



## **Service Design Proposal**

**Refuse**

## 1. What is the recommendation?

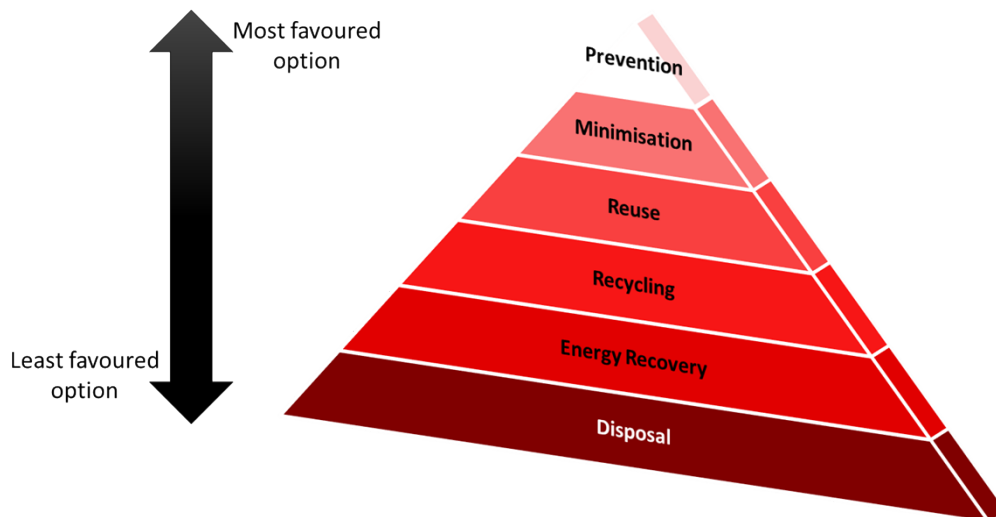
The Council should adopt a new policy and operational plan based on waste minimisation (in the process also clarify the Council's approach and ambition with respect to recycling). This will include reviewing and planning for different future disposal options with the East London Waste Authority (ELWA).

The Council should make a series of staged operational changes and service efficiencies to the refuse collection and recycling services to improve the quality of the Service. This will include revising employment conditions. A "pay as you throw pilot" will also be considered to drive behaviour change in waste disposal.

The "Waste Management" Outline Business Case concluded that savings of £579k could be realised by moving to an alternate weekly collection system - albeit there will also be an outlay of approximately £1.4 M for new larger bins (in year one). However, we are not recommending the Council make this change at the present time.

## 2. Why is this proposal recommended?

The London Borough of Barking and Dagenham (LBBB) has the highest (stated) volume of waste per household in London. The Council spends £10.4M per annum on waste disposal and £3.4M on refuse collection and recycling. To date the main focus has been on the collection service, but if real savings and changes are to be made, the disposal and collection services (and budgets) need to be looked at in tandem. It is recommended that LBBB refocus its services in accordance with waste management hierarchy shown in the diagram below.



In addition, LBBB along with the other boroughs that make up ELWA faces a specific problem in that the way the contract is structured means there is no saving associated with recycling as is usual in most authorities - it is all cost. This presents a dilemma for the Council in setting the way forward for the refuse collection and recycling services prior to contract re-let. Recycling is a statutory duty, and after previous budget cuts the recycling rate has dropped from 30.5% to 23.1%. Contamination levels are also high at 55% meaning some of the recycling is having to be treated as residual waste/refuse. The Council needs to determine what it wants to do and what is affordable for recycling. There is a connection between the availability of recycling

and the ability for households to minimise waste that needs to be factored in (i.e. it is easier to get households to reduce waste volumes when recycling is offered).

Long term waste prediction and planning is also needed so that the borough is pro-actively involved in finding a better solution for East London in the long term and informed in its discussion with ELWA.

There is potential for greater efficiency and some operational changes that will save money - specifically changing the bulk collection services on the street and in housing, charging full recovery for trade waste and looking at the cost of employment conditions. The employment conditions in LBBD are relatively high compared to the market and other local authorities. It is recommended that as many of these operational savings as possible be made - contingent on confirming policy direction - and that the service improve its standards, data, intelligence, policy and waste minimisation functions.

As there are a number of changes needed to get the service in good order, it is proposed that a staged approach be taken to changes in the delivery model with many changes being made in-house first, after which the potential and/or benefits of an external service may be considered.

### **3. What does the future service look like?**

The public will receive clear messages about waste volumes and receive a warning or fine for putting out more waste than will fit in their bin (side waste). Residents will receive clear messaging about recycling, be encouraged to recycle more, and be advised what to put where. Those that continue to mix up waste streams, despite advice and warnings, will be tackled. Households producing excess waste will be identified and receive visits or information from the Council explaining how to manage their waste and the repercussions of not doing so.

Where bulky waste can be taken will be made clear to the public and there will be clear standards around dumping of waste with pro-active prosecutions of offenders.

Community organisations looking to reuse or recycle waste will be encouraged, possibly with small grants or other support and assistance.

The service will have clear policies, a service level agreement and produce high quality performance data that will enable the service to direct and focus its activity effectively and be held accountable for its performance.

As an intelligence led service, individual collection solutions will be tailored for all household and property types (e.g. high rise, flats in multiple occupation, and properties with limited storage space) to ensure there is equal accessibility for all. The solutions will be different in each area and could involve redesign, retrofitting or collection workarounds.

