

Report To:	Performance Scrutiny Committee
Date of Meeting:	31st January 2019
Lead Member/Officer:	Lead Member for Lead Member for Highways, Planning & Sustainable Travel/Head of Highways & Environment
Report Authors:	Waste and Recycling Manager/Head of Highways & Environment
Title:	Wales Audit Office (WAO) Report on Waste Management in Wales: Municipal Recycling

1. What is the report about?

- 1.1. This report is about a WAO Report on Waste Management in Wales: Municipal Recycling, published on 15th November 2018. The report is attached at Appendix 1.

2. What is the reason for making this report?

- 2.1. To inform Members about the WAO report and to enable to committee to scrutinise the findings and the response of the councils' Waste and Recycling Service to address issues raised in the report.

3. What are the Recommendations?

- 3.1. That the Committee considers the findings of the WAO report and supports the response of the Council's Waste and Recycling Service to address issues raised in the report.

4. Report details

- 4.1. The WAO report concludes that:
- Greater collaboration between Welsh Government and councils is at the heart of improvements, but costs and performance vary across Wales.
 - The Welsh Government and councils in Wales are collaborating more, which is helping to make recycling methods in Wales more consistent and is encouraging more people to take part. That's the conclusion of a report, by the Auditor General for Wales, which notes that the Welsh Government believes it has largely overcome a legacy of tensions and mistrust about its recommended approach to household recycling.
 - The report found that weight-based statutory targets has led to a much-improved recycling rate over time – to as high as 63.8% across Wales in 2016-17. But, the recycling rate decreased to 62.7% in 2017-18 due in part to better quality reporting. The latest recycling figures, published in October 2018, show that 20 of the 22 councils in Wales met or exceeded the statutory recycling target of 58% for 2017-18.
 - Reported recycling rates in 2017-18 varied from 56.0% in Blaenau Gwent to 72.25% in the Isle of Anglesey. However, comparing councils' recycling performance based on the impact on carbon reduction can show different results. Weight-based targets have encouraged councils to recycle wastes that have a relatively small carbon impact per tonne collected.

- The Welsh Government's recommended approach to municipal recycling is set out in its 'Collections Blueprint'. The number of councils conforming to this Blueprint increased from three in 2011-12 to 11 in 2016-17. The Welsh Government is expecting more councils to adopt this approach over the next few years, but some councils are still reluctant to change their kerbside collection method for recyclables.
- Benchmarking has found that the cost of certain waste management services show surprising variation across Wales. However, there are a wide range of factors that influence these costs. The Welsh Government believes that, if applied optimally, its Collections Blueprint offers the most cost-effective overall means of collecting waste from households.

4.2. The WAO Report makes four recommendations (printed in full, below). The view/response of the Waste & Recycling Team is summarised below each recommendation:

WAO Recommendation 1:

Benchmarking work has found that the cost of certain waste management services show surprising variation (paragraphs 1.31-1.39). The Welsh Government should work with councils to understand better the basis of the variation in spending on waste management services that are fundamentally the same and ensure that waste management costs are accounted for in a consistent way.

DCC Response to Recommendation 1:

Denbighshire Council would welcome the opportunity to support Welsh Government to better understand the variations in costs between LAs. Overall effectiveness of a service is a combined measure of performance and cost. Higher performing authorities are likely to cost more. The extreme demographic and geographic differences between authorities in Wales leads to greater cost variance. In order to gain a truer picture of how Authorities are performing, it would be beneficial to benchmark against similar English and Scottish Authorities.

Figure 5 (page 39 of Appendix II) shows that Denbighshire had the 3rd lowest cost in Wales for the cost per household for dry recycling collection for councils in 2016-17. However, as this position has worsened significantly since 2016-17 due to the increased gate fee we are paying to dispose of dry recyclate collected via our current co-mingled recycling service. This is one of the main reasons why the service has proposed to switch to a Kerbside Sort recycling service (as approved by Cabinet on 18th December 2018). Figure 6 (page 41 of Appendix II) shows that Denbighshire were placed 13th in terms of the cost per household for councils' household waste services overall in 2016-17. Again, this position will have worsened since then due to the increased cost of our current recycling service. The proposed new collection model for household recycling and residual waste will significantly reduce the cost of our waste management service.

