

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 14 March 2011
Report of: John Nicholson – Strategic Director of Places
Subject/Title: Transformation of Waste and Recycling Collection Services
Portfolio Holder: Cllr Rod Menlove

1.0 Report Summary

- 1.1 This report describes the transformation of waste and recycling collection services and explains its impact on the Council and residents. It outlines the current service provision, the service design principles and the key operational matters surrounding the proposed new services.
- 1.2 The implementation of the proposed services as detailed in this report will deliver premier waste collection services for the Council through a change of emphases. The Council's primary waste services will be seen by the public as recycling and composting, rather than residual waste (black bins or bags) as is the case at present.
- 1.3 The transformation of waste and recycling collection services has a significant impact on the resources needed and the operational costs incurred. A reduction in the numbers of staff and vehicles over current levels is evident, (approximately 40 and 17 respectively) and substantial revenue savings of more than £1m can be achieved.
- 1.4 However, in order to implement this transformation and achieve the associated savings, there are a number of key issues to be resolved including the successful procurement of material processing contracts and a waste transfer facility in the north of the Borough.

2.0 Decision Requested

- 2.1 That the Cabinet note the financial and operational benefits of the proposed new waste collection services detailed in this report and the supporting procurement necessary to deliver the services successfully.
- 2.2 That the Cabinet approve the implementation of the proposed new waste collection services as described within this report, including the introduction of silver wheeled containers across Cheshire East, and in accordance with the proposed timetable (paragraph 10.6).
- 2.3 That the Capital Programme be updated at the next opportunity, to reflect the requirement for £437k to acquire containers (para.7.4), funded by prudential

borrowing but repaid from revenue contributions already factored into the 2011/12 budget proposals and medium term financial strategy (para. 7.1).

3.0 Reasons for Recommendations

- 3.1 Despite the varied nature of the current waste collection services, they are performing well and have achieved a high level of recycling reaching nearly 50% by the end of 2009/10.
- 3.2 Nevertheless, there is considerable scope to transform the services provided and at the same time, design them in such a way that they can be delivered more efficiently and effectively. This transformation will improve the operational delivery and benefit both the Council and the residents of Cheshire East.
- 3.3 As part of the transformation, there is also scope to significantly reduce the operational costs and achieve the target savings identified in paragraph 7.1 of this report.

4.0 Wards Affected

- 4.1 All Wards affected as the waste and recycling collection services cover all households in Cheshire East.

5.0 Local Ward Members

- 5.1 All Ward members.

6.0 Policy Implications including - Carbon reduction - Health

- 6.1 This project has links to high level corporate policy, shared strategies with other Authorities, transformation projects and service-related policies and procedures. These include the Corporate Plan, the Sustainable Community Strategy, the Joint Municipal Waste Management Strategy, Total Transport including Fleet Management, the Council's Carbon Agenda and all waste operational policies.

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 The implementation of the new services, as described in this paper, has a significant effect on the operational costs of providing the service. It is believed that through the implementation of these services over the timescale indicated below, savings of more than £1m can be achieved. Savings of £726k are currently reflected in the 2011/12 draft budget and it is estimated that this figure will rise by a further £1.29m in a full year.

- 7.2 However, the savings can only be realised by implementing the services as described and across the whole of Cheshire East. It is not possible to produce the savings indicated if the new services are only rolled out in part. In fact, it is believed that the most significant part of the savings will be generated from the implementation of the services in the north as it covers nearly half the number of properties in Cheshire East and the change to service over current arrangements is the most significant.
- 7.3 Another key factor in producing the required savings is the provision of waste transfer facilities in close proximity to Macclesfield, through an EU compliance procurement process. This facility is fundamental to providing the service in the north and hence pivotal to meeting our financial targets. Without such a facility, it is impossible to provide the service and attain the savings required.
- 7.4 The roll out across Cheshire East relies on the procurement of additional containers for the premier dry recycling service. Capital funding needed for the containers to enable roll out of the scheme in the former Congleton Borough and Macclesfield Borough areas is as follows:
- Congleton area - £800k (being £363k existing WICG funding and £437k prudential borrowing financed through revenue contribution),
 - Macclesfield area - £1.3m (2011-12 Invest to Save Capital Scheme) being prudential borrowing funded via central capital financing budget).
- This investment is essential in order to provide every household with a 240L silver recycling bin.
- 7.5 The savings are a direct result of a reduction of staff numbers, fewer vehicles, more efficient collection routes and recently procured contract arrangements for the processing of dry recyclables and garden waste.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The Council has a duty under the Environmental Protection Act 1990 to provide waste collection and disposal services for all household waste generated within its control. The introduction of new services does not change this duty. Regarding staff reduction outlined in 10.5.2, HR and legal advice will need to continue to be sought at the appropriate time.

9.0 Risk Management

- 9.1 The risks associated with this transformation relate to the following issues; operations, performance and finance. Failure to successfully conclude the transformation will result in the Council's inability to make significant improvements to the waste collection services that it currently provides and therefore the current inefficiencies, inconsistencies and inflexibility will remain.
- 9.2 In turn, this will impact on the performance that is delivered through the services and this will principally be felt through the recycling rate and waste diverted from landfill. The current recycling performance will not be increased significantly and the diversion from landfill will remain fairly static; this is not

including the impact that any future treatment of residual waste may have but this is likely to be resolved until 2014 at the earliest.

