

# Waste Service Changes

Report of the Recycling, Environmental Services and Car Parking Portfolio Holder

## Recommended:

1. That the funding as detailed in section 8 of this report be approved in order to deliver the waste service changes referred to in this report.
2. That £3.25M be added to the capital programme as set out in paragraph 8.8.1.
3. That £278,000 be added to the Environmental Services revenue budget as set out in paragraph 8.8.2.

### SUMMARY:

- The purpose of this report is to detail the next steps the Council must take, and the funding required, in order to deliver the waste service changes approved by Cabinet on 22 June 2022.

## 1 Introduction

- 1.1 In November 2021, the Environment Act 2021 ('the Act') became law with waste reduction as one of its priority areas. Essentially, the Act requires Test Valley Borough Council (as the Waste Collection Authority) to collect a wider range of recyclable materials and for Hampshire County Council (the Waste Disposal Authority), to make arrangements to deal with them.
- 1.2 Within Hampshire, the Project Integra (PI) partners worked through the implications of the Act. The Joint Municipal Waste Management Strategy (JMWMS), which sets the strategic direction for service change, was revised and approved by all authorities by early 2022, but by Test Valley Borough Council in October 2021.
- 1.3 One of the most important key objectives in the JMWMS is Recyclable Material Management and in particular, the introduction of twin stream collections. This approach to collecting recyclable materials has the lowest whole system costs (collection and treatment) and lowest carbon impact when compared to other types of collection systems.
- 1.4 In June 2022, Cabinet approved 'Option B' as the most appropriate direction for the Council in terms of improving its waste and recycling collections in line with the Environment Act and the JMWMS. With this option, residents will have their black bin (non-recyclables) emptied on week 1, their brown bin (fibres) emptied on week 2, and their blue bin (containers) emptied on week 3. Their food waste bin will be emptied weekly.

- 1.5 This report outlines the next steps the Council must take, in order to introduce the new waste collection service, and details the funding required to do so.

## **2 Background**

- 2.1 In June 2022, Cabinet approved that:

- 2.1.1 In order to respond to the Environment Act 2021, and the recently approved Joint Municipal Waste Management Strategy, the Council makes the necessary changes and subsequent investment in its waste and recycling collection service.

- 2.1.2 The future of waste and recycling collections will take the direction as introduced as 'Option B' within the report – specifically the introduction of a weekly collection of food waste and an alternating collection of 'fibres' (paper, magazines and cardboard), 'containers' (glass bottles and jars, plastic bottles, plastic pots, tubs and trays, cans and tins, aerosols and cartons), and 'non-recyclable household waste' from as early as 2024.

- 2.2 Since Cabinet's approval, there have been delays outside of the Council's control:

- 2.2.1 Hampshire County Council was delayed in getting its new Materials Recovery Facility (MRF) approved at Chickenhall Lane in Eastleigh. The MRF is necessary in order to sort all the new materials required to be collected at the kerbside. The MRF will now be constructed and operational from mid-2025 - around a year later than originally anticipated.

- 2.2.2 The Government has been slow to release its consultation responses in response to the Environment Act. At this point, the 'consistency' response remains outstanding. It is this response which will confirm the materials the Act requires all local authorities to collect at the kerbside.

- 2.3 Taking these delays into consideration, the Council is still working towards delivering the waste service changes. It is anticipated that the waste service changes will be introduced by the Council in 2024. A more detailed delivery timetable will be produced within the next six to twelve months.

- 2.4 This report sets out the funding required in order to progress with these plans in the desired timeframe.

## **3 Corporate Objectives and Priorities**

- 3.1 Growing Our Potential – the Corporate Plan 2019-2023, sets out in 'The Local Environment' priority, that the Council is committed to develop opportunities, through the Hampshire Waste Partnership, to increase the range of materials that can be recycled. The Council also committed to encourage people to recycle more through education and making recycling easier.

- 3.2 The Council has produced successive Corporate Plans where the green agenda is a continuing theme within its priorities.

- 3.3 The Council's Climate Emergency Action Plan, published in June 2020, commits to improving recycling behaviours in the theme 'Supporting Communities and Businesses'.
- 3.4 It should be noted, that in addition to these corporate documents, the Council is being mandated to change. Food waste collections and consistent collections must be provided by 2025. National waste and recycling targets will be set and monitored by the Office for Environmental Protection.

#### **4 Consultations/Communications**

- 4.1 The Act and JMWMS have been extensively discussed – through Hampshire County Council meetings, PI meetings and Hampshire Waste Partnership meetings.
- 4.2 Within Test Valley Borough Council, the JMWMS was discussed at the OSCOM Round Table in October 2021. A presentation and discussion about the Council's response to the Environment Act was held during an OSCOM sponsored all member workshop on 15 June 2022. On 22 June 2022, Cabinet approved the recommendations within the report 'Review of Waste and Recycling Services in Light of the Environment Act 2021'. Extensive discussions have also been held throughout with the Portfolio Holder and the Leader of the Council.
- 4.3 Furthermore, representatives from the borough's parish and town councils were invited to attend a presentation and discussion about the Council's response to the Environment Act in July 2022.
- 4.4 The approved waste service changes have been promoted within Test Valley News (Autumn 2022), news releases, online (on the Council's website) and on the Council's social media apps. A specific email account was also set up for residents to ask questions or make comments about the waste service changes.