Senior officers and Members supported by good data and information about future waste growth in Barking and Dagenham will sit on the East London Waste Authority and ensure the Council's perspective is articulated well.

#### **4. What will the service deliver?**

An improved Refuse Service will:

- Deliver a reduction in the total waste tonnage taken for disposal of 1% a year
- Move down the league table in terms of volumes of waste per household (to mid table)
- Reduce recycling contamination by 30% (from 55% to 25%)
- Create new recycling services and higher recycling rates (if new services are funded) - resulting in an increase in recycling from 21% to 30%
- Have a cheaper, more productive workforce
- Provide up to the minute data on waste production and service standards
- Have a tough negotiating stance at ELWA and clear advocacy for the borough

#### **5. What are the constituent parts?**

- The East London Waste Authority (ELWA)
- ELWA contracts with Shanks/John Laing for waste disposal
- Refuse collection
- Recycling collection
- Trade Waste Service
- Waste minimisation
- Vehicle Lease Contract

#### **6. What will be different for the customer?**

The customer experience is described in 3 above. Key differences will be:

- They will be held to account for the amount of waste they produce
- Information, warnings and fines for dumping or over producing waste or mixing up waste streams and contaminating recycling will be issued
- They will be encouraged to take their bulky waste to the Refuse and Recycling Centre rather than order a collection
- They will be able to complete more tasks online or via the call centre and they will get feedback on what has happened
- Traders will be held to account for the waste they produce, and overproduction will result in visits, advice and fines

These changes will contribute to promoting the behavior change required to realise the identified benefits.

## **7. What will need to change in the service(s)?**

Changes required to improve the quality of the Refuse Service include:

- Continuation of the implementation of new technology to vehicles and crews including CCTV ,tracking, and PDA's
- A complete review of crews and re-routing of all rounds and a reduction in the total number of rounds and crews
- Recruitment of policy staff/capacity and recycling officers
- A cessation of any "clear all" policies, and proactive recording and tackling of those contaminating recycling and over producing waste.
- Introduction of further data collection systems and ongoing monitoring of these
- Reduction in vehicle numbers/changes to vehicle lease contract
- Consolidation of services with and for Housing
- Creation of a project team to deliver the changes
- Revised approach to trade waste to ensure full cost recovery/no additional expense

## **8. What will be the impact on the workforce?**

The changes to waste management operations will result in a reconfiguration of rounds and a reduction of posts. Other changes to how the service is managed and delivered will create a further £175k of savings from terms and conditions costs. The focus on productivity and effectiveness will continue.

## **9. When will the changes take effect?**

- Operational changes can be implemented 9 months from the formal decision date
- Staffing terms and conditions 1 year from the decision date.

## **10. When will customer outcomes be seen?**

- Tackling customer and trader behaviours has started and will continue.
- As the improvements to web and customer access are dependent on so many other services changes they have not been yet been estimated.

## **11. What savings will be made from the changes?**

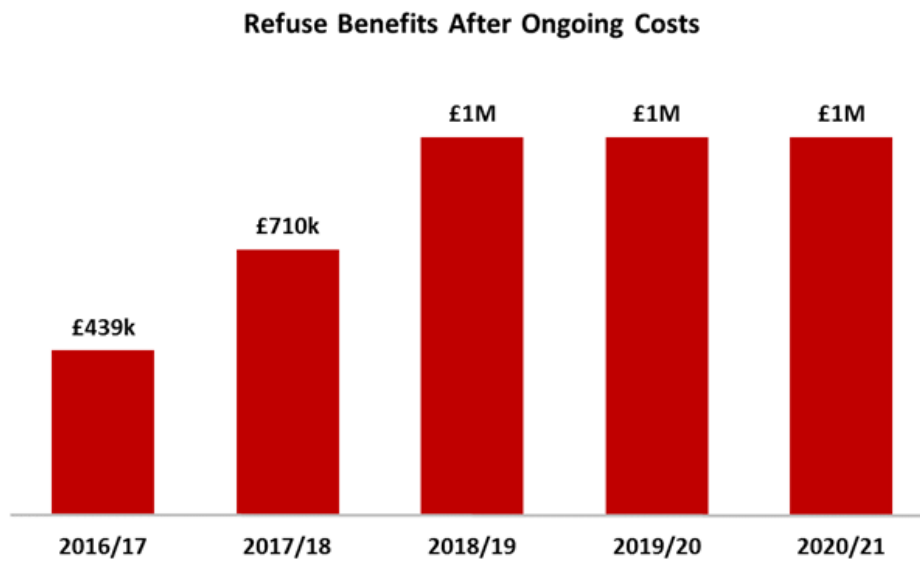
A net benefit of £1M has been identified.

Savings will be achieved from the focus on waste minimisation and disposal costs. These will continue in the future but gradually become harder to achieve.

A further £585k can be saved through other operational savings including reviewing and reducing employment conditions.

## 12. When will the savings be realised?

Savings will be realised from 2016/17 onwards.



Reductions in waste volumes will not realise immediate savings because of the way the ELWA levy is constructed. The first year of any significant reduction in waste volumes Barking and Dagenham would merely receive a share of the saving which would be taken collectively. The year after the saving would be attributed to Barking and Dagenham but will only be fully realised if there is no commensurate increase in cost or charging from ELWA for other items/or their failure to make their own savings.