#### **READING BOROUGH COUNCIL**

#### REPORT BY DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	26 SEPTEMBER 2019		
TITLE:	HOUSEHOLD WASTE - T	HE WAY FORW	/ARD
LEAD COUNCILLOR:	COUNCILLORS PAGE & JAMES	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING & TRANSPORT NEIGHBOURHOODS & COMMUNITIES
SERVICE:	ENVIRONMENTAL & COMMERCIAL SERVICES	WARDS:	BOROUGHWIDE
LEAD OFFICER:	ANDY EDWARDS		
JOB TITLE:	ASSISTANT DIRECTOR, ENVIRONMENTAL & COMMERCIAL SERVICES	EMAIL:	<u>Andrew.edwards@reading.gov.u</u> <u>k</u>

#### 1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to set out a clear and ambitious way forward for the Household Waste service. Delivery of this will achieve the strategy of increasing recycling and reducing the cost of waste.
- 1.2 In summary this report shows that:
  - There is significant change needed regarding our approach to household waste;
  - The context of industry changes, in particular government strategy changes, needs to be taken into account;
  - There is a clear direction proposed. Five options were considered and rated (Appendix 1 details the options and business cases for each);
  - The highest rated option was to implement a new food waste collection service alongside fortnightly residual collections from smaller 140 litre bins. This is estimated to achieve:
    - 11.5% increase in recycling, from the current 32% to 43.5%;
    - £107,000 p.a. savings;
  - Further detailed modelling is required once the preferred option is chosen, to refine the expected final position;
  - Commencement of the new service could be planned for as early as October 2020.

- 1.3 The following appendices are attached to the report:
  - Appendix 1 Matrix Summary of Five Options
  - Appendix 2 re3 Background
  - Appendix 3 Resources and Waste Strategy 2018
  - Appendix 4 Current Provision
  - Appendix 5 Savings and Income background
  - Appendix 6 Governance Structure

#### 2. RECOMMENDED ACTION

- 2.1 That a combined new waste service is introduced. This will be alternate weekly collections with 140l residual bins and weekly food waste collection.
- 2.2 The way forward as described is agreed for implementation.
- 2.3 A Member Task and Finish cross party working group will be set up to ensure appropriate engagement throughout the process and to enable clear oversight and input to the pilot phases and roll out programme.
- 2.4 Regular updates to be provided on progress against the action plan, including to HNL Committee in November 2019.

#### 3. POLICY AND CONTEXT

- 3.1 The policy context describes the drivers for improving our performance. The impact on the Council of *not* delivering, is a key part of this.
- 3.2 LAW AND POTENTIAL FINES

The EU Waste Framework Directive sets a recycling and re-use target of 50% for waste materials from households to be achieved by 2020. This target has become UK law and Government has suggested it will remain so post-Brexit.

In addition to this, in 2018 the EU adopted new targets for recycling. The requirement is to recycle or reuse 55% in 2025, 60% in 2030 and 65% in 2035. Once again, so far the UK Government has suggested they will follow suit.

- 3.3 If these targets are not achieved, the EU has the right to 'fine' the UK, who in turn could choose to pass it on to the relevant councils. Regrettably at this stage we are not able to get clarity on:
  - a) Whether there will be a 'fine' from the EU
  - b) Whether the UK would then intend to pass on the 'fine' to councils missing the targets
- 3.4 Whatever the outcome, the best position for the Council is to put further increased effort in to achieve greater recycling, and being ambitious in the

process. Proposals included in this report signal the Councils clear intent to do just that.

3.5 re3 PARTNERSHIP

The re3 Strategy was adopted by the Strategic Environment, Planning and Transport Committee, on behalf of Reading Borough Council, on 2nd July 2018.

The re3 Strategy focuses on two principal themes of: (i) reducing the net cost of waste, and (ii) recycling 50% by 2020. The first theme recognises the need for waste, as for all services, to contribute to the delivery of savings. The second theme principally recognises the fundamental need to recycle more and quantifies it as per the relevant statutory target.

