to co-mingled or dual stream approach
- (g) Make the recycling collection service simple to use and understand and increase/improve associated communications with the public.

4.2 Residents, Members and Town/Parish Councils indicated that they are happy with the range of materials currently recycled, but there was a desire to see cartons, small electrical items, household batteries, and textiles collected at the kerbside. Residents are happy with the refuse collection service and would support food and garden waste being collected separately and for there to be a seasonal stoppage of the garden waste service providing the licence fee didn't increase (further information is contained in **Appendix 'A'**).

##### Communication

4.3 The waste and recycling service must be capable of being communicated simply to the whole population. This means that the fewer collection days each householder has and the less complex the instructions for presenting waste, the better. Complex systems and instructions are likely to cause confusion and may deter participation in recycling.

4.4 Significant changes to the service would require repeated and prolonged communications to ensure residents are clear on the changes. A change to a comingled or dual stream comingled service is likely to see an increase in contamination which would require a significant promotional and educational resource within 12 months of service launch.

4.5 Any service change will generate interest in recycling and composting and should deliver a boost in recycling; however, it is known that services will plateau and performance will drop of if there isn't a continued focus on promotion and education.

4.6 For any of the multi-stream options where materials are sorted by residents and loaded separately at the kerbside, it will be critical that materials are presented separately as mixing of materials will significantly slow down crews and this will ultimately impact on the number of vehicles required and therefore the cost of the service. Residents are used to pre-sorting materials and compliance is high; this would have to be reinforced prior to service launch. Due to the impact on service delivery, the Council would not collect materials that had not been pre-sorted.

##### Improvement in Reuse, Recycling and Composting

4.7 In Cotswold District, the percentage of waste sent for reuse, recycling or composting in 2017/18 was 58.7%. Residents are keen recyclers and performance is good but there has been a slight reduction in performance since 2016/17 from 59.6%. The Council has a strong history of promoting and encouraging recycling, reuse and composting, which has had a positive impact on

performance but, as with many other authorities and indeed the national trend, residual waste arisings are increasing, which has meant recycling rates have stabilised or even reduced. It is clear that the Council needs to take actions to maintain or enhance its recycling performance.

4.8 The Council already provides an extensive kerbside collection of materials for recycling (see **Appendix 'B'**) but there is scope to extend the range of materials and, in the case of cardboard, the quantity that is collected. Cardboard collection is currently restricted by the size of the blue bag and the capacity of the vehicles which limits the amount that can be collected.

4.9 In 2016/17 (latest league table), Cotswold was ranked 13<sup>th</sup> in the Country for recycling. Whilst co-mingled services tend to yield large quantities of recycling, they tend to suffer with significant levels of contamination, as residents are able to throw everything in together and are less focussed on presenting quality materials. Contamination can impact on the quality of materials and has a significant financial impact as a result of rejections. The Council sells the recycling it collects - pre-sorted materials are of good quality and the Council achieves a good income which partially offsets the service costs. If materials are co-mingled then they must be transported to a processor where they can be sorted using machinery and/or hand picking lines. The transportation and cost the Council must pay for this sorting process will currently outweigh the value obtained for the materials itself. This can be seen in **Appendix 'D'**, Table 1, which shows the income or cost for each option of recycling disposal.

4.10 The calculated impact of each option on the Council's recycling performance is shown in **Appendix 'F'**. Most options will deliver predicted recycling and composting of 61% - 65%. The Option to comingle (6) or collect using a dual stream comingled service (5) could achieve over 65%. There are, however, significant risks associated with these options regarding TEEP, contamination and gate fees, which may vary considerably, rising if the value of materials reduces in the global market.

4.11 Recycling percentage performance is modelled but provides no guarantees this can be achieved. The Officer recommendation is that the focus be on good, clear communication and promotion to drive up recycling performance, which should see improved performance over time. It should be noted that a reduction in frequency of garden waste collection may result in a reduction in recycling performance, particularly in year one, but this is not expected to be a significant long term impact.

4.12 Responding to the public consultation to improve containment for cardboard and enhance the service with the collection of additional materials, coupled with further communication and promotion, will enhance the existing recycling performance in the district.

#### Practical Operational Delivery

4.13 Suitable vehicles will be required for the selected service, i.e. collection vehicles with bin lifts onto which wheeled bins are attached, or vehicles with stillages (compartments) into which materials are sorted at the kerbside.

4.14 An optimum number of vehicles and operatives need to be deployed to ensure that the service can be delivered efficiently and effectively within the collection cycle (either weekly or fortnightly). The number of rounds that are used is dependent on vehicle types and capacities, crew ratios, productivity, travel times to collection areas, off-loading arrangements and rules on driver's hours. These differ for each service option.

4.15 Ubico operate from the Packers Leaze depot in South Cerney - whilst this has been the historic location of operation, it does present some constraints due to the size of the district for collections in the far north as travel times means vehicles can only fill up once before returning to Cirencester to tip and there is not the necessary time available to go back out and make further collections. As part of this service review, consideration has been given to a satellite transfer station in the centre-north of the District. The operational revenue cost savings this would provide have been weighed against the revenue costs to operate a transfer station. It has been concluded that a transfer station would not be financially viable as the net increase in cost would be £90,000/year.

4.16 Options which result in an increase in vehicle numbers may not be feasible due to Operators Licence and staffing requirements (see risk section).