WAO Recommendation 2:

The Welsh Government believes that, if applied optimally, its Collections Blueprint offers the most cost-effective overall means of collecting recyclable resources but is planning further analysis (paragraphs 1.40-1.51). When undertaking its further analysis to understand better the reasons for differences in councils' reported costs,

and the impact on costs where councils have adopted the Collections Blueprint, we recommend that the Welsh Government:

- explores how the cost of collecting dry recyclables may affect the overall cost of providing kerbside waste management services to households; and*
- compares the actual costs with the costs modelled previously as part of the Welsh Government-commissioned review of the Collections Blueprint for councils that now operate the Collections Blueprint.*

DCC Response to Recommendation 2:

This recommendation is directed at Welsh Government, rather than councils. However, the Council has made a decision to switch the Collections Blueprint compliant model (supported by Cabinet on 18th December 2018), and the service are clear that this is the most cost effective model for Denbighshire.

WAO Recommendation 3:

The Welsh Government has undertaken to consider alternatives to the current weight-based recycling targets which can better demonstrate the delivery of its ecological footprint and carbon reduction goals (paragraphs 2.38-2.45). We recommend that the Welsh Government replace or complement the current target to recycle, compost and reuse wastes with performance measures to refocus recycling on the waste resources that have the largest impact on carbon reduction, and/or are scarce. We recognise that the Welsh Government may need to consider the affordability of data collection for any alternative means of measurement.

DCC Response to Recommendation 3:

Again, this recommendation is directed at Welsh Government, rather than councils. However, paragraph 2.23 on page 51 of Appendix II states that “Denbighshire County Council was the only Welsh council in the UK top ten when ranked in terms of carbon benefit. The Council ranked third highest, and achieved this with an overall carbon benefit of 270 kg CO₂ equivalent per tonne. The Council was also fourth-ranked in terms of recycling rate.” This is very positive conclusion in relation to the service provided by Denbighshire. The proposed new waste & recycling collections model (approved by Cabinet on 18th December 2018) provides opportunities to further reduce the carbon impact of our collection service and also to improve our recycling performance.

Denbighshire Council believes that it is important to retain a measure that is universally reported across Europe and the World, and that is easily recognised and understood by the public. Whilst there are limitations to weight based measures, it should therefore be retained alongside other measures that encourage waste management practice with the greatest carbon benefits. The current Eunomia review of the Recycling target definition is welcomed as it will help align our existing measure to align us globally.

WAO Recommendation 4:

In refreshing Towards Zero Waste, the Welsh Government needs to show that wider sustainability benefits sought through municipal recycling offer value and cannot be more readily attained in other ways and at lower cost including, but not necessarily limited to, other waste management interventions (paragraphs 2.52-2.53). The Welsh

Government should demonstrate in the revised waste strategy that not only is it possible to recycle a greater proportion of municipal waste, but how doing so maximises its contribution to achieving its sustainable development objectives.

DCC Response to Recommendation 4:

This recommendation is directed at Welsh Government, rather than councils. However, Denbighshire's waste service support this recommendation. The cost of recycling (both collection and in some cases, reprocessing) increases as recycling rates rise. In some cases there may be greater environmental benefits by improving performance in other areas and services (such as transport) at a lower cost. The relative cost of reducing carbon impact in different ways should be fully understood before setting specific carbon reduction targets within defined services.

5. How does the decision contribute to the Corporate Priorities?

Although not explicitly identified as a project within the current Corporate Plan, the councils' Waste & Recycling Service has an impact on the Corporate Priority to ensure that the environment is "attractive and protected, supporting well-being and economic prosperity".

6. What will it cost and how will it affect other services?

No impact on other council services beyond Highways & Environment.

7. What are the main conclusions of the Well-being Impact Assessment?

A Well-being Impact Assessment has not been undertaken by the council because this paper is about a report by the WAO.

8. What consultations have been carried out with Scrutiny and others?

The WAO Report has been considered by Officers within Highways & Environment and by the Lead Member for Highways, Planning & Sustainable Travel. This report to Scrutiny forms the proposed wider consultation with Elected Members.

9. Chief Finance Officer Statement

Not required.

10. What risks are there and is there anything we can do to reduce them?

This report is largely for information, and no decision is required. Therefore, there are no specific risks attached to this paper.

11. Power to make the Decision

Section 7.4.2(b) of the Council's Constitution outlines the Committee's role in reviewing and scrutinising the Council services' performance.

Contact Officer: Head of Highways and Environmental Services Tel: 01824 706397