#### 3.6 The re3 Strategy prioritises:

- The treatment of food waste because it is a waste management issue which has both direct and indirect financial outcomes for residents;
- Kerbside recycling and improvements in the capture of recyclable material;
- Improvements in recycling at the two re3 Recycling Centres and at the shared Material Recycling Facility (MRF);
- The treatment of additional material types through the contract, ideally in the form of reuse or recycling;
- The further development of waste management facilities;
- Work on alternative indicators to support effective service planning and decision making including related to savings and climate change;
- Excellent communications with residents in order to support the other strategic objectives.
- 3.7 The re3 partnership benefits from just under £3m p.a. as part of the Private Finance Initiative (PFI). The case for the re3 contract in 2006, states that the expected performance for 2020 would be 46% (recycling and composting). Rates 'in excess of 50%' are expected by the end of the contract in 2031. There is an expectation that we are progressing towards these targets. Despite our efforts to date, we are not there.

Further re3 background is shown in Appendix 2.

#### 3.8 GOVERNMENT RESOURCES AND WASTE STRATEGY 2018

The UK Government published its Resources and Waste Strategy (RWS) in December 2018. The strategy document has been widely welcomed and is regarded as containing an ambitious set of objectives. However it contains some elements which have potentially far reaching consequences for local authorities such as the introduction of a deposit return scheme, the potential for free garden waste collections and kerbside food waste collections.

More details of the areas of focus and potential implications are shown in Appendix 3. Surveys and consultation commenced early in 2019 and the

consultation period finished in May 2019. The strategy is due to formally come into force from 2023.

- 3.9 In summary the three changes being consulted on are:
  - Consistency in waste collection
  - Extended producer responsibility
  - Deposit return schemes

Each of these has potential to create significant change in the way we currently operate our waste services. Many of these changes could result in significant cost to us, whilst others are likely to generate more income. However until we know the final decisions from government, we will need to best guess the likely outcomes. This will allow any decisions we make now, to be made in the context of our expectations from this strategy.

3.10 DEFRA will be running a number of consultations about various elements of the strategy in the coming months and years and it is recommended that joint responses are submitted on behalf of the three re3 member authorities by the Joint Waste Disposal Board to ensure continuity and to reinforce the Councils' views. Changes in both collection and disposal systems will result from the subsequently agreed strategy and both aspects of the service will have to adapt and vary in response.

DEFRA has stated that, subject to consultation, authorities must prepare for the introduction of kerbside food waste collection from 2023 onwards, but that does not preclude its introduction prior to that date.

- 3.11 One challenge we have therefore, is whether to wait until food waste is made compulsory, or to begin the service earlier. It is likely to be a crowded market place by 2023, so getting the best value collection and disposal service is more likely now. We know that there is currently processing capacity for food waste, and collection vehicles availability with reasonable lead in times. Achieving a saving by introducing food waste would be a further incentive for earlier implementation.
- 3.12 READING WASTE BACKGROUND The overall recycling rate calculation is a measure of the waste in tonnes which is re-used, recycled, or composted as a percentage of total household waste.
- 3.13 Household waste is made up of three things: (i) council waste collections which capture 80% (ii) the shared Household Waste Recycling Centres (HWRC) which receive 16% and (iii) 'bring' banks which receive 4%. This report focuses mainly on the 80% waste collections.
- 3.14 Reading currently collects 59,000 tonnes a year of refuse from grey bins, and 19,000 tonnes of recycling from red recycling bins. Full details of the current waste offer for residents, is shown in Appendix 4.

