

CABINET

24 APRIL 2012

Title: Review of Household Waste Collection Methods	
Report of the Cabinet Member for Environment	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Tony Ralph, Group Manager for Refuse	Contact Details: Tel: 020 227 5660 E-mail: tony.ralph@lbbd.gov.uk
Accountable Divisional Director: Robin Payne, Divisional Director of Environmental Services	
Accountable Director: Darren Henaghan, Corporate Director of Housing & Environment	
Summary: <p>Members have approved savings for 2012/13 of £200k to modify the collection of dry recyclables. This report proposes changes that will deliver these savings by changing the current weekly orange bag collection to a fortnightly collection using a 240 litre wheelie bin.</p> <p>Following discussion at Informal Cabinet the proposal was put out to public consultation which ran over two successive editions of the News and online, and has asked residents to choose which method and frequency of collection they prefer. The results are as follows:</p> <p>The results of the consultation are as follows:</p> <ul style="list-style-type: none">• No change and savings found some other way 420 votes• Orange lidded wheeled 240 litre bins collected fortnightly 1253 votes• Orange lidded wheeled 140 litre bins collected weekly 133 votes• Cease orange bags and residents pay for their own clear bags. 170 votes <p>On this basis there is a clear vote in favour of replacing weekly orange bag collections with a fortnightly wheeled bin collection.</p> <p>Any changes to existing arrangements will need to be backed up with strong communications that explain the benefits in carbon and costs to the borough. Officers will work with Members to ensure that these communications are properly designed and delivered.</p> <p>In addition to the proposed change to the collection of dry recyclables the following changes have been implemented with effect from 1 April.</p> <ul style="list-style-type: none">• We have stopped the separate collection of mixed glass. This is now collected with the residual waste collection and recycled through treatment of the waste.• We have introduced the double-shifting of collections using nine domestic waste	

collection vehicles

- We will continue with the current nine month green garden waste collection and will introduce one week full borough wide normal collection in January and February each year. This replaces the previous scheme relying on booking collections for the two winter collections.

Recommendation(s)

The Cabinet is recommended:

- (i) To approve the Council replacing disposable orange recycling bags with grey wheelie bins (with orange lid) for dry recyclable materials on a fortnightly collection, as detailed in option 8.1 of this report.
- (ii) To authorise the Corporate Director for Housing and Environment, in consultation with the Cabinet Member for Environment, to implement a replacement scheme for the current orange bag recycling scheme with a wheeled bin collection service.
- (iii) Subject to approval of recommendation (i) above, to approve the commencement of the procurement of 59,000 wheeled bins, through the established EU compliant East Shires Purchasing Framework Agreement.
- (iv) To indicate whether or not it wishes to be kept informed or consulted on the progress of the procurement and the award of the contract or whether it is content for the commissioning Chief Officer to award the contract to the successful Contractor.

Reason(s)

The proposals are part of a series of actions to deliver the borough's Waste Strategy with the objective of reducing the amount of waste produced by the borough and minimising the amount of waste going to landfill. This is part of delivering the Policy House objective of better homes through delivering a clean borough, with low levels of litter and graffiti and where residents look after their homes and gardens and also a borough that reduces its waste and CO2 emissions. Through more efficient delivery of the service we can demonstrate we provide a value for money service as part of a well run organisation.

1. Introduction and Background

1.1 In March 2006, Members adopted the Barking and Dagenham Waste Strategy which sets out three simple objectives to:

- To reduce the quantity of municipal waste produced by the borough
- To minimise the amount of municipal waste that that goes to landfill through increased reuse, recycling, composting and energy recovery;
- To provide an excellent, cost-effective waste containment and collection service to all residents

1.2 The Barking and Dagenham Waste Management Strategy also maps out the Council's current position, sets out the corporate and community vision of where the

service should be in the medium to long term and outlines the short to medium term actions that need to be taken in order to achieve these visions. Most notably, the strategy sets a course for the comprehensive review of waste collection methods, improvements in recycling performance and the borough's street scene.

