

**REPORT FROM: CORPORATE DIRECTOR**

**TO: POLICY AND RESOURCES COMMITTEE**

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## **IMPLEMENTATION of NEW RECYCLING ARRANGEMENTS**

### **PURPOSE OF REPORT:**

To update members on the implementation of the new waste and recycling arrangements, in particular the delivery of the blue bins for recycling: and to recommend a capital virement of £90,000 for the acquisition of the remaining bins required.

### **RECOMMENDATIONS**

- (1) That the report and the difficulties encountered be noted.
- (2) That the Council be recommended to approve a supplementary virement of £90,000 from the capital provision for Property Health and Safety to cover the purchase of a further 2,000 bins to fulfil remaining demand for blue bins and to cover the annual demand for replacement and new other bins.

### **REASON FOR RECOMMENDATIONS**

To complete the implementation of the new collection arrangements

1. Following a number of reports and an extensive public consultation exercise the Council at its meeting on 21<sup>st</sup> December 2017 resolved as follows:
  - (1) That with effect from 1<sup>st</sup> April 2018 the household refuse collection service change to fortnightly residual refuse collection with four weekly recyclable waste along with savings proposals from staffing restructure (£30,000), changes to sickness procedures (£15,000), reduction in non-contractual vehicle repairs (£15,000) and additional trade waste income (£40,000).
  - (2) That the Environmental Services Manager be granted delegated authority to procure for the lease of 20,000 new wheelie bins; replace 7.5t vehicles and source 18t vehicles as appropriate and the necessary adjustments to the Council's Capital Programme be agreed).

2. The estimated revenue savings arising from the decision totalled £190,000 - £90,000 from the change in the collection arrangements itself plus the four items listed in resolution 1 above. To achieve the savings in full it was necessary to implement the change from 1<sup>st</sup> April.
3. This report details for information the progress of the implementation of the change.
4. It also recommends that the Committee recommends the Council to approve a supplementary capital virement for the acquisition of further bins.

## **Procurement**

5. Because of the very tight timescale it was decided to procure the new bins via the Yorkshire Purchasing Organisation (YPO) rather than conduct a tendering exercise ourselves. The Council would have had to do a lengthy exercise in accordance with EU regulations. YPO has already undertaken this.
6. YPO is a nationally accredited organisation used by local authorities and other public bodies and its purchasing power means it can achieve very competitive prices. It sought tenders and an order for up to 20,000 bins was issued to the supplier (MGB) with effect from 5<sup>th</sup> February.
7. 20,000 was the best guess estimate based on a 50% take up from households.
8. It was decided to acquire the bins using capital resources rather than leasing them as this was overall a more advantageous financial arrangement. As can be seen later in the report it produced an additional saving of £28,000.

## **Delivery of bins**

9. Environmental Services staff met with MGB and their distribution contractor (TJK) to agree storage and distribution arrangements.
10. Deliveries commenced in week beginning 13<sup>th</sup> March. TJK used only two teams rather than the promised four and completed the initial batch by 29<sup>th</sup> March. By this time requests for bins had increased significantly (see below). TJK were persuaded to continue with deliveries for a further two weeks but had to cease on 13<sup>th</sup> April as they had commitments elsewhere. As a result the Council itself took over delivery and has continued to do so using our own staff and a local contractor, Orchard.
11. By 28<sup>th</sup> March 18,484 bins had been requested. This increased to 20,256 by 8<sup>th</sup> April and 23,104 by 6<sup>th</sup> May. A further 3,300 bins were ordered during April to meet the additional demand.
12. As at 13<sup>th</sup> June 24,626 bins have been requested.
13. A programme has been put in place to deliver the bins in batches covering requests received in fortnightly periods. Crews have been instructed not to leave a bin if there is one already there.

## **Communications**

14. A detailed Communications Plan was put in place at the outset. A copy is attached together with some information on the effectiveness of the campaign and a copy of the household leaflet. One of the key messages throughout was that a blue bin was optional and residents were encouraged to use existing green boxes, carrier bags etc.

## Savings

15. The items that went to make up the estimated revenue savings and the actual savings are shown in the following table.

