



EAST STAFFORDSHIRE BOROUGH COUNCIL
REPORT COVER SHEET

Title of Report:	Scrutiny Review of Waste Management	To be marked with an 'X' by Democratic Services after report has been presented
Meeting of:	Scrutiny Audit and Value for Money Council Services Committee	
	Corporate Management Team	
	Leader and Deputy Leaders	
	Cabinet	

Scrutiny Committee Review Final Report

Title: Scrutiny Review of Waste Management

Scrutiny Committee: Scrutiny (Audit and Value for Money Council) Committee

Committee Chair: Cllr Hudson

Sub-group Members Leading Review:

- Cllr Hudson
- Cllr Sylvester
- Cllr Sankey

Is the Report Confidential? No

If so, please state relevant paragraph from Schedule 12A Local Government Act 1972: N/a

SECTION 1: COMMITTEE'S REPORT

1. Introduction

1.1. Background / Context

1.1.1. At the meeting of the Scrutiny (Audit and Value for Money Council Services) Committee held on 21st September 2020, Committee Members agreed to undertake a review of Waste Management and that a sub-group made up of the councillors named above lead the review on behalf of the Committee.

1.2. What is the purpose of the Review (in one sentence)?

1.2.1. To review value for money in the delivery of the Council's Waste Management function and associated strategic approaches to ensure effective waste collection, disposal and recycling.

1.3. What are the core questions the review is seeking to answer?

1.3.1. The core themes of this review are as follows:

- i. Value for Money in Delivery of Services
- ii. Future of how and where we dispose of waste
- iii. The key challenges to recycling and strategy to address

1.3.2. Further information on the specific questions within each of these three core themes is detailed within this report.

1.4. What was the Scrutiny Approach

1.4.1. The activities carried out in order to complete the review included desktop studies, review of benchmarking with partners and discussion with relevant Council officers.

1.5. What is Within the Scope of the Review?

1.5.1. Council waste and recycling collection and disposal operations and strategy.

1.6. What is Outside the Scope of the Review?

1.6.1. Staffordshire County Council operations

2. Value for Money in Delivery of Services

2.1. What is the Council's approach to waste collections, recycling and disposal? How do the Council's peers approach this?

- 2.1.1. The Council has a statutory duty to collect waste from households under section 45 of the Environmental Protection Act 1990, including the separate collection of recycling (blue bins). The collection of garden waste is a non-statutory function, with over 70% of local authorities now charging residents for this service.
- 2.1.2. Most Authorities now operate some form of alternate weekly collections. We collect residual waste one week, then dry recycling and garden waste the following week.
- 2.1.3. Some Authorities also undertake separate weekly food collections, which can lead to a reduction in the frequency of residual waste collections.
- 2.1.4. In two tier Authority areas such as Staffordshire, the district councils are responsible for waste collection and the County Council is responsible for waste disposal
- 2.1.5. However, by agreement, the collection authority may make arrangements for the treatment/disposal of garden waste and dry recycling through the procurement of a suitable contract. In such situations, the collection authority is eligible to claim recycling credits from the County Council for diverting waste away from the residual waste stream.

2.2. What are the Council's Service Costs?

Waste Collection	
	2019/20
Employees	999,935
Transport Related Expenditure	660,475
Supplies & Services	41,285
Management & Overheads	141,227
Recycling	1,842,922
Employees	607,376
Transport Related Expenditure	333,540
Supplies & Services	12,579
Management & Overheads	130,238
Refuse Collection	1,083,732
Waste Service Total	2,926,654

Annual Expenditure for Waste Collection

- 2.2.1. The following extract was taken from a report submitted to Cabinet in March 2020 and provided comparison data for the cost of the service.

Further analysis against the nearest neighbour group is shown in Table 7.1 This ranks the local authorities in terms of cost and indicates the service delivery method and whether they currently charge for garden waste. In analysing this data, it should be noted that there will be differences in collection methodology and recycling services offered by the authorities.

