

Report to	Cabinet
Date of meeting	1 st October 2024
Lead Member	Cllr Barry Mellor, Lead Member for Environment and Transport
Report author	Corporate Director: Environment and Economy & Head of Highways & Environmental Services
Title	Additional resources required for the new weekly trollibocs recycling service and associated waste collection functions.

1. What is the report about?

- 1.1. This report is about the implementation of the new weekly trollibocs recycling service and associated waste collection functions and what adjustments are required to ensure sufficient resources are allocated so that the new system can operate on a sustainable footing.

2. What is the reason for making this report?

- 2.1. A decision is required to approve additional resources to ensure the new weekly trollibocs recycling service and associated waste collection functions can operate as envisaged.

3. What are the recommendations?

- 3.1. That Cabinet approve an additional £1.299m in capital expenditure for the purpose of procuring additional recycling vehicles funded by prudential borrowing.

- 3.2. That Cabinet 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 3.1.
- 3.3. That Cabinet agrees that the decision be implemented immediately without call-in, in accordance with section 7.25 of the Council Constitution.
- 3.4. That Cabinet confirms they have read, understood and taken account of the Wellbeing Impact Assessment (**Appendix A**) as part of its consideration.

4. Report details

- 4.1. On 3rd June 2024 the Council implemented a new waste/recycling service. The costs for the service change was originally approved by Cabinet on 19th December 2018 and was subsequently reviewed by Cabinet on 12th April 2022.
- 4.2. Forecasting for complex service changes such as this can only ever be a best estimate due to the number of variables. Those estimates can only ever be fully tested following implementation of the changes. This service change has been in the planning stage in excess of 6 years e.g. pre the original Cabinet decision in 2018 through to implementation in 2024. Much has changed during this time, including key variables associated with this service change (e.g. increases in construction costs, costs of vehicles, development of more housing in the County requiring a waste service etc).
- 4.3. It soon became apparent after the roll out of the new service that some of the assumptions were flawed. The main issue being some of the daily recycling rounds had been designed with too many properties requiring collection. This meant we were seeing several rounds per day not completing, resulting in large and unacceptable numbers of missed collections.
- 4.4. There will be full review of how the roll out was planned and implemented which will include an examination of the assumptions underpinning the design of the new service. Elected Members and residents will be involved in the review.
- 4.5. The assumption regarding the number of properties per round can only be amended by reducing the number of dwellings in those affected rounds. This

will necessitate the introduction of additional daily rounds and associated resources.

- 4.6. Without committing additional resources the new service cannot be delivered successfully and sustainably and we will continue to spend significantly more on inefficient short term day to day decisions to ensure missed collections are minimised/corrected.
- 4.7. The day-to-day management decisions since the roll out have focused on the hire of additional vehicles, increase in the use of agency staff, and the use of overtime for existing staff. Whilst this has been at a cost, it would have been unacceptable not to respond to the issues faced by our residents as a result of the number of missed collections.
- 4.8. In order to put the new waste/recycling rounds on a sustainable footing additional recycling rounds are required. The original model as rolled out was based on 20 rounds per day. The number of additional rounds required ranges from 6 to 8 rounds depending on the day of the week.
- 4.9. This requires the purchase of an additional 8 vehicles at a capital cost of £1.299m and additional drivers and loaders to operate the vehicles. The capital costs will be funded by prudential borrowing (see table below), but a formal request will be made to Welsh Government for additional capital funding to assist with the cost of purchasing these vehicles, which would reduce the revenue impact for the council. The revenue costs associated with the additional rounds are set out in the table below:

Costs	£m
Employees	0.697
Vehicle Costs (including prudential borrowing)	0.370
Total	1.067

- 4.10. If this additional budget is approved, then we can immediately plan to implement the necessary changes, and the introduction of the additional rounds can commence within weeks of today's Cabinet meeting i.e. there is a lead in time between the additional resources being authorised and the changes being made on the ground. This should ensure under normal circumstances that all rounds can be completed as planned.
- 4.11. The decision sought by this report will enable the waste service to implement the amended waste collection routes placing the service on a more sustainable basis and reducing the current levels of expenditure. It is important that this work commences without delay. It is for this reason that Cabinet is being asked to confirm that the decision be implemented immediately.
- 4.12. In turn this will allow management resources to focus on ensuring our other associated collections such as AHP, green waste and commercial waste can be implemented as planned and we can review our assisted collection and end of lane collection services. See **Appendix B** for commentary on changes to these other elements of the waste service.
- 4.13. Between the start of the roll out in June and the end of September the additional costs being incurred is forecast to be £640k (i.e. overtime, agency staff & hire of vehicles).
- 4.14. The Council is part of the North Wales Residual Waste Treatment Partnership and last month has received its share of a long running refinancing arrangement. This has result in a one-off receipt of £1.2m. This is another complex waste related project for which various assumptions over time have been made which changed resulting in this one-off receipt. This funding will be used to offset the costs that have been deployed on a day-to-day basis in reaction to the issues with the roll out and the additional resources requested in this report for 2024/25
- 4.15. The additional budget required i.e. the £1.067m from April 2025 will need to form part of the budget setting process for 2025/26.
- 4.16. Supporting the service change in this way will protect the council from future budget pressures e.g. minimise the need for agency staff, reduce the need for overtime etc. In addition, the cost of disposing of the co-mingled recycling will