#### Compliance with the Waste England and Wales Regulations (Amendment) 2012

4.17 Regulation 13, which was enacted on 1<sup>st</sup> January 2015, states that all waste collectors will be required to collect glass, metal, paper and plastic in separate streams where doing so is both necessary and technically, economically and environmentally practicable (TEEP). DEFRA have not produced any guidance to support this regulation but a Route Map has been produced by a working party which included Local Authority Waste Networks and WRAP, which helps authorities assess their compliance with the regulation.

4.18 If the Council wished to move away from the current kerbside sort collection service to a purely comingled collection, it would need to demonstrate that it is not technically, economically or environmentally practicable to provide a kerbside sort service. In other words it is not technically practical, not affordable within service budget provision and is not the best environmental option, in that a comingled service will increase recycling rates, lower costs and still produce a high quality material for recycling. However, the fact that the cost of a kerbside sort service exceeds budgets does not automatically mean that a cheaper co-mingled service is acceptable. Many of the authorities who currently offer a co-mingled service introduced that collection method prior to 2015, those that have introduced a co-mingled service since then have tended to offer a dual stream service with some degree of separation in order to remain compliant. This will still have required substantial justification to avoid the risk of challenge.

4.19 It is highly unlikely that CDC could justify a shift from a kerbside sort service to a fully comingled service. A dual stream service may be justified due to a combination of cost savings, some public desire for a simplified service and an improvement in containers and the projected increase in recycling performance; however, there was not overwhelming support for a significant change in service and it may therefore remain challenging to justify this change within the TEEP provisions.

#### Affordability

4.20 Consultants Resource Futures have modelled options using KAT (Kerbside Analysis Tool developed by WRAP). This modelling tool uses data on tonnages, gate fees, round size, pass rates etc. which then generates projected fleet numbers and service costs. This is an indicative model and contains some pre-set data which may not reflect operational deliverability. For example the KAT system assumes vehicle capacity (how full each vehicle will be on each round) of 3.5t; however, Ubico know, following benchmarking, that it may only be possible to achieve 2.1t. Some further sensitivity analysis was carried out by benchmarking data with the Forest of Dean, which has many synergies with Cotswold District. FoDDC achieve around 2.8t per vehicle, so this data has been used but resulted in an increase in vehicle numbers compared with the KAT model. The Resource Futures report sets out the significant amount of data that has been reviewed and analysed in producing costed options.

4.21 Following significant review of assumptions, Ubico have used the Webaspx system to calculate vehicle numbers required for each option and then used this data to cost each option. As the Ubico costings represent the estimated operational costs, it is those costs that must be used for budgetary purposes.

4.22 The Options include current service provision with projected growth aligned with the Local Plan 2031. Some services are already under pressure due to new build properties and an increase in the quantity of certain materials being presented, so Option 1 includes some growth in service demand against the Baseline (current service provision).

4.23 **Appendix 'D' - Table 1** sets out the revenue costs for each option, detailing the operational costs, the income from recycling materials or the cost for haulage and processing for disposing of comingled recycled, and the net budgetary position.

4.24 **Appendix 'D' - Table 2** sets out the one off revenue costs to support the mobilisation, procurement and launch of the new service; and Table 3 sets out the Capital costs.

5. Options

All of the options have been scored within the Resource Futures report; however, further discussion between the Council, Ubico and the Joint Waste Team has highlighted that some options are not truly viable, i.e. Option 6 is unlikely to be TEEP compliant and Option 3 requires so many vehicles it would exceed Ubico's Operator's licence and there is a significant risk this could not be extended. In addition, the Ubico cost modelling has affected the financial appraisal in the Resource Futures report. The pros and cons of each option have therefore been set out in an optional appraisal to help inform the decision - see **Appendix 'F'**.

6. Cabinet Deliberations/Recommendations

6.1 This matter was considered by the Cabinet at its Special Meeting held on 3<sup>rd</sup> December 2018.

6.2 Although various Options have been evaluated (as set out in Appendix 'F'), the Cabinet was recommended to focus on the following:-

*EITHER*

*(i) Option 1 - current service, combined weekly collection of food and garden waste (at an estimated annual revenue cost of £34,254 above existing budget);*

*OR*

*(ii) the service as per Option 1 SUBJECT TO an enhancement to the existing kerbside sort collection service, to include additional materials (i.e. waste electrical and electronic equipment (WEEE), textiles and cartons) and a change in receptacle for cardboard; and a change to a separated collection of weekly food waste; with either:-*

- Option 2a - a separated fortnightly garden waste collection (at an estimated annual revenue cost of £56,067 above existing budget); or*
- Option 2b - a separated weekly garden waste collection (at an estimated annual revenue cost of £512,682 above existing budget).*

6.3 Arising out of its debate, the Cabinet supported item (ii) above, combined with Option 2a. In addition, the Cabinet supported the introduction of an annual three-month suspension of the garden waste service during the winter period but recommended that, due to seasonal weather variations, specific dates should not be set at this point in time. Linked to this recommendation, the Cabinet reaffirmed its commitment to retain the current annual licence fee of £30. The full recommendations of the Cabinet are set out on pages 1 and 2 of this report; and, in terms of revenue implications, the recommended service would lead to an estimated saving against the current budget of £65,933.

(END)