- 9.3 In addition, the savings targets associated with this transformation will not be possible without a significant change to the way in which the Council delivers its waste collection services, as described in this report.

10.0 Background and Options

- 10.1 Current Service Provision – The waste collection services currently provided by Cheshire East are principally the same as those inherited from the legacy Councils, with the addition of ‘free’ garden waste in the former Crewe and Nantwich area and a move to alternate weekly collections of residual waste in the former Congleton Area. As such, there are a range of different collection methods, materials collected and operational practices in place. Nevertheless, Cheshire East has managed to increase the high levels of recycling; becoming the highest performing Council in the North West of England.

10.1.1 The recycling rate for 2009/10 was almost 50% and it is expected to increase slightly by the end of 2010/11. The importance of maintaining and improving the amounts of waste diverted away from landfill is transparent from both environmental and financial perspectives. The service is seeking to deliver these goals in the setting of a premier public service at a substantially lower cost to the tax payer

10.1.2 To achieve this goal, there is a need to rationalise the services provided, create greater flexibility in service provision and optimise the resources at our disposal. Above all, we need to make sure that these new services are available for all residents and where there are physical barriers in delivering them as described, we need to seek alternative ways of providing the services. In short, we must make it easier for residents to participate fully in our collection schemes and safer for both residents and frontline staff to operate.

10.1.3 The project to transform the services started in January 2010 aims to design a more efficient set of complimentary services and change the emphasis from a residual waste service to one where the primary services are recycling and composting. The project design stage is nearing completion with detailed rounds being developed that will help to deliver a flagship service for the Council in 2 phases, as described in this report. Delivery is challenging in a number of respects and will need to be driven hard to ensure all objectives are achieved in the timescales.

10.1.4 There are several related work streams that support the service transformation including managing the current position with the PFI project, procuring new processing contracts for dry recycle and garden waste, procuring waste transfer facilities in the north, purchasing additional containers to roll out the dry recycling collection borough-wide and, HR related projects that address the issues of terms and conditions of employment (although the latter is a separate work stream that should

not prevent the successful introduction on improved waste collection services).

10.1.5 Of these related work streams, the timely procurement of new contracts, additional containers and waste transfer facilities are integral to the delivery of new services. Without them the new services cannot be delivered and target savings cannot be achieved.

10.2 Design Principles - In considering all collection methods, including the present ones inherited from the legacy councils, the project identified a series of key factors that needed to influence the method of collection that was finally proposed. These were that the collection method should;

- be safe and easy for residents to use and front line staff to operate;
- minimise the risk of spillage during presentation and collection of household wastes;
- be acceptable to residents;
- maximise recycling and composting;
- ensure that we extract the maximum value from materials that people throw away;
- be easy to introduce and change over from the existing method;
- provide balanced workloads, as far as practicable, for all front line crews;
- be reliable and have flexibility to cope with disruption;
- to be future proof given the uncertainty of the waste PFI project;
- achieve target savings and;
- have a positive effect on the environment, now and in the future, particularly contributing to the Council's carbon reduction target.

10.3 Proposed Services - As a result of these key factors, the following proposed services have been designed to operate across the whole of Cheshire East.

10.3.1 Recycling collections will be based on a fortnightly collection, either in a silver coloured, 240 litre wheeled container or 55 litre boxes if storage of a wheeled container is a problem.

10.3.2 The materials will be co-mingled and include newspaper, magazines, junk mail, office paper, clean paper bags, mixed glass, greeting cards, envelopes (including window type), telephone directories (including Yellow Pages), wrapping paper, junk mail, cardboard, card-based egg boxes, tetrapaks, cans (steel and aluminium), aluminium foil, aerosols and mixed plastics (including plastic film and containers).

10.3.3 No side waste will be collected but additional recycling containers will be supplied free of charge to those properties that generate more materials than will fit into a single 240 litre wheeled container on a fortnightly collection. It is absolutely essential that the Council provides adequate storage for this valuable resource. Furthermore, all bin lids must be properly closed when presented for collection ('no top hats').

