

<b>Report to</b>	<b>Communities Scrutiny Committee</b>
<b>Date of meeting</b>	<b>13 May 2021</b>
<b>Lead Member / Officer</b>	<b>Cllr Brian Jones: Lead Member for Waste, Transport and the Environment / Tony Ward: Head of Highways, Facilities and Environmental Services</b>
<b>Report author</b>	<b>Tara Dumas, Waste and Recycling Service Manager</b>
<b>Title</b>	<b>New Waste &amp; Recycling Operating Model Progress Update: Communications, Service Design and Benefits Realisation</b>

### **1. What is the report about?**

- 1.1. On 18<sup>th</sup> December 2018, Cabinet approved a new operating model for the collection of household residual waste and recycling, i.e. a segregated kerbside weekly recycling service, along with a four weekly residual waste collection. This report details the latest Communication Plan for the roll out of the new service, a Benefits Realisation Plan, outlining a suite of financial, environmental, employee and customer benefits that the new service will bring, and also provides members with an update on the Service Design.

### **2. What is the reason for making this report?**

- 2.1. At the Communities Scrutiny Committee meeting on 24<sup>th</sup> October, 2019 (Minute 7) refers), Members requested that an update report and Benefits Realisation Plan be brought back to the Committee as well as an update on communications approaches.

### **3. What are the Recommendations?**

- 3.1. That Members comment on the progress made within this report by the Project Team delivering the new Waste and Recycling Service to residents by Summer 2023.
- 3.2. That Members consider and endorse the Benefits Realisation Plan (Appendix II) and request that the Head of Highways, Facilities and Environmental Services track the achievement of the Benefits through the Annual Service Plan from 2023/24 onwards.
- 3.3. That the Head of Highways, Facilities and Environmental Services brings a future report to the Communities Scrutiny Committee on the pilot project outcomes in

West Rhyl (use of microchips in waste containers) and Bron y Crest (Communal bin service change).

- 3.4. That Members confirm that they have read, understood and taken account of the Well-being Impact Assessment (Appendix VII) as part of their consideration.

## **4. Report details**

### **4.1. General project update**

The mobilisation of this Service Change is complex, consisting of a number of “work streams”. The timing of the main roll out to households of the new source segregated recycling service is dependent on the completion date of the new centralised depot, to be located on the edge of the Colomendy Industrial Estate in Denbigh. Since the last report to this Committee, the land purchase (by DCC and a consortium of local businesses) has been completed, and planning consent for the site layout and buildings has been granted. After frustrating but inevitable delays due to the Covid Pandemic, and the added complexity of working as part of a consortium, good progress is now being made with this development. The Phase 1 groundworks Contract has been recently awarded and is due to commence this summer. On current projections, the depot will be able to receive all waste streams by early summer 2023. An outline of all work streams and key milestones are illustrated in the infographic in Appendix I.

### **4.2. Benefits Realisation Plan**

It is important to remind Members that the Cabinet decision on 18<sup>th</sup> December 2018 was predominantly based on environmental and wider economic benefits including:

- Increased recycling performance to meet the 2024/25 70% target; Future proofing the service against policy change and waste related legislation; Optimising the value and quality of the recyclate to meet the requirements of the Circular Economy; Modernisation of the service and tired depot infrastructure; Increased employment opportunities both through the service and wider business community.

Appendix II details 11 key benefits of the Service Change and how they will be measured. Originally, recycling performance arising from the service change was predicted to increase from 64% to around 68%. Key developments in technology, and additional support from Welsh Government through Circular Economy funding, now mean that we will be on track to meet the challenging 70% target following the Service Change. These developments include:

- Modernising the waste service through the implementation of In-Cab Technology to improve the reliability of the service (Service Reliability and good customer satisfaction is considered one of the most important factors in encouraging compliance with kerbside recycling schemes);

- Use of microchips in residual bins to target interventions where they are needed most;
- Formation of a “Behaviour Change Unit” within the service, in order to optimise the effectiveness of engagement, education and enforcement (the 3 E’s);
- Potential treatment facilities for the recycling of the Absorbent Hygiene Products (AHP) waste stream (nappies and incontinence waste) to be collected separately from April 2023. We are working with other Local Authorities and Welsh Government to procure a North and South AHP treatment facility. The outcome of the project, and viability of the proposed solutions being put forward by bidders, will be known by July 2021. If successful, the project would provide a local solution for this very difficult, but carbon rich, waste stream. It is proposed that DCC would be the operators of the facility, if it is located in Denbighshire;
- Increased containerised capacity overall to contain waste awaiting collection, to reduce waste escaping into environment. (Additional 618L every 4 weeks on the standard service, excluding new waste stream collections.).

The Service Change date provides us with the opportunity to explore a significant switch to Ultra Low Emission Vehicles. Trial data from Welsh Government will be available later this year, just in time to inform our fleet procurement from January 2022.