- 3.15.1 The current recycling rate for Reading Borough Council as described in 3.13 above is 32%. Rates for Wokingham and Bracknell are 40% and 39% respectively for the latest quarter.
- 3.16 For context, nationally the average recycling rate is 46%, with the top council achieving 65% and the bottom 14%. Of 345 councils, Reading is currently ranked 300. Further details are shown in Appendix 5.
- 3.17 Readings' recent analysis of the waste in our grey bins has shown that an average of 18% from houses is recyclable. Much of that could be put into the red recycling bins or existing garden waste bins. For flats and HMOs, this is more than double at an average of 44%. Red bin recyclable items include plastic bottles, plastic pots, tubs and trays, tins and cans, cartons, newspaper and cardboard. Textiles and glass are also recyclable via a network of neighbourhood 'bring' banks.
- 3.18 The analysis has also shown that 41% of current grey bin waste from houses and 30% from flats and HMO's is made up of food waste. Currently we spend 3.5 times as much disposing of rubbish (grey bin), as we do for processing recycling (red bin).
- 3.19 In addition to the challenge to increase recycling, it is also important to take account of the other pressures on the waste service, particularly financial pressures. The income target for this year alone is £1.7m (made up mostly of green waste and trade waste income). MTFS savings and efficiencies add a further £635,000 to this total. More detail is provided in Appendix 6, but in summary there is a current shortfall in savings anticipated of approx. £270,000. Detailed work is ongoing to try to find mitigations for these savings, and one of these would be the delivery of savings as part of this proposal.
- 3.20 An additional financial pressure on waste is the continued growth in housing; 1610 new homes have been built in the last two years. We have a statutory duty to collect waste from all households, and the service has no automatic growth budget built in to reflect the additional costs arising from this. A sum has been allocated in this financial year to support this, but will need to be automatically increased to reflect the continued increase in housing.

#### 4. THE PROPOSAL

- 4.1 For context, the current disposal costs of residual waste (general rubbish) and recycling are commercial sensitive. However, if the disposal cost of residual waste was £100 a tonne, recycling disposal would be £30 by comparison. An average waste truck full of residual waste would cost £1200 compared to £400 for recycling. 58,000 tonnes of residual waste are collected each year, and around 18,500 tonnes of recycling.
- 4.2 The proposal developed needs to be both ambitious and challenging, to tackle head on the two main issues we have as a council driving waste down

and achieving increased participation in recycling. This will then deliver a significantly improved recycling rate, and achieve reduced waste costs.

- 4.3 To achieve this, firstly we will ensure that the right waste capacity and recycling capacity is provided to households. This will allow us to reduce waste costs and increase recycling. Secondly, we will begin intense and sustained positive communications which explain why recycling is necessary and important. This will ensure that residents are clear about how to participate effectively.
- 4.4 RESIDUAL WASTE CAPACITY

UK research by WRAP (Waste & Resources Action Programme) has shown that a reduction in the average weekly residual waste capacity, acts to compel diversion of recyclable waste from disposal towards recycling.

- 4.5 Reading has operated a successful alternate weekly schedule for waste collection since 2006.
- 4.6 In order to create the increase in recycling mentioned in 4.3, five options were considered and are detailed in Appendix 1.
- 4.7 Officers recommend the replacement of the current complement of 240l wheeled bins with smaller 140l wheeled bins, whilst maintaining the alternate weekly collection.
- 4.8 There will be three phases Phase 1 will be 46,000 households which are all houses. Phase 2 will be the 13,000 flats in HMOs. Phase 3 will be the 14,000 flats in blocks.
- 4.9 For Phase 2 there will be a pilot in some of the high HMO streets, which will inform us regarding how implementation will be most effective in these types of streets. Discussions will be held with members and officers to determine the most appropriate areas/streets to do that in. This will include a full review of the HMO list recently compiled, and include knowledge of unregistered HMOs. In addition we will pursue options to work with WRAP as well as gaining other lessons learnt from authorities who have implemented such schemes successfully (e.g. Bath and North East Somerset Council).
- 4.10 In addition the Waste team is working closely with Environmental Health, who are completing a detailed analysis of HMO's. Once complete, this will be used as a knowledge base to help us tailor what is needed for HMO waste arrangements. In addition teams will be working together to communicate and discuss waste changes with landlords.
- 4.11 Phase 3 will be the 14,000 flats in blocks where communal collection of waste is carried out. This will need separate plans and can be done once the first phase is bedded in. The team will work closely with Housing colleagues to

ensure that any issues and tenants requirements are taken into account, well ahead of implementation.

#### 4.12 ADDING A FOOD WASTE COLLECTION SERVICE

Alongside replacing up to 50,000 240 litre grey wheeled bins with smaller 140 litre wheeled bins, it is proposed to simultaneously introduce a weekly food waste collection.