- 10.3.4 Garden waste collections will also operate on a fortnightly basis with an annual suspension of the service from mid-December to the end of January each year. The suspension is linked to a reduced demand for the service as the tonnage of available materials reduces significantly over this period. This suspension is identified within the contract for garden waste processing. Residents who do have garden waste materials at this time of year can take them to one of the Household Waste Recycling Centres where they can deposit them free of charge.
- 10.3.5 Again, a 240 litre wheeled container will be used to store and present the garden waste. However, if residual waste is collected in sacks from any given property then no garden service will be provided as it is assumed that there is insufficient space at the property to store a wheeled container.
- 10.3.6 As per other collection services, no side waste will be collected and bin lids must be closed for safe and efficient collection. However, additional containers can be provided to households at a cost set by the Council through the Fees and Charges which are reviewed annually.
- 10.3.7 Residual waste collections will also be provided on a fortnightly frequency in 240 litre, wheeled containers or Council-approved sacks. The same approach is to be adopted regarding side waste and bin lids. Extra bins will only be provided in circumstances where the recycling and garden waste bins are being fully utilised. In these infrequent circumstances, there will be a charge for the second bin but this charge is yet to be finalised through the budget setting process.
- 10.3.8 All waste collection services will have optimised collection schedules to ensure the most efficient and effective use of resources, including staff and vehicles.
- 10.4 Operational Features and Sites – There are a number of key operational features that cover all waste collection services; these include the method of containment, vehicles, working periods and collection practices.
- 10.4.1 The standard service will operate on a three bin system, one each for recycling, garden and residual waste. Variations to this will be either 55 litre boxes or Council approved sacks.
- 10.4.2 The collection services have been designed to use a range of differently sized standard refuse collection vehicles including, 7.5, 22, 24 and 26 tonne trucks. These will be allocated to specific collection rounds depending on a variety of factors such as the number of properties on the round, its location and accessibility. The reliance on bespoke vehicles and their inherent inflexibilities will be avoided. This will improve service resilience, particularly during ‘hard’ winters.
- 10.4.3 The services have been designed to operate on a standard five day working week, including bank holidays, with the exception of the Christmas and New Year period.

- 10.4.4 The services have been designed so that on any given day, all vehicles collecting a specific type of material (recycling, garden or residual waste) will be working in close proximity to each other. These are known as daily zoned collections and it will provide greater flexibility to deal with service disruption and in turn minimise any inconvenience to customers.
- 10.4.5 The new waste collection services will operate out of two Depots, one located in the south and the other in the north. The southern Depot is Pyms Lane, Crewe and until an alternative location can be found, the northern depot is Commercial Road, Macclesfield. Waste collection services will no longer operate from Brunswick Wharf (Congleton), Town Yard (Alsager) or Newhall Avenue (Sandbach). Again, the centralisation of resources over two locations will provide increased flexibility to respond to varying demands on the services provided and release depots for alternative uses or disposal as appropriate.
- 10.4.6 Waste collection vehicles will deposit their loads at a variety of different locations across Cheshire East, depending on the type of material they are carrying and their proximity to specific deposit sites.
- 10.4.7 Specifically, the following deposit and disposal sites have been identified; dry recycling will be deposited at Pyms Lane and a site to be determined in the north. Garden Waste may be delivered to a variety of sites including Fields Farm (Sandbach), Henshaws (Macclesfield), Brook House Farm (Allostock) and Higher Smallwood Farm (Scholar Green). Residual Waste will be disposed of at Danes Moss and Maw Green landfill sites which is no change to the present arrangements, although the contract for landfill disposal is soon to be considered for replacement or extension.
- 10.4.8 The future longer term destination of residual waste is currently unknown because of the withdrawal of PFI Credits and much will depend on the Council's long term aims and aspirations for this waste stream.
- 10.5 Resource Implications – As a direct result of the optimisation of collections routes, it is possible to rationalise and reduce the resources needed for this service. This applies to both staff and vehicles.
- 10.5.1 The order of magnitude of this proposed rationalisation and reduction is that front line staff numbers are expected to drop by up to 40 people and refuse/recycling collection vehicles by approximately 17.
- 10.5.2 It is believed that the reduction in staff numbers can be achieved mainly through the cessation of agency staff employment and voluntary redundancies within the staff employed directly by the Council in line with the services workforce plans. Consultation has formally started and staff briefings are being planned to fall in line with the budget setting timetable.
- 10.5.3 The rationalisation and reduction in vehicles will be managed in the short term through the extension of a current vehicle supply and

maintenance contract. Long term our strategic fleet management arrangements will further maximise the efficiency of the service.

10.6 Implementation Timetable – It is intended that the project will be rolled out in two phases; phase 1 will be implemented from the southern depot at Pym's Lane, Crewe from 9 May 2011 and phase 2 from the northern depot at Commercial Road, Macclesfield from 3 October 2011.

10.6.1 As part of the roll out of both phases, there will be a comprehensive communications plan for each phase. Member updates and briefings; direct engagement with front line staff to help finalise the rounds will also take place, as well testing as many as possible before the first operational day.

10.7 Communications – a full Communications Plan is being developed to cover the implementation of the proposed new services and a budget has been set aside, partly from the existing 2010/11 service budget and the rest earmarked within the next years service budget. The total cost of communications, including all material production and delivery is estimated to be in the region of £160k, split equally between the two implementation phases.

10.7.1 The Communications Plan will be applied to both phases and contains three stages. Stage 1 is the pre-Purdah stage, where the aim will be to raise initial awareness of the forthcoming changes and the benefits to both residents and the Council. Stage 2 will come in late March 2011, where we will ensure that all households have all the information they need to enable them to know when, what and why to recycle in Cheshire East. Stage 3 will include the evaluation of the communications plan and identify how successful it has been, thus providing some opportunity to make changes for Phase 2 of the roll out.

10.7.2 The communications plan also takes into account issues such as the target audience, key messages needed, the channels of communication required and the main risks to its success.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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