The UK Government has recently launched a second consultation on Extended Producer Responsibility (EPR). This proposed legislation will ensure producers, manufacturers and key suppliers (including large online merchants) are financially obligated to the recovery cost of their packaging, and also incentivise them to make recyclable products, and products with more recycled content. A key driver for this scheme is to ensure the quality of the recyclables we collect. Funding will be withheld if quality standards are not met. Payments are proposed to start from October 2023, soon after DCC has completed the service change to a source segregated service. Denbighshire will therefore be best placed to realise the financial benefits of this new legislation. Initial talks with Welsh Government about how Denbighshire’s service change may incorporate new material streams, such as plastic film, as a result of the EPR requirements to recover this waste in future years have been scheduled. The new timing of our service change could enable trials to be carried out to assist the waste industry in developing its treatment infrastructure.

### **4.3 Service Design Update**

The standard service design was approved by Cabinet on 18<sup>th</sup> December, 2018. An updated service design is detailed in Appendix III reflecting the needs of different property types. All residents will be entitled to a weekly recycling service (including food waste). The frequency of the residual waste collection will vary depending on the type of residual container they have, with all those using a 2-wheeled bin receiving a 4 weekly residual waste service. Additional recyclable

waste streams will also be collected (batteries, small electrical and electronic items and textiles) and AHP (optional).

There have been a number of updates and improvements made since the last report as follows:

- The middle container of the “standard service” Trolley Box (for the collection of cans and plastic) has been increased from 55l to 70l;
- The Trolley Box for residents will be black, with coloured flaps to help differentiate which materials go in each box. Boxes will be embossed with sorting instructions. Up to half of the Council’s commercial waste customers will have the option of using a trolley box. These will be differentiated from household containers by colour;
- Communal bins will be black, with corresponding coloured lids. A trial site has been identified (Bron y Crest, Denbigh, managed by DCC Housing) and the source segregated service will be launched there later this year;
- The continued sudden rise in brown card packaging due to the pandemic has created significant industry shifts in the “pulpables” market (paper and card). The service is awaiting the outcome of a WRAP report (commissioned by Welsh Government) on paper and card but it is likely that paper and grey card will be collected together, with brown card kept separate. This is similar to neighbouring authority practice. Sack size has been increased to 120l and will support a fixing to be attached to Trolleybox system after emptying.

#### **4.4 Communications Update: Preparing our residents for change**

The Project Board recognise the importance of preparing residents and employees for the new operating model. Appendix IV outlines the communication plan to date. The plan will continue to evolve as the service change gets closer and as support through working in partnership with other organisations develops.

The area of West Rhyl is subject to a specific work stream within the Waste Project. The high density of HMOs (Houses of multiple occupation) and tenanted properties, as well as social challenges typical in an area of high deprivation require the service to approach the move to a source segregated recycling service with greater consideration. The service change is also an opportunity to tackle some of the historical issues affecting the Local Environmental Quality of the area, such as seagulls attacking waste bags left out and lack of storage for householder waste containers. Appendix V details an up to date Mobilisation Plan for West Rhyl and the progress made to date. The Service has been supported by WRAP over the last 6 months to produce a range of communication materials (Appendix VI), in order to encourage compliance with the current service and prepare residents for the service changes. The first two phases of the service change (to be completed by March 2021) seek to achieve the following outcomes:

- Formalised arrangements with licenced landlords and housing providers;

- Increased compliance of Households using the current sack service to recycle more and present their waste in a seagull proof sack and use the pink/clear disposable sack service correctly (i.e. reduce black bag usage);
- Microchipping containers (wheeled bins and gull proof sacks) – A trial to evaluate the benefits in regards to reducing escaped waste, abandoned bins/bins left out/ stolen, contamination of recycling, recycle rates.

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

- 5.1. As detailed in the Cabinet Report 18<sup>th</sup> December 2018. In addition, this project contributes significantly to the council's ambition to become Carbon neutral by 2030.

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

- 6.1. The Council is still operating within the affordability window set by Cabinet on 18 December 2018 to reduce the cost annual cost of the service by at least £500K. The total cost of delivering the new waste operating model stands at £17.5M including a risk allocation of £1.9M and a Welsh Government Grant contribution £9.38M.

## **7. What are the main conclusions of the Well-being Impact Assessment (WBIA)?**

- 7.1. The original WBIA carried out in 2018 has been updated, taking account of these findings of a Welsh Audit Office review (2019) of how the council have applied the five ways of working (Appendix VII). Actions taken by the service since the project started has resulted in even more positive outcomes.

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

- 8.1. A Recycle More Residents' Survey was carried out in 2018. In addition to those groups consulted up to and included in the Communities Scrutiny report 24<sup>th</sup> October 2019, the service has also reported to: Cabinet Briefing (depot update) October 2020 and April 2021; Performance Scrutiny (Trade Waste element) March 2021; and SIG (Microchipping and In-Cab technology) March 2021.

## **9. Chief Finance Officer Statement**

- 9.1.1 The report clearly sets out how the project will monitor the benefits realisation. There are no direct costs related to this report but it is important that the project continues to operate within the affordability window set by Cabinet on 18 December 2018 to reduce the cost annual cost of the service by at least £500K as set out in section 6. The position will continue to be monitored closely.

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

- 10.1. A comprehensive risk register is maintained on the Council's Verto system and monitored by the Project Board.

## **11. Power to make the decision**

11.1 Section 21 of the Local Government Act 2000

11.2 Section 7.4 of the Council's Constitution