#### **5 Options**

- 5.1 The waste service changes are a key priority for the Council. They are approved and they must be delivered by 2025, at the latest, to be compliant with the Environment Act.
- 5.2 The options are therefore limited to the method and timing of the procurement of the necessary vehicles, bins and implementation costs.

#### **6 Option Appraisal**

- 6.1 It should be noted that by approving the waste service changes in June 2022, the option has already been agreed ('Option B') as detailed in section 2.1.2.
- 6.2 This report is recommending that capital and revenue funds are approved for procurement (and other associated activities) to commence. Approval of funding now has two benefits: Firstly, limiting the impact of long lead times, particularly for vehicles, which can be up to 12 months (currently) and, secondly, as changes are being mandated countrywide, procuring early will help avoid any extended lead times or delays due to national congestion.

- 6.3 The Government is expected to support the introduction of food waste collections with three funding tranches. Capital funding for vehicles and caddies etc. is expected to be available from April 2023. Transitional funding is expected to assist with the roll out of the schemes and new burdens funding is expected to cover the ongoing costs of collections, from April 2025. The Council should expect full funding for its food waste collection service, but should note the funding is yet to receive ministerial approval.
- 6.4 There are two main ways to procure new vehicles; outright purchase or by lease. For many years the Council has preferred the outright purchase option. There are several reasons for this, including; the financing costs built into leases are more expensive than the Council's own cost of capital; there is no requirement to return vehicles at the end of a primary lease period; there is more flexibility to manage change in operational requirements etc.
- 6.5 These reasons remain valid and are coupled with the expectation that government funding for the implementation of food waste will be for capital expenditure (i.e. for purchase rather than lease).
- 6.6 The recommendation of this report, therefore, is that funding for the items set out below is approved for immediate use.
- 6.7 Food waste collection vehicles:
- 6.7.1 Comprehensive data analysis has been conducted by the Environmental Service. It has been determined that eight food waste collection rounds will need to be introduced boroughwide, in order to provide a suitable weekly food waste collection service. Ten food waste vehicles (7.5T in size) will need to be procured: eight frontline vehicles for the rounds, plus two spare vehicles to cover servicing, breakdowns or any other general vehicle downtime. Currently, food waste vehicles have an 8 to 12 month lead time, however, this could change significantly as more councils bring forward their plans to introduce food waste collections.
- 6.8 Blue bins:
- 6.8.1 It is anticipated that in the region of 53,000 blue two wheeled bins (likely to be 240 litre in size) will need to be purchased for individual households, or those few who share the smaller sized bins in communal bin stores.
- 6.8.2 It is anticipated that in the region of 605 new blue 1100 litre four wheeled bins are purchased for those households who share the larger bins in communal bin stores.
- 6.8.3 Consideration will be given to the small number of properties who cannot accommodate the standard bin provision listed in sections 6.8.1 and 6.8.2.

## 6.9 Food Waste Caddies:

6.9.1 It is anticipated that in the region of 59,000 new 5/7 litre food waste caddies (for all kitchens) and 53,000 new 23 litre food waste caddies (for individual kerbside collections) are purchased. Not everyone will have a kerbside food waste collection - it is estimated that more than 6000 properties will be serviced by communal food waste bins. Around 1000 food waste collection bins will need to be purchased for this purpose. Finally, all households will be provided with an initial supply of 100 caddy liners.

## 6.10 Bin Delivery:

6.10.1 It should not be underestimated how complicated and intensive bin deliveries can be – especially when introducing a new scheme boroughwide. The Council will procure the services of a specialist bin delivery company. It is expected that they will deliver the food waste caddies and liners and two-wheeled blue bins to all individual properties. It is expected the Council's Environmental Service team will deliver the 1100 litre blue bins, with the specialist bin company delivering the 5/7 litre food waste caddies to the shared bin properties.

## 6.11 Support:

6.11.1 Planning for, managing, administering and supporting the waste service changes will be carried out by the Environmental Service. In order to support this work, two additional Recycling Development Officers will be recruited for 24 months, with an anticipated start date of June 2023. They will work alongside the service's two existing Recycling Development Officers and Waste and Recycling Officer. In June 2024, it is anticipated the service will recruit a further two Recycling Development Officers for 12 months to assist with the launch and roll out of the service in 2024. An additional Business Support Officer will be recruited to assist with the development and roll out of the service for a period of up to 24 months.

## 6.12 Further one-off spending will be required in two areas:

6.12.1 Funding will be needed for a dedicated communications campaign and civil engineering - for instance, providing space within our existing depots for new vehicles and staff parking. These requests will be made through future reports.