Table 7.1 Nearest Neighbour – Cost Comparison Data

Rank		Unit Cost (£ per household)	Service Delivery Method	Charge for Garden Waste
1	<i>Bassetlaw</i>	28.41	<i>In-house</i>	Yes
2	<i>South Ribble</i>	29.56	<i>Outsourced</i>	Yes
3	<i>South Kesteven</i>	35.56	<i>In-house</i>	Yes
4	<i>Ashford</i>	36.43	<i>Outsourced</i>	Yes
5	<i>Newark & Sherwood</i>	38.42	<i>In-house</i>	Yes
6	<i>Lancaster</i>	41.59	<i>In-house</i>	Yes
7	<i>Carlisle</i>	42.42	<i>In-house</i>	No
8	<i>Cannock Chase</i>	42.95	<i>Outsourced</i>	No
9	<i>Rugby</i>	44.91	<i>In-house</i>	Yes
10	<i>Chorley</i>	46.03	<i>Outsourced</i>	Yes
11	<i>East Staffordshire</i>	48.41	<i>In-house</i>	No
12	<i>Wellingborough</i>	50.42	<i>Teckal/Joint Venture</i>	No
13	<i>Nuneaton & Bedworth</i>	53.70	<i>In-house</i>	Yes
14	<i>High Peak</i>	57.77	<i>Teckal</i>	No
15	<i>Kettering</i>	70.90	<i>In-house</i>	No
16	<i>North West Leicestershire</i>	79.53	<i>In-house</i>	No

*2019/20 LGA Data, CIPFA. Total cost of waste collection.

The data indicates that, in terms of cost, East Staffordshire is currently ranked eleventh from the 16 local authorities. One key finding, is that eight of the top ten ranked authorities (including the top 6), currently administer a charge for their garden waste service.

The collection of garden waste is a non-statutory function, although legislation allows local authorities to make a charge for its collection. Nationally, over 70% of local authorities have already implemented a charge. The current garden waste service costs the Council approximately £640k per annum.

In terms of comparison against other authorities with Staffordshire and neighbouring South Derbyshire, the results are contained in Table 7.2.

Table 7.2 Cost Comparison Data – Staffordshire & South Derbyshire

Rank		Unit Cost (£ per household)	Service Delivery Method	Charge for Garden Waste
1	Tamworth	34.12	Shared Service	Yes
2	Lichfield	41.23	Shared Service	Yes
3	Cannock Chase	42.95	Outsourced	No
4	East Staffordshire	48.41	In-House	No
5	Staffordshire Moorlands	48.67	Teckal	No
6	South Staffordshire	50.06	Outsourced	No
7	Newcastle-under-Lyme	56.90	In-House	Yes
8	Stafford	61.03	Outsourced	No
9	South Derbyshire	62.74	In-House/Outsourced	No

*51,850 households in the Borough

2.2.2. The following is an extract from the March 2020 Cabinet Report:

With the current garden waste service costing the Council approximately £640k per annum, a decision to implement charges will have a significant impact on the overall cost of waste collection in East Staffordshire. Based on previous assessments, the introduction of a £36 charge per bin, a 45% participation rate and a yield of 65% of existing tonnage could generate an annual saving in the order of £615k.

If this saving were realised, it would have the effect of reducing the Council's unit cost in Table 7.1 to £35.12 per household, thus ranking the Council third in its nearest neighbour group (or ranked in 30th place nationally from 192 shire districts).

2.2.3. This would also rank the Council second in the Staffordshire and South Derbyshire group based on this data.

2.3. What are the crew sizes?

2.3.1. Generally, our crews consist of a driver plus two loaders. Some consist of a driver plus one loader.

2.4. How is staff sickness absence managed, and what workplace health support is available? How is agency resource utilised? What are the costs of agency staff compared to directly employed staff, and what are the costs of covering sickness absence?

2.4.1. Overall the Council's sickness absence is on average 2.3 days per FTE. Absence is monitored per department on an ongoing basis. Sickness absence, including short and long term sickness, is managed proactively through Green Book provisions; the Management of Sickness Absence Policy; the Managing Stress and Promoting Wellbeing Policy; and the Workplace health Strategy.