only continue to increase, so these costs will be avoided i.e. the cost of disposing of our co-mingled waste in 2023/24 was £1.1m compared to £315k in 2018/19.

- 4.17. The kerb side separation process will also allow us to sell the collected recyclable material thereby increasing income. This is a volatile market, is therefore difficult to predict and is a potential financial risk or benefit to the service outside of our control.
- 4.18. The service change should increase our recycling rates and thereby reduce the risk of potential fines from Welsh Government for failing to reach the 70% statutory recycling rate e.g. unless we improve our recycling rates the WG fine could potentially be approx. £250k per year.
- 4.19. This is a complex service area with a number of financial risks. Costs and income will vary from year-to-year dependent on market forces and other variables. We therefore need to continue to monitor the budget and ensure the service is running efficiently. This can be picked up in the regular monthly finance reports to Cabinet and may necessitate a separate Cabinet report in the future.

5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

- 5.1. The new household waste collection model has a positive impact on two of our Corporate Plan themes. It is a specific project within the “Greener Denbighshire” theme because it will help us to increase the quantity and quality of recycling collected from households and increase opportunities for closed loop recycling. Through adoption of low carbon technologies at the new Waste Transfer Station and inclusion of infrastructure for ULEV fleet, the aim is to minimise the impact of the service in support of the wider corporate goals on net zero by 2030.
- 5.2. The project also supports the “Prosperous Denbighshire” theme in the Corporate Plan, which aims to support economic recovery, capitalising on opportunities to enable residents to access decent employment and income. The project has led to the creation of additional jobs within the waste service. In

addition, the building of the new depot enabled the creation and protection of many local private sector jobs. We worked with 4 important local businesses at Colomendy Business Park, Denbigh as part of the development of the new Depot. This allowed them to unlock and develop new employment land to enable those 4 businesses to remain in Denbigh and expand their operations.

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

6.1. The cost of the additional rounds is detailed throughout this report.

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

7.1. The WBIA has been reviewed and updated, and is attached at **Appendix A**. This hasn't fundamentally changed because we're not changing the principles of the proposed model, we're just making changes to ensure that the model works. The overall outcome of the Well-being Impact Assessment is positive.

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

8.1. There have been numerous Member Briefings via Teams since the roll out.

8.2. Council Workshop held on Thursday 26 September

8.3. A report will be presented to Communities Scrutiny on 24 October

9. Chief Finance Officer Statement

9.1. In undertaking strategic change projects such as this we are forecasting future associated costs based on assumptions and the best information available at that time. The assumptions and information are only confirmed once the project moves into implementation and delivery phase and will impact on those estimated costs. Clearly the rollout of the new model has not been implemented in the way anyone would have wanted. Given the number of residents that have been affected the council has had to act in deploying additional resources from June to September. It is important that we learn from this experience.

- 9.2. The report sets out the additional resources necessary to revise the recycling routes and ensure the service can operate in a more sustainable way.
- 9.3. The in-year costs associated with the report (2024/25) can be funded from the one-off receipt from the North Wales Residual Waste Treatment Partnership. The additional resources required from 2025/26 onwards will now need to be built into the Medium-Term Financial Plan which will be updated and reported to Cabinet at its October monthly meeting.

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

- 10.1. There are risks around any service change of this scale, as we have seen since 3rd June, 2024. The main risk is that introducing a set of re-balanced and re-designed collection routes initially results in missed collections as the service get used to the changes. However, this is being mitigated by the amount of work that has taken place to ensure that the new routes are based on more realistic assumptions than the previous service design, learning from the experience of the new system being operational since 3rd June.

11. Power to make the decision

- 11.1. Part II Environmental Protection Act 1990
- 11.2. s111 Local Government Act 1972
- 11.3. s120 Local Government Act 1972
- 11.4. Section 7.25 of the Council Constitution.