

CABINET

Minutes of a special meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin and by video conference on Tuesday, 1 October 2024 at 2.00 pm.

PRESENT

Councillors Jason McLellan, Leader and Lead Member for Economic Growth and Tackling Deprivation; Elen Heaton, Lead Member for Health and Social Care; Diane King, Lead Member for Education Children and Families; Alan James, Lead Member for Local Development and Planning; Julie Matthews, Deputy Leader and Lead Member for Corporate Strategy, Policy and Equalities; Barry Mellor, Lead Member for the Environment and Transport; Rhys Thomas, Lead Member for Housing and Communities, and Emrys Wynne, Lead Member for Welsh Language, Culture and Heritage

Observers: Councillors Joan Butterfield, Karen Edwards, Pauline Edwards. James Elson, Justine Evans, Bobby Feeley, Huw Hilditch-Roberts, Martyn Hogg, Carol Holliday, Hugh Irving, Brian Jones, Terry Mendies, Merfyn Parry, Will Price, Andrea Tomlin, Cheryl Williams, and Huw Williams

ALSO PRESENT

Chief Executive (GB); Corporate Directors: Social Services and Education (NS), Governance and Business/Monitoring Officer (GW), and Environment and Economy (TW); Heads of Service: Finance and Audit (LT) and Corporate Support Services: People (CR), and Committee Administrators (KEJ & RTJ [Webcaster])

WELCOME

The Leader welcomed and congratulated Councillor Will Price, newly elected county councillor, who was attending his first Cabinet meeting.

1 APOLOGIES

Councillor Gwyneth Ellis, Lead Member for Finance, Performance & Strategic Assets

2 DECLARATION OF INTERESTS

No declarations of interest had been made.

3 ADDITIONAL RESOURCES REQUIRED FOR THE NEW WEEKLY TROLLIBOCS RECYCLING SERVICE AND ASSOCIATED WASTE COLLECTION FUNCTIONS

Councillor Barry Mellor presented the report seeking Cabinet approval of additional resources to ensure the new weekly trollibocs recycling service and associated waste collection functions could operate as envisaged.

Councillor Mellor referred to the implementation of the new waste/recycling service on 3 June 2024 which had not worked as expected and both he and the Leader had publicly apologised to residents and committed to addressing the issues to ensure

the new system operated effectively. A member led scrutiny review would be undertaken into the roll out of the new system to understand what had gone wrong and to learn lessons for the future. However, today's report was specifically about addressing the issues which had emerged and to ensure the new system worked.

Since the roll out of the new service many of the new recycling rounds had failed to complete their daily collections which resulted in unacceptable numbers of missed collections/uncollected waste and additional temporary resources had been quickly allocated to address the problem. The temporary additional resources came at a cost but the total additional cost for 2024/25 would be offset by a one-off receipt from the refinancing of the North Wales Residual Waste Treatment Partnership meaning there was no budget pressure in the current financial year for the service. However, a permanent solution was needed to enable the service to be successful and sustainable in the long term which had been set out in the report. In brief, there were not enough recycling rounds planned into the design of the service and additional resources were required to provide a permanent solution and sustainable service.

Councillor Mellor recommended the proposal as set out in the report to allocate additional resources to enable the service to operate as envisaged. Failure to do so would result in either continuing to allocate temporary additional resources which was inefficient and more expensive than the proposed permanent solution, or removal of the temporary additional resources which would again result in large numbers of missed collections – neither option could be supported.

The Corporate Director: Environment and Economy provided some further detail to the report. The model for the new recycling service had been based on a number of assumptions which had proved incorrect, the main issue being some of the daily recycling rounds had been designed with too many properties and were not being completed. Additional recycling rounds would be required to deliver the new service successfully and sustainably. The original model had been based on 20 recycling rounds per day and the number of additional rounds required ranged from 6 to 8 rounds depending on the day of the week. This required the purchase of an additional 8 vehicles at a capital cost of circa £1.3m (funded via prudential borrowing) and additional drivers and loaders to operate the vehicles. Revenue costs associated with the additional rounds amounted to £1.067m which included the revenue costs for prudential borrowing of the additional vehicles. A formal request would be made to the Welsh Government for additional capital funding to assist with the cost of purchasing the vehicles. The additional budget required (£1.067) from April 2025 would need to form part of the budget setting process for 2024/25.

Finally, Cabinet was advised that if they approved the proposal work could start on planning to implement the revised recycling rounds and it was hoped they would be in place within weeks. The Corporate Director was confident that the new rounds would provide a permanent solution and enable the service to become sustainable.

The Leader thanked the Lead Member and Corporate Director for clearly setting out the position. Cabinet considered the report at length and also revisited the merits of the new service in terms of the environmental benefits, positive impact on job creation in the service and from building the new waste depot including retention and expansion of local business operations and local jobs together with the worsening

financial challenges under the previous system. In considering the proposal and way forward, in the first instance Cabinet asked for evidence to be provided to give reassurance that the additional resources needed as set out in the report were adequate to put the new system on a sustainable footing. Cabinet stressed they did not want to return to the resourcing issue again. Cabinet sought a number of further assurances and raised questions regarding various aspects of the report, particularly with regard to the Wellbeing Impact Assessment and impact on staff and residents (including bespoke support), financial implications, environmental benefits, and timescales and expectations associated with the revised model.

The Corporate Director: Economy and Environment responded to the detailed questions raised by Cabinet as follows –

- provided assurances regarding the robust work carried out in revisiting the model taking into account the experience of operating the system first-hand with real evidence rather than theoretical assumptions which had been used in the planning stage, and there was confidence the proposal would work and be managed successfully whilst also accepting there was risk in any change
- there had been many management changes within the waste service since the start of the project in 2018 and the latest redesign of the rounds had been carried out by the service with input from WRAP (Wales and Resources Action Programme) Cymru who had more recently also been providing operational management support, and involvement from other local authorities with operational managers looking at the detail of the rounds, although the experience and lessons learnt since the rollout had been fundamentally crucial in formulating the redesigned rounds
- there were a range of options and bespoke solutions for residents who may find the new way of presenting waste more challenging and once the service was operating as envisaged it would have more capacity to deal with those important issues and ensure a different solution to suit individual circumstances – residents would need to log those issues via Customer Services
- the proposed changes would be behind the scenes and for residents the only change would be for those experiencing an inconsistent service who would start to receive a consistent service with their recycling collected on their scheduled day – there would be no changes to the recycled collection day for any residents
- the new model had been introduced in order to reach the Welsh Government's 70% statutory recycling target and whilst it was too early to confirm whether that would be met the initial indications were promising. Data over the first four months of the new system on the amount and value of recycling collected appeared consistent with projections and gave confidence in the new model enabling the Council to meet the 70% target. However, it needed to be noted that the Council was still operating the old collection model during Quarter 1 of the current financial year, so the full impact in terms of annual recycling rates would not be seen until 2025/26. Councils could be fined for failing to meet the statutory recycling target
- prior to the changeover to the new system there was a budget pressure in the waste service; in 2023/24 the waste service had a budget of £7.2m and the actual cost of the service was £8m resulting in an overspend of £800k
- the Council had received an income for the co-mingled recycling when that system was first introduced but by 2018/19 it cost the Council £315k to pay for the treatment of co-mingled recycling which had increased to £1.1m by 2023/24

and would have continued to increase; that risk had been removed by introducing the new system and the Council now received an income for the sorted recycling – with further education over time it was hoped to increase the quantity and quality of the sorted recycled material to improve that budget element

- in the first three months of the new system the Council sold 1,107 tonnes of recycling material at a total value of £250k and whilst it was not a fixed sum given market fluctuations projections were circa £1m per year and therefore the amount was consistent with those projections
- if Cabinet approved the proposal a formal approach would be made to the Welsh Government for a capital contribution to help with the cost of additional vehicles
- registrations for the AHP service had recently opened and applications were currently being received and worked through and in terms of assisted collections letters had been sent to households in receipt of the service for more than 3 years to confirm whether the service was still required given the additional resource to implement; once all the data was collated on those two elements it could be shared with members
- all waste services have missed collections, prior to the roll out of the new service Denbighshire had on average more than 120 reported missed collections each week for the period 1 Jan to the beginning of June – those numbers were reasonably manageable and dealt with by the service and the aim was to get to a similar situation where the number of missed collections were manageable and treated by the service as business as usual
- some job aspects such as manual handling implications/physical demands presented a barrier to some operatives and reference was made to staff development opportunities which included succession planning and developing skills of existing employees, and it was noted that there were also opportunities in the wider service and across the Council as a whole.

At this point the Leader opened up the debate to non-Cabinet members.

During the ensuing discussion there were some exchanges and references to broader elements relating to the wider waste service and in particular to a number of decisions that had been made by the previous Cabinet since the inception of the project in 2018 [and various processes and associated actions taken ahead of the implementation of the new service]. However, they were not a matter for today's meeting (which focused on the additional resources required to ensure a sustainable recycling service going forward) and would be considered as part of the member led scrutiny review into the roll out of the new service. Members were also encouraged to utilise the scrutiny process to further scrutinise particular elements relating to the service which would fall outside of the remit of the member led scrutiny review into the service roll out.

A number of non-Cabinet members reiterated their continuing frustrations and concerns regarding the operation of new service and the impact on residents and staff. Concerns were raised regarding the lack of detail, metric, evidence base and timescale for the proposal, highlighting the need for a fully costed business plan with timelines before committing additional monies, and there were further concerns on the reliance on assumptions. Given those due diligence concerns some members did not have the confidence that the proposal would address the service issues.

The Leader, Lead Member and officers responded to questions and concerns –

- the Council's annual payment to Parc Adfer (as part of North Wales Residual Waste Treatment Partnership) was £2.1m
- the 70% statutory target would not have been met under the previous 'blue bin' system with the likelihood of significant fines for missed targets and an escalating cost for disposal of co-mingled recycling resulting in huge budget pressures
- disputed that there was not a detailed plan to operate the new service on a sustainable footing going forward with an evidence based proposal put forward
- a specific date could not be given as to when the new service would operate 'business as usual' but if Cabinet approved the proposal the new rounds could be implemented within weeks and once the new rounds were rolled out there was confidence that within weeks the service would move to a sustainable position
- agreed that consistency and familiarity with the recycling rounds was key and the proposal would help move to that position away from the reliance on agency staff
- noted the suggestion for a blanket reimbursement to green and trade waste customers as a goodwill gesture which was a matter for future consideration
- the Leader had consistently acknowledged the pressure all members had been under as a result of the system roll out and thanked all for dealing with them
- if the additional budget was approved it was important the work to implement the amended waste collection routes started without delay to place the service on a sustainable footing and reduce current levels of expenditure; therefore, Cabinet had been asked to confirm that the decision be implemented immediately
- the proposal had been considered at Council Workshop, this special Cabinet and would also be considered by Communities Scrutiny Committee on 24 October; scrutiny committees could make formal recommendations to Cabinet who were obliged to consider those recommendations
- the originally assumed £500k service pressure reduction as a result of the new model was not going to materialise given the need to increase the number of recycling rounds
- all new services were based on assumptions because they did not exist until the service was introduced and were therefore theoretical until the point the service was implemented – having had four months experience and evidence of the roll out it was clear the number of rounds for the service had been underestimated and the proposal would rectify the situation by increasing the number of rounds
- reiterated early indications were that the 70% statutory recycling target would be met under the new system, but further evidence was required; it was clear that the 70% target would not have been met under the previous system
- Welsh Government had been approached for additional financial support a number of times as the project progressed and had responded positively with a contribution of circa £12m; a further request would be made if the proposal was approved but it was unknown whether additional funding would be forthcoming
- there was some debate about the effects on staff/staff morale both in the waste service and wider council and assurances provided in terms of support provision
- acknowledged that the roll out had proved a testing time for all involved, not least the residents, and members and officers had worked hard to rectify the issues
- the member led scrutiny review into the roll out was welcomed as was the involvement of the public as part of that process

- acknowledged the subsequent effects on other services, as detailed in Appendix 2 to the report, given that resources had been diverted to address the issues in the recycling service and the proposal would allow management resources to focus on those other elements of the waste service
- reiterated that it was a complex service area with a number of financial risks. Costs and income would vary from year to year dependent on market forces and other variables. Therefore, the budget needed to be continually monitored
- the intention in the new year for a Council Workshop to explain the workings of the recycling depot to allow for a proper understanding of that process
- in response to a suggestion that members have sight of the proposed routes beforehand given their local knowledge officers confirmed they would look to sharing that information noting that some rounds crossed multiple ward areas
- WRAP had been heavily involved in the process and there had been no division in the service in relation to the proposal with all comfortable with the proposed new rounds
- the proposed new routes had been based on actual data and evidence from the operation of the service over the last four months and so there was confidence that the new model would work. The intention was to provide progress updates to members at the end of each day after implementation of the additional rounds
- every project had a risk register, every service had a risk register and there was also a Corporate Risk Register which was subject to a six-monthly review which would include lessons learnt; the member led scrutiny review would provide more detailed learning, but consideration could also be given as to whether the Corporate Risk Register should include a specific risk around major projects not achieving expected outcomes
- explained the reference to the current 31 rounds per day and temporary position where plans had been put in place at short notice to address the unacceptable amount of missed collections. The proposal for 26 – 28 rounds per day had been based on well-defined routes and meticulous planning for efficiency to move to a position where fewer resources were being used than currently but would result in a better system than the current temporary solution
- the proposal related specifically to resources for the recycling service given there were insufficient recycling rounds currently to provide a consistent service to all households in the county; there were sufficient resources to deliver the other services to residents including residual, green waste and AHP and the proposal would free up resources to focus on those other elements of the service
- to continue the temporary solutions going forward would result in inefficient use of resources, further increased costs, and continued inconsistent collections for some residents and there was confidence that the proposal would address the deficiencies in the current system and ensure a sustainable service going forward.

The Leader thanked all members for their contributions to a lengthy and detailed debate which had provided the opportunity for all members to air their concerns, raise questions, and challenge the proposal and report recommendations.

RESOLVED that Cabinet –

- (a) *approve an additional £1.299m in capital expenditure for the purpose of procuring additional recycling vehicles funded by prudential borrowing;*

- (b) approves an additional £1.067m of revenue costs in order to ensure the service change can deliver as planned on a sustainable footing. This includes the revenue costs for the prudential borrowing for the vehicles referred to in paragraph 3.1 of the report;*
- (c) agrees that the decision be implemented immediately without call-in, in accordance with section 7.25 of the Council's Constitution, and*
- (d) confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix A to the report) as part of its consideration.*

The meeting concluded at 4.20 pm.