2.4.2. This includes the use of Attendance Management Interviews with employees when certain triggers are reached, welfare meetings and referrals to occupational health.

2.4.3. The Council uses a vendor neutral Managed Service provider (Comensura) to manage its temporary agency recruitment. Agency staff are used daily to cover sickness absence and periods of leave. Any gaps in the workforce are covered with agency staff or from the street cleaning team.

2.4.4. Pay rates for agency staff recruited via Comensura are:

- HGV drivers: £10p/h; and £10.21p/h for those qualifying under Agency Worker Regulations;
- Refuse Loaders: £8.91p/h and £9.62p/h for those qualifying under Agency Worker Regulations;

2.5. What considerations are there in the procurement of new fleet vehicles, including how the benefits of diesel and alternative fuels are considered?

2.5.1. There were four key objectives when considering the procurement approach:

- Affordability;
- No compromise to service delivery;
- Climate Change;
- Deliverability.

2.5.2. A specialist consultant was appointed to undertake a financial appraisal, considering financial / funding options & analysis; diesel and electric vehicle options; and infrastructure considerations.

2.5.3. Following review of the appraisal, the approach was to:

- Move to low emission vehicles in stages based on approved Climate Change timescale; first stage is small electric vehicles (2021), then subsequently the larger vehicles as prices reduce and vehicle range and payloads increase.
- Commission Energy Saving Trust (zero cost) to undertake a detailed appraisal taking into account geography of the Borough;
- Undertake review of depot facilities and infrastructure requirements for future low emission fleet;
- Receive further demonstration vehicles to assess performance and range;

3. Future of how and where we dispose of waste

3.1. What responsibilities do the Waste disposal and Waste Collection authorities have?

3.1.1. Please refer to paragraph 2.1 for further information on waste / disposal responsibilities.

3.2. Where is residual waste disposed of now?

3.2.1. Our residual waste is sent to two “energy from waste” incinerators located at:

- Four Ashes, South Staffs; and
- Hanford, Stoke.

3.3. Where is recyclable waste processed?

3.3.1. Recyclable waste is processed at Aldridge and Teeside at Material Recovery Facilities.

3.4. How is Green Waste treated?

3.4.1. The green waste goes to an In-vessel treatment facility at Etwall. Details on the process can be found here: <https://www.biffa.co.uk/about-us/waste-journeys/invessel-composting>

3.5. Where does the cardboard recycling go?

3.5.1. Once the cardboard has been extracted, sorted and baled by the materials recovery facility, it is sold on to various processors who are largely UK based.

4. The key challenges to recycling and strategy to address

4.1. What are the key challenges to recycling?

4.1.1. The key challenges to recycling are resident participation and correct use of the wheeled bins in terms of the right items being placed into the containers. End markets for the materials collected, by this we mean we can only collect items for recycling that there is a market for and that the recycling facility can process, therefore we are restricted on the items we can collect at the kerbside.

4.1.2. Cost of providing the recycling service is a challenge, particularly where the green waste service is concerned as it is not covered through the Council Tax system.

4.2. What is the strategy to address any challenges?

4.2.1. To address these challenges we have the annual budget setting process and contracts in place for the recycling services. The use of the Council website and social media is used to encourage residents to recycle and use the bins correctly.

4.2.2. In terms of what can be accepted for recycling, this is being addressed at a national level by Central Government through the Producer Responsibility obligations.

4.3. How is contamination of recycling collections managed?

4.3.1. There are 3 areas of contamination and how it is managed in terms of the blue bins. First the contamination at the kerbside. This is managed by the collection crews. The crews are responsible for checking the blue bins at the kerbside and any bin found to contain incorrect items will not be emptied. A sticker is placed on to the bin identifying the reason as to why it was not collected and the address is recorded on the Bartec In-Cab system. Secondly, the material is delivered to Willshees Transfer Station and an employee is sited at the facility and their role is to remove any obvious items of contamination prior to the recycling being bulked and taken to Aldridge for processing. The final check is made at Aldridge when the material is tipped.

4.3.2. The brown bin crews are responsible for checking the brown bins at the kerbside and any bin found to contain incorrect items will not be emptied. A sticker is placed on to the bin identifying the reason as to why it was not collected and the address is recorded on the Bartec In-Cab system. The material is delivered to Etwall or Vital Earth where a visual check is carried out prior to the material being processed.

4.3.3. Internally we have a 3 stage contaminated bin process for blue and brown bins:

- **Stage 1** – The bin is stickered by the collection crew and the reason for non-collection included on the sticker. The address is also recorded on the In Cab unit.
- **Stage 2** – Same as stage 1 but if the same address is recorded again a letter is sent to the property to explain why the bin has not been collected and a list of the items we can and cannot collect is included.
- **Stage 3** – Same as stage 1 and then the address is forwarded to the Community and Civil Enforcement Team for them to carry out an educational visit to the property.

4.4. What is the approach to communication and awareness relating to recycling?

4.4.1. All information is included on the Council website and residents are always directed to this on any communication that we issue such as the annual Christmas tags. In 2020 we issued a blue bin sticker to all properties included on the blue bin scheme as a reminder of the type of items we collect in the blue bin scheme. We still produce the annual calendar which can be posted out on request and downloaded from the website. Where a property receives a letter regarding contamination they also have a list detailing what can and cannot be collected in all the containers provided.

4.4.2. In October 2019 – January 2020 we carried out a social media campaign on recycling and had a video clip made specifically for this. A social media campaign has also been ran from September 2020 through to November 2020 on recycling and waste minimisation topics and a contamination social media campaign was ran alongside that over a 2 week period advertising the new sticker which was being issued so that residents could look out for it. We also put information on social media at other times throughout the year such as during the first national lock down so that we could advertise home composting, food waste minimisation, clothing repairs, making the most of the space in the blue bins by squashing bottles, cans and cardboard down. On an ad hoc basis we do press releases around contamination and also provide information to flats/apartments on recycling using communal facilities.

4.5. Is it possible to attached permanent stickers to bins to communicate what can / can't be included?

4.5.1. In the later part of 2020 we placed a sticker on each blue bin to identify those materials that can and cannot be accepted in the blue bins. These are able to be left on the bins by residents as a permanent reminder. This follows on from previous similar initiatives.

4.6. Are there charges relating to recycling, and if so how are these forecasted and future proofed? How does the Council respond to changes in recycling costs?

4.6.1. A gate fee per tonne is paid for the recycling which is delivered to Aldridge as well as haulage costs to Willshees for transporting the material. Material which is rejected to landfill is also paid for by the authority. A gate fee per tonne is also paid at Etwall and Vital Earth for the green waste.

4.7. What are the gate fees, and how are these negotiated?

4.7.1. Gate fees are a unit cost per tonne for the treatment/processing of the recycling material. They are included within the appropriate contract, derived from open procurement and generally subject to an annual CPI increase.

4.7.2. For 2020/21 gate fees are as follows:

- Garden Waste £29.14/t
- Dry Recycling Material £50.20/t
- Paper £24.05/t

4.8. What income do we receive from residual waste disposal?

4.8.1. No income. Responsibility rests with Staffordshire County Council

4.9. What income do we get from recycling?

4.9.1. There are two forms of income; recycling credits and material rebate values.

4.9.2. Recycling credits are paid to us by the County Council to cover the cost of diverting this waste away from the residual waste stream. Currently paid at £56.49 per tonne for dry recycling material (blue bin) and £38.58 per tonne for garden waste. The total income for 2019/20 was £1.039M

4.9.3. Recycling material rebates are paid to the Council by the contractor that processes our dry recycling material. Basically, we receive a proportion of the value as sold to the reprocessing markets. Total income for 2019/20 was £195k. The figure fluctuates with the values contained in the commodities market.

4.10. Are there any trends in waste disposal income increasing / decreasing?

4.10.1. Volatile commodities market can go either way. Gate fees increase annually in line with CPI.

4.11. What work is being done by the Council investigating alternative waste service provision e.g. in-house / outsourced / shared service considerations?