4.13 The changes proposed would reduce weekly residual waste capacity from 120l per household to 70l per week. However, the introduction of weekly food waste collection would increase capacity weekly with a 23l food waste caddy. This means an overall reduction in capacity of only 27 litres per week (equivalent to what you could fit in a large 'family size' microwave). This table shows the calculation

Changes in Bins	Grey waste	Red recycling bin	Food waste bin	Total capacity
	bin			
2 weeks current	240	240	N/A	480
capacity				
Equivalent current	120	120	N/A	240
weekly capacity				
Change to 140l bin	70	120	N/A	190
Addition of food	70	120	23	213
waste bin				
Reduction in				240-213 =
capacity total				27 litres

#### Table 4.13.1

- 4.14 Evidence has been gained from other similar councils who have implemented such schemes. Residents have been able to fit their waste into the new receptacles.
- 4.15 The Proposal of combining smaller bins and a new food waste collection service will result in an estimated ongoing revenue cost of £873,000 p.a. (detailed in Appendix 1), and achieve reduction in disposal costs of £980,000. Reduction in disposal costs is achieved as a result of the much higher cost of landfill waste per tonne, than the cost of food waste processing per tonne.
- 4.16 Overall this is estimated to deliver a saving of £107,000 p.a. as well as an estimated increased recycling rate in excess of 11%, taking it to over 43%. Up-front one off costs will be £1.5m.
- 4.17 In order to ensure the service is affordable we will test the market and ensure cost and quality is taken into account before we determine who the best provider is. Procurement regulations will be followed. At this stage, food waste costs are based on 2018 average service costs.

- 4.18 It is proposed that recycling capacity is further increased by providing additional recycling bins free of any delivery charge for a defined period during the service change. Whilst there would be an income loss of around £2,500 for period, the message about recycling would be far more powerful. In addition, the loss of income would be offset by the increased take up of recycling bins and therefore increased recycling.
- 4.19 There will be a further investigation into the potential re-use of the old larger bins as recycling bins. For example, lids could be replaced with red ones (identifying to the crew that they are recycling bins) and then allowing residents to retain them.
- 4.20 Alongside a small reduction in overall capacity, which will help to compel greater use of our existing recycling service, residents would have access to a new and environmentally important food waste processing service.
- 4.21 Food waste collection is environmentally important because currently we send food waste to landfill which then generates methane. This is 25 x more damaging than carbon dioxide. Instead of burying food waste, we will not only be preventing methane getting to the atmosphere, but also processing it into biogas which will be used for electricity, as well as a small amount of fertiliser for use on farm land.
- 4.22 The proposed changes to waste collection are essential to inviting and encouraging more recycling. Alongside changes in service, the council will also provide supportive information to residents. Both aspects are essential in achieving the outcomes shown in Appendix 3.
- 4.23 Other options were considered but discounted for the following reasons:
  - i. Moving the whole waste service to the private sector. This comes with the risk that improvements may not be achievable or affordable, but could have other benefits. However, previous proposals by Officers to Hard Market Test this service in 2018 were rejected.
  - ii. Do nothing. This is always an option; however the recycling increase needed, coupled with the public support to protect the environment is a compelling case for this not being an option here. Additionally, government policy is driving us to achieve our targeted recycling rate. There would also be no savings.
  - iii. Wait until the government introduces compulsory food waste collection which is anticipated in 2023. However, waiting for this would deliver no savings in the intervening years.
  - iv. Implement the food waste service but introduce the smaller bins on a rolling programme of replacement. As mentioned above, due to the cost of implementing food waste alone, it would be unaffordable to deliver this, as it wouldn't achieve the disposal savings from less waste going into the smaller grey bins.

It is recognised that there are unavoidable differences in how waste and recycling is collected from residents who live in flats and HMOs. Flats and HMOs represent more than a third of all of our households which is a significant group. It is however, equally important that they are compelled and encouraged to also do their bit for recycling.