- 1.3 This strategy has been developed to comply with the National Waste Strategy 2000, The Mayors' Waste Strategy and the East London Waste Authority's (ELWA) Joint Municipal Waste Management Strategy. The Mayor's Municipal Waste Strategy 2011 encourage boroughs to focus on methods which achieve the greatest waste reduction and greenhouse gas emissions associated with the collection, recycling and disposing of waste.
- 1.4 There is great scope for the council to add value to the 'front-end' services already provided by Shanks East London in the borough and make them more effective. There is also scope for the council to not only maximise the effectiveness of its own services, such as the Orange Bag and mixed glass schemes, but to reassess their collection method. This will be vital in order to meet and exceed the council's statutory targets in the long term and to improve value for money in the service.

2. Current waste collection service

- 2.1 The Council now provides householders with a variety of refuse storage methods and collection arrangements to facilitate recycling and the safe and secure collection and disposal of household waste, this being:
 - A weekly collection of residual waste (now including mixed glass) from a 140/240 litre wheelie bin.
 - A weekly collection of mixed dry recyclables (for example plastic bottles, aluminium cans and paper in orange bags placed beside the bin.
 - A fortnightly collection of green garden waste from a 140 litre wheelie bin.
- 2.2 The collected waste is then processed by our waste disposal partner where improved technology separates recyclable or compostable material from the collected waste and processes much of the remaining material into clean material which is used as fuel in the energy industry. This includes the ability to remove glass from residual waste.

3 Limitations with the Existing Service

3.1 Orange recycling bags

The kerbside orange recycling bags are collected weekly in separate refuse collection vehicles. All orange bags are provided free to residents.

The waste disposal partner is responsible for delivering the equivalent of one bag per week to each household in the borough. As household recycling has increased, demand for additional orange bags has increased. These additional bags are provided by the Council through an additional delivery and at 'top up' sites across the borough such as libraries and the one stop shops. This has increased the number of bags supplied to residents to the equivalent of 3 bags per week. There is some additional evidence that suggest that a small minority of borough residents use the bags inappropriately for general waste.

The cost of supplying these bags has been at least £149,000 per annum for the last two financial years, but is projected to be approximately £230,000 in 2011/12. As they are not reusable, the additional cost of orange bag disposal is estimated as a further £73,000.

4. Consultation

4.1 The Managing Director, East London Waste Authority has been consulted on proposals that will affect the Waste Disposal Authority arrangements.

4.2 Proposals for changes to the current dry recycling through orange bags were put out to public consultation. This consultation was run over two successive editions of the News and has asked residents to choose whether they prefer. The deadline for receipt of votes was 25 March. A total of 1976 votes were received. The results of the consultation are as follows:

- No change and savings found some other way 420 votes
- Orange lidded wheeled 240 litre bins collected fortnightly 1253 votes
- Orange lidded wheeled 140 litre bins collected weekly 133 votes
- Cease orange bags and residents pay for their own clear bags. 170 votes

4.3 On this basis there is a clear vote in favour of replacing weekly orange bag collections with a fortnightly wheeled bin collection.

5. Financial Implications

Implications completed by: Jo Moore, Group Finance Manager

5.1 There is a net Refuse budget of £2.6m within the Council's General Fund, and the service have put forward savings proposals for 2012/13 of £200k to modify orange bag collection.

5.2 The figures and calculations contained in this report have been reviewed and validated. However, it should be noted that there are a number estimated figures in the calculations.

5.3 The annual cost of capital in the second table of paragraph 8 has been based on a useful economic life of 15 years for the wheelie bins. Previous capitalisation has been applied over a period of 5 years.

5.4 There is an assumption within this report that the existing residual waste collection service will be able to accommodate the collection of the additional tonnage arising from the glass being placed into the residual waste bin

6. Legal Implications

Implications completed by: Eldred Taylor-Camara, Legal Group Manager

6.1 The Council is a Waste Collection Authority under the Environmental Protection Act 1990. The Household Recycling Act 2003 amended the Act to place a responsibility

on such authorities that by the end of 2010 they collect at least two forms of recyclable waste either together or separately.

- 6.2 Under the Environmental Protection Act 1990 the Council may specify the form of collection such as the use of a wheelie bin. The proposal is compliant with the Act as the collection of the material can be in a single receptacle.
- 6.3 This report is also seeking Cabinet's approval to tender a contract for the purchase of 59,000 wheelie bins.
- 6.4 The value of the contract as set out in section 8.1 of this report, is anticipated to exceed the EU threshold for supplies; therefore, there is a legal requirement to tender the contract in the EU.
- 6.5 Furthermore, the Council's Contract Rules (Contract Rule 3.6) require the strategy for the procurement of contracts of above £400K in value to be submitted to Cabinet for approval prior to procurement of such contracts.
- 6.6 As the value of the proposed contract is in excess of £400k, the proposed strategy for the procurement of the contract has been set out in Section 7.2 of this report, for approval by Cabinet.
- 6.7 It is proposed that the purchase of the wheelie bins will be through an EU advertised framework agreement established by Eastern Shires Purchasing Organisation (ESPO). The framework allows a procuring authority to either directly award to the supplier who represents the most economically advantageous offer or to undertake a mini-competition to identify the appropriate supplier. Members need to be satisfied that the proposed strategy provides the Council with best value for money.
- 6.8 This strategy complies with the EU public procurement rules as contained in the Public Contracts Regulations 2006 (as amended).
- 6.9 The report is furthermore seeking a decision pursuant to Council Contract Rule 3.6.4, as to whether or not Cabinet wishes to be kept informed or consulted on the progress of the procurement and the award of the contract or whether it is content for the commissioning Chief Officer to award the contract to the successful Contractor.
- 6.10 Under Contract Rule 13.3, in the absence of any direction to the contrary from Cabinet, a commissioning Chief Officer, acting in consultation with the Council's Section 151 Officer, has the power to accept a tender and award a contract where the value of a contract is in excess of £50,000.
- 6.11 It is expected that the Legal Practice will be further consulted on the procurement process and in the preparation of relevant contractual documentation.

7. Other Implications

- 7.1 **Risk Management** - The proposed scheme will require the management of a significant change in community behaviour to achieve the full benefit of the scheme. An extensive and detailed communication and awareness raising programme

accompanied by a firm but fair enforcement approach will significantly mitigate the risk of residents not understanding or wanting to participate in the scheme or deciding to illegally dispose of their waste.

The community behaviour change required to make this project a success is considerable. All households will need to change from presenting multiple orange recycling bags to using a 240ltr wheelie bin. Residents will be visited and provided with literature but with behaviour change on this scale it will take time to settle. Therefore, a strong communications strategy which will include door knocking, will be employed to ensure residents are made aware of the changes and how the changes will impact on the ways in which they separate and present their waste for collection. Two tasking teams made up of Enforcement officers and Waste officers will be touring the borough talking to residents who are having problems adjusting, supplying help and information. Where waste is being deliberately fly tipped Enforcement officers will seek to take enforcement action to stop this reoccurring.

The communications strategy will also have an internal focus, ensuring that refuse operatives and staff in Local Service Centres and the Customer Contact Centre is aware of the changes and is able to deal with enquiries from residents. Operatives will be trained to identify contaminated recycling bins in order to maximise the amount of waste that is recycled.

The fortnightly collection of dry recycling using 240 litres wheelie bin may not offer sufficient capacity to residents who may require more wheelie bins. To mitigate the additional cost of wheelie bins, it is proposed that residents obtain clear bags which is easy to get than orange coloured bags from most supermarkets (e.g. Tesco and Morrisons) at an average cost of £2 per roll of 20 clear bags, the same size as the orange recycling bags).

Consultation would be required by ELWA with Shanks as the contract states how and when waste will be delivered. Capacities need to be considered and contractual opening hours if delivery patterns are to be amended.

- 7.2 **Contractual Issues** - It is proposed that the purchase of the wheelie bins will be through an EU procured framework agreement established by Eastern Shires Purchasing Organisation (ESPO). The framework allows a procuring authority to either directly award to the supplier who represents the most economically advantageous offer or to undertake a mini-competition to identify the appropriate supplier.
- 7.3 **Staffing Issues** - There are no staffing issues.
- 7.4 **Customer Impact** - The initial equality impact assessment highlighted the following issues:-

Wheeled bins potentially present problems for our residents with mobility issues. The publicity surrounding the scheme will highlight the Council's assisted collection scheme that adapts the collection to meet the needs of the residents. This scheme has been successfully applied in the grey wheeled bin scheme for residual waste. In order to cater to the needs of larger families who are more likely to put out larger quantities of waste, extra bin capacity could be provided to these families on request. The scheme will benefit all residents irrespective of age, disability, religion

and cultural background, in order to build community cohesion. Some of the benefits of the scheme are:

- it will improve the quantity of recycling materials collected and divert more waste from landfill
- it will save money for the council tax payers because residents won't get orange bags anymore

7.5 **Safeguarding Children** - There are no Safeguarding Children issues raised in this report.

7.6 **Health Issues** - The neat storage of dry recyclable material will result in cleaner tidier streets.

7.7 **Crime and Disorder Issues** - The neat storage of refuse awaiting collection would improve environmental aspects, and so increase perception of an environmentally safe area. There is direct correlation between safety and good environmental management

7.8 **Property / Asset Issues** - There are no property/ asset issues.

8. Options Appraisal - Dry Recycling

8.1 Option 1 Fortnightly dry recycling collections - this option is to collect dry recycling every fortnight and to provide a wheelie bin to all residents for their recycled waste. A potential here risk is that the fortnightly collection of dry recycling using 240 litres wheelie bins may not offer sufficient capacity for larger households . Part of our support work will therefore need to include how we support residents reduce their waste generation as well as provision for exceptional circumstances.

The provision of a wheeled bin for dry recycling has agreed capital invest to save funding of £1,186,068, based on invest to save bid proposal. This proposal would mean a switch from a high-cost collection option to a much more cost effective service. The net financial savings are estimated to be in the region of £201,520 per year as detailed below.

Capital cost of Wheelie bins

Description	No of Properties	Quantity	Price per unit (£)	Total amount (£)
Wheeled bins	58,321	59,000*	18.00	1,062,000
Delivery cost	58,321	58,321	1.05	61,237
Delivery leaflet through L/Box	58,321	58,321	0.15	8,748
Information stickers bin	58,321	60,000	0.07	4,083
Sub-total				1,136,068
Resident engagement & publicity	58,321			50,000
Grand Total				1,186,068

Revenue cost of fortnightly collection with savings

Description	2012/13 (£)
Communications and resolving implementation issues	30,000
Estimate replacement for damaged/stolen bins	35,000
Cost of borrowing	96,000
Gross revenue cost	161,000
Less savings	
Cease supply of orange bags	(230,000)
Reduction of 5 loaders from the five orange recycling bag rounds	(132,520)
Total savings	(362,520)
Net revenue savings/surplus	201,520

If agreed we will put in place a communications plan that explains the benefits of this new scheme and how we will assess locations where space for and additional bin is limited.

A fortnightly dry recycling collection is the preferred option.

- 8.2 Option 2: Weekly dry recycling collections – this option is to collect dry recycling on a weekly basis and to provide a wheelie bin to all residents for their recycled waste. Funding here for the provision of bins will be the same as for fortnightly collections.

This option will also require additional revenue cost of £489,164 per annum, this cost relates to the extra four refuse vehicles, four drivers and eight loaders that will be required in addition to the five current orange recycling bag crews. A total of 9 crews are required to run a weekly wheelie bin collection service. Therefore, this is not the preferred option.

- 8.3 Option 3: Kerbside sort recycling collection system – To implement this system LBBDD would have to procure at least 10 new kerbside sort vehicles as the vehicle capacity is small, with 15 additional staff (driver+2 x 5 extra rounds) for a fortnightly collection, compared to our proposed 5 refuse collection vehicles under option 1 above. It would also require an additional capital investment of approximately 59,000 kerbside boxes with associated cost estimated at £295,000 (£3 per box, plus £2 for delivery and leaflet). Therefore, this is not the preferred option. The additional capital and revenue cost of this option compared to the proposed option 1 above is:

Description	Amount (£)
Capital cost	
59,000 kerbside boxes	£295,000
Revenue cost	
Additional salary cost of 5 drivers and 10 loaders	£557,880
Additional transport cost of 5 extra vehicles	£200,000
Additional fuel cost for 5 vehicles	£38,540
Total additional revenue costs	£796,420

Background Papers Used in the Preparation of the Report:

Cabinet Report – wheelie bin roll-out – 20 January 2009
ELWA 2011/12 waste data report – London Borough of Newham recycling data report

List of appendices:

None