4.11.1. The Council is exploring the potential for a shared service arrangement with Lichfield and Tamworth

4.12. How does the shared service arrangement between Tamworth and Lichfield work?

4.12.1. They currently operate as a Joint Waste Authority, effectively merging their collection responsibilities and operating from a combined depot. They still have two separate Cabinets to report to.

4.13. Why do we collect Brown Bins all year round? What would we save if collections were not all year round as some other authorities do?

4.13.1. This was a policy decision. Further information can be seen in the extract from a previous report below:

Table 10.0 below details the potential savings that could be generated from employees, vehicles (fuel) and gate fees over a number of periods. It should be noted that the employee savings are unlikely to be achieved since it would require the use of non-permanent staff throughout the remainder of the year. If these employee savings are

excluded, the overall savings are relatively small.

Table 10.0 Financial Impact of Winter Suspensions

Suspension Period	Avg. Tonnage	Employees	Vehicles	Gate Fees/Credits	Saving	Saving (excl employees)
2 weeks	140	£ 8,838	£ 1,191.45	£ 211.61	£ 10,241	£ 1,403
December	560	£ 17,677	£ 2,382.91	£ 844.34	£ 20,904	£ 3,227
Dec & Jan	990	£ 35,353	£ 4,765.82	£ 1,481.62	£ 41,601	£ 6,248
Dec, Jan & Feb	1390	£ 53,030	£ 7,148.73	£ 2,085.30	£ 62,264	£ 9,234

5. Conclusions

5.1. The financial figures highlight that the Council is significantly more expensive than the statistical neighbours with the lowest costs. Additionally the figures suggest that Council is also higher cost than other councils that deliver the service in-house and do not charge for green waste. This indicates that we are a relatively high cost service, which should be explored further.

5.2. One of the key challenges continues to be the correct use of the recycling bins in terms of the right items being placed into the containers, which leads to contamination costs to the Council. This should continue to be addressed through education campaigns on these issues.

5.3. In conclusion this review suggests that the Council has a good understanding of the service and the key decisions that need to be taken. These key decisions should address the high cost of the current service.

6. Recommendation(s) of the Committee

6.1. The following recommendations are put forward:

6.1.1. To analyse why other statistically similar authorities appear to have lower service delivery costs.

6.1.2. To investigate alternative delivery mechanisms for the service and charging regimes for elements of the current provision such as charging for green waste.

7. Appendices

7.1. None

SECTION 2: OFFICER CONSIDERATIONS

8. Financial Considerations

*This section has been approved by the following member of the Financial Management Unit:
Lisa Turner*

8.1. The main financial issues arising from this Report are as follows:

8.1.1. There are no significant financial implications arising directly from the recommendations of this report. Any financial implications that arise following investigations into alternative service delivery models and / or charging regimes would need to be considered within that future piece of work.

9. Legal Considerations

*This section has been approved by the following member of the Legal Team:
Caroline Elwood*

9.1. The main legal issues arising from this Report are as follows:

9.1.1. There are no significant legal implications arising directly from the recommendations of this report. Any legal implications that arise following investigations into alternative service delivery models and / or charging regimes would need to be considered within that future piece of work.

10. Risk Assessment and Management

10.1. The main risks arising from this Report and the Council achieving its objectives are as follows:

10.2. **Positive** (Opportunities/Benefits):

10.2.1. Analysing service delivery costs and investigating alternative delivery models or charging regimes may lead to opportunities to improve value for money in service delivery.

10.3. **Negative** (Threats):

10.3.1. None identified.

10.4. The risks do not need to be entered in the Risk Register.

10.5. Any financial implications to mitigate against these risks are considered above.

11. Equalities and Health

11.1. **Equality Impacts:** The subject of this Report is not a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is not required at this time.

11.2. **Health Impacts:** The outcome of the health screening question does not require a full Health Impact Assessment to be completed. An equality and health impact assessment is not required.

12. **Human Rights**

12.1. There are no Human Rights issues arising from this Report.

13. **Sustainability** (including climate change and change adaptation measures)

13.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) **Not applicable**