6.12.2 Further reports will also follow for service revenue expenditure to cover the ongoing costs of providing the new waste services. This will include staff costs, fuel etc.

## **7 Risk Management**

7.1 An initial assessment of the risks has been carried out. In summary the risks are:

7.1.1 The funding does not meet our requirements and leads to net cost to the Council. If this risk does materialise, the Council will use its own reserves to fund any shortfall. See Resource Implications section, below.

7.1.2 Market supply will not meet demand. For example, the production and provision of vehicles and receptacles, during a period of national supply congestion.

## 8 Resource Implications

8.1 It is anticipated that the cost of introducing the waste collection service changes are as follows:

<b>Food Waste Collections</b>	
£925,100	10 x 7.5T food waste collection vehicles including all required additional specified items
£103,400	59,000 x 5/7 litre kitchen caddies
£253,900	53,000 x 23 litre kerbside caddies
£141,800	caddy liners (c.100 per household)
£20,900	1000 x communal food waste collection bins
£97,400	Delivery of food waste caddies and liners
<b>£1,542,500</b>	<b>TOTAL</b>

8.2 It is expected that government funding will be provided to meet the majority, or all, of the above costs. However, until such time as the actual amount of funding is confirmed, there is a risk that there will be a net cost to the Council.

8.3 It is recommended that any shortfall be drawn from the New Homes Bonus Reserve.

<b>Twin Stream Collections</b>	
£1,107,700	53,000 x blue two wheeled bins
£214,400	605 x blue 1100 litre wheeled bins
£88,500	Delivery of blue two wheeled bins
<b>£1,410,600</b>	<b>TOTAL</b>

8.4 The full cost of this change to waste collections will fall to the Council. The above cost is recommended to be funded from the Environment Act Reserve (currently £382,000), with any residual shortfall funded from the New Homes Bonus Reserve.

<b>Staffing Implications for Planning and Delivery Phase</b>	
£189,900	Additional temporary Recycling Development Officer posts
£63,300	Additional temporary Business Support Officer post
<b>£253,200</b>	<b>TOTAL</b>

NB. These are revenue costs.

- 8.5 It is expected that government funding will be provided to meet these costs. Any shortfall would be funded from the Environment Act Reserve, with any residual shortfall funded from the New Homes Bonus Reserve.
- 8.6 Economic forecasts suggest that inflation is set drop across the rest of 2023; however, inflation does remain high and the report has set out the risks that market supply may not keep up with demand. Both of these factors may lead to higher costs than forecast being encountered.
- 8.7 A contingency of 10% is recommended to be added to all the estimates above.
- 8.8 It is therefore recommended the Council approves:
- 8.8.1 £3.25M for the purchase of vehicles, bins and bin deliveries linked to this project.
- 8.8.2 £278,000 for the staffing implications of the planning and delivery phase.
- 8.9 Government funding will be used to the fullest extent possible to reduce the burden on the Council's revenue budget and capital programme.

## **9 Legal Implications and Statutory Authority**

- 9.1 The implications of the recommended actions enable to Council to comply with the waste collection requirements of the Environment Act 2021 within the timescale required.

## **10 Equality Issues**

- 10.1 The EQIA has been carried out and has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.

## **11 Sustainability and Addressing a Changing Climate**

- 11.1 The introduction of weekly food waste collections and collecting an increased number of materials at the kerbside for recycling will significantly improve the borough's recycling rate.

## **12 Other Issues**

- 12.1 Community Safety – None.
- 12.2 Environmental Health Issues – None.
- 12.3 Sustainability and Addressing a Changing Climate – referred to within the report.
- 12.4 Property Issues – None.
- 12.5 Wards/Communities Affected – None.

### 13 Conclusion and reasons for recommendation

- 13.1 Cabinet has already approved the changes to the Council's waste and recycling collection service.
- 13.2 Significant changes to our waste and recycling collection service must be made by 2025. The Council is working to introduce these changes in 2024.
- 13.3 Procurement needs to commence shortly, in order to secure the vehicles, bins and caddies ready for the waste service changes.
- 13.4 Procuring early will help avoid any extended lead times or delays, especially as these waste service changes are a national requirement. The food waste vehicles currently have an 8-12 month lead time.
- 13.5 Recruitment needs to commence shortly too, in order for the team to properly assess the borough's needs and plan for the waste service changes.
- 13.6 It is recommended that the capital and revenue funding is approved, with the understanding that the Council will be subject to procurement rules and requirements and the anticipated costs could increase, or decrease.
- 13.7 It should also be noted that the Government is yet to provide further information on the capital or new burdens funding for food waste collections. It is anticipated that launching a mandated scheme in 2024, before the 2025 deadline, will receive all due funding.

#### Background Papers (Local Government Act 1972 Section 100D)

Cabinet Report - 'Review of Waste and Recycling Services in Light of the Environment Act 2021'. Approved on [22 June 2022](#)

#### Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	0	File Ref:	N/A
(Portfolio: Recycling, Environmental Services and Car Parking) Councillor N Adams-King			
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Report to:	Council	Date:	5 April 2023