- 4.25 There is also high turnover of residents in many of these households. As a result of the above there will be detailed and focused work done, specifically for flats and HMOs. Included in this will be work with landlords, signage on street lights for collection days, analysis of HMO data to identify areas which need more support and education. This will enable residents and landlords to participate fully in the new services. Communication will also be frequent and regular, to ensure all new residents are kept informed. The aim will be to make Readings' streets pleasant for all.
- 4.26 Work will be done in partnership with the University to educate new and existing students. This will focus on the way to present and participate fully in Readings' waste collection system, being clear about the way things are done in Reading and the standards we set.
- 4.27 New residents will also be communicated with, through liaison with managing agents, landlords and estate agents. Packs will be delivered for the new residents, explaining how our waste collection works. We do have the advantage that our system of recycling all in one bin is more straightforward compared to many across the UK where the requirement is to separate recycling into many different bins and boxes. However, the fact that so many different systems exist can cause confusion and communication will be key. It also remains a fact that helping residents to understand what can and cannot be recycled will be a fundamental goal of the communications.
- 4.28 Flat blocks will be added to the new waste service in phases, so that time can be spent with tenants to allow them to be confident about how to participate, and how in practical terms it can be easy for them to use.
- 4.29 Solutions may be different in flat blocks; for example where bins are sited, what is needed to keep it clear and easy to use. Consultation with residents will ensure that this is effective.
- 4.30 Proactive forums with landlords will take place to ensure requirements are clear, and any queries can be dealt with.
- 4.31 Proactive forums with tenants will take place to ensure concerns are listened to, and solutions found to enable tenants to participate fully in the waste collection services.

#### 4.32 COMMUNICATIONS

Alongside an element of compulsion, and the new food waste service, we will be running a comprehensive communication campaign to support residents. This will be supplemented by the continued communication from the re3 partnership.

- 4.33 Corporate Communications will also be a key partner, as we update our web pages to keep residents informed of the changes ahead, and progress being made. Straplines across the home page will also be used to give regular updates.
- 4.34 Our communications will be achieved by establishing a dedicated Recycling Team of six people. This will include an existing member of staff who will be the Recycling Communications Officer and will work with the re3 Marketing and Communications Officer and Corporate Communications colleagues to ensure a consistent and innovative recycling campaign is delivered. This will be particularly important in respect of communications prior to any service changes and before the full team is established.
- 4.35 The team target is to increase the recycling rate by 4%. The team will also include 2 new Environmental Enforcement Officers who will concentrate on investigating and issuing the appropriate Penalty Notices for environmental crimes. In total there will be four newly recruited staff in this team. Changing behaviours will be their main focus, both in terms of preventing enforcement issues and increasing participation in recycling.
- 4.36 Enforcement activity will include looking at the most prevalent issues on our streets, e.g. bins on streets, fly-tipping. Warnings will be issued and followed up formally if necessary. Further meetings are also taking place with Enforcement companies to determine whether we can work in partnership with them to deliver further enforcement support. We will also be working closely with our legal colleagues to ensure that we are clear about the enforcement powers we have, and how to use them in the most effective manner. Other councils will also be consulted regarding their experiences and best practice.
- 4.37 Specific activities in the team will include:
  - i. Particular focus on flats as these make up nearly 40% of our households and participation in recycling is low
  - ii. Analysing collection data from the new Whitespace In-cab system, and using it to target areas where recycling rates are low and contamination of recycling bins is high.
  - iii. Carrying out doorstep interviews with residents and businesses who are having trouble segregating residual and recyclable waste.
  - iv. Carrying out educational visits and waste audits for residents who have problems with recycling.
  - v. Liaising with Enforcement Officers where action is required against individuals or businesses.
  - vi. Sustained positive communication for the lead in to food waste collection and replacement residual waste bins

4.38 The costs of establishing this team have been agreed for the future so that they become a permanent team. This is necessary to ensure momentum with the recycling rate continuing to increase.

#### 4.39 GOVERNANCE STRUCTURE

The project will adopt a formal governance structure which is shown in Appendix 6. It will ensure that members are involved throughout the process, and that regular feedback from residents is considered in planning the project. Member involvement will include a cross council task and finish group. The first meeting is already scheduled for 15 October 2019.

#### 4.40 ADDITIONAL INITIATIVES

Alongside the tasks described above, we are also developing a range of further initiatives to encourage the greatest participation in the changed waste collection service.

- 4.41 These include:
  - i. Using recently secured funding for behavioral insights support to focus on how recycling and good waste management practices can be established and retained where shared bins are in use.
  - ii. Involving and, if necessary, compelling Landlords and Managing Agents to understand and support the requirements of Section 46 of the Environmental Protection Act (which governs the appropriate containment of waste). For example, the Act includes presentation of waste in front gardens, and whether it is 'detrimental to any amenities of the locality' or creating a 'nuisance'.
  - iii. Working with colleagues in Planning to ensure that new developments provide sufficient waste capacity.
  - iv. Increasing the monitoring in communal bin areas and bring bank sites to discourage anti-social behavior, such as fly-tipping and to gather evidence for prosecutions by Environmental Enforcement Officers.