<b>Two weekly residual and four weekly recycling</b>	<b>Budgeted Saving</b>	<b>Actual Saving</b>	<b>Difference</b>
Revenue			
Refuse Agency Reduction	22,100	0	22,100
Co-mingling – Staffing 1 Team	68,900	127,010	-58,110
Co-mingling – Vehicle WDC	56,220	0	56,220
Card Vehicles – 7.5T Replaced	75,220	67,550	7,670
Card Vehicles – New 18T Vehicles	-100,000	-56,060	-43,940
20,000 Bins leased	-28,000	0	-28,000
<b>Net Saving</b>	<b>94,440</b>	<b>138,500</b>	<b>-44,060</b>

16. As can be seen the result is an ongoing saving of £138,500. In year one the saving is £96,380 taking into account the one off delivery costs.

## Further requirement

17. A further 2,000 bins need to be acquired to fulfil remaining demand for blue bins and to cover the annual demand for other bins. The Committee is recommended to make a recommendation to the Council for a capital virement of £90,000 from the capital provision for Property Health and Safety to cover this.

## Difficulties encountered

18. It was originally envisaged that the lead in time for the change in collection arrangements would be six months. The carrying out of the extensive consultation exercise meant that this was effectively reduced to three months. The consultation exercise was very valuable in securing general public support for the change. Delaying the implementation to say June would have meant that the full saving would not have been achieved in the first year.
19. The shorter lead in time inevitably gave less time for communication with residents. Nevertheless the full Communication Plan was delivered within the condensed time available. Specifically, calendars with details of the change were delivered to all households in early March. Roadshows took place and there were regular press releases, billboard, Facebook and radio advertisements in the lead up to the implementation date. Press releases, social media posts and website updates have continued since to keep people advised of progress.
20. The Contact Centre was kept informed of progress via regular meetings and emails, but was seriously affected by the volume of calls. The communications issued and the staff involved encouraged people to use the simple online order form but there were still many calls and attempted calls especially when expected delivery timescales were not met. Eventually it was necessary to put in additional staffing resource for a six week period.
21. TJK (who were engaged by MGB and not directly by the Council) did not initially provide enough crews and fell behind the programme and never recovered.

22. There have been numerous duplicate requests largely as a result of people getting frustrated by delayed delivery and call waiting times. The net effect of this has been staff having to spend time on reviewing delivery lists and removing duplicates.
23. There is anecdotal evidence of bins being stolen once delivered compounding the frustration of the person who made the order and leading to further calls and work for back office staff.
24. This was the first time the Council had done a bin roll out where people had to opt in. A take up of 50% (c20,000) was the best guess estimate assuming not all householders would be able to store a new bin and would continue to use green boxes or bags especially in terraced properties which make up more than half the properties in Pendle. The estimate has been exceeded by nearly 25% (c5,000). That said, approximately 15,000 households have not asked for a bin and it would clearly have been a significant waste of money to just provide every household with a bin.
25. Overall, great credit is due to Environmental Services staff in picking up the unexpected work on delivering bins and to Communications and Contact Centre staff in responding to the unexpected demand and dealing with resulting queries.
26. Assuming approval by the Council of the recommended supplementary virement for further bins and taking into account manufacture and delivery times, it is expected that the roll out will be completed by mid-September.

## IMPLICATIONS

- Policy:** The Council's policy is to provide in house delivery of two weekly residual and four weekly recycling collection of household waste.
- Financial:** The change in the frequency of recycling collection and provision of blue bins arises from a review of the refuse collection service seeking significant annual savings in line with the Medium Term Financial Plan. The original estimate of ongoing revenue savings from the change has been exceeded by £44,060.
- Legal:** No implications arising directly from the report.
- Risk Management:** No implications arising directly from the report.
- Health and Safety:** No implications arising directly from the report.
- Sustainability:** No implications arising directly from the report.
- Community Safety:** No implications arising directly from the report.
- Equality and Diversity:** Equality Impact Screening has been undertaken. Existing arrangements such as assisted collections and additional bins for those with larger families or short term needs remain in place.

## APPENDIX

Communications Plan, information on its effectiveness, and the household calendar leaflet. Click on this link which will take you to waste and recycling information on the Council's website.  
[https://www.pendle.gov.uk/homepage/54/new\\_waste\\_and\\_recycling](https://www.pendle.gov.uk/homepage/54/new_waste_and_recycling)