#### 5.0 **RELATED ACTIVITIES**

For background, further initiatives are also being explored, to determine potential benefits. These cover both commercial and household waste. Examples include:

- i. Investigating the option of text reminders for collection days, for when the new services start. This would be particularly focused on HMO residents.
- ii. Sponsorship of bring banks.
- iii. Exploring potential grant funding for waste initiatives e.g. Starbucks fund for recycling coffee cups.
- iv. Working with Reading UK CIC to identify waste related 'problems' for a technical solution to be found. Reading UK CIC is hosting UK Technology companies at a conference in October. Workshops will be

held, to arrive at technical solutions. Solutions will then be progressed.

- v. 50 Homes a campaign to challenge 50 households in Reading to see if they can achieve a targeted increase in their recycling and reduction in their residual waste. This would include a breadth of many different households and types, to share real life tips on how to recycle.
- vi. Developing the carbon data for our waste processes so that Corporate Climate Change Impact plans can include waste actions contributing to lower carbon.
- vii. Potential identification of the best recycling areas to give feedback and thanks.
- viii. Reviewing all options for potential glass collection from kerb-side, being mindful of cost limitations

#### 5.1 HOW TO GET FROM 43% TO 50% RECYCLING BY 2020

Further concerted effort will be needed to get all the way to 50%. This will include:

- i. Using the recently introduced Whitespace in-cab system to deliver further improvements. This system allows us to record when a recycling or grey waste bin is not put out. It also automates a real time list of addresses to tell the driver where to pick up garden waste and assisted collections from.
- ii. Increasing the capture of textiles by the possible introduction of a bookable textile collection service.
- iii. Reviewing the large/bulk waste going into HWRCs e.g. potential for carpet recycling
- iv. Investigating the option of HWRC visitors separating recycling out of black bags on site, if not already separated
- v. Learning from other similar councils who have achieved 50%
- vi. Reviewing the existing bring bank glass recycling service in order to increase participation
- vii. Intensive review of the existing collection of recycling 20% of recycling currently collected turns out not to be recyclable
- viii. Continuing re3 analysis of the Material Recycling Facility(MRF) data to inform which areas to focus on to improve recycling.

#### 6. CONTRIBUTION TO STRATEGIC AIMS

- 6.1 The re3 Strategy is designed to address the key re3 Partnership objectives to:
  - Reduce the net cost of Waste
  - Recycle 50% by 2020
- 6.2 The re3 Strategy and these proposals support the specific Reading Borough Council Corporate Plan Service Priorities of:
  - Keeping the town clean, safe, green and active.
  - Providing infrastructure to support the economy.

- Ensuring the Council remains financially sustainable
- 6.3 Contributing to Zero Carbon Reading through increasing the amount of recycling.
- 6.4 A Strategic Priority of the Reading Climate Change Strategy is a commitment to increase recycling rates. The introduction of food waste collection and processing would help to increase recycling rates. In addition the processing of food waste, via the anaerobic digestion treatment procured for the re3 partnership, would also facilitate the capture of methane from the waste. The captured methane will be utilised in energy production, displacing energy which might have been generated by Carbon based sources, further contributing to the aims of the Climate Change Strategy.

#### 7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1 A full communications plan will be developed alongside implementation. Consultation advice has been sought from the appropriate teams. This will include liaison with the University, residents groups, community groups, landlords and street champions.

#### 8. EQUALITY IMPACT ASSESSMENT

- 8.1 Under the Equality Act 2010, Section 149 the Council must, in the exercise of its functions, have due regard to the need to:
  - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 8.2 The Council has reviewed the scope of the proposals as outlined within this report and considers that the proposals have no direct impact on any groups with protected characteristics. However, the service will meet with representatives to determine whether they have any concerns or issues regarding the proposals.

#### 9. LEGAL IMPLICATIONS

9.1 The Council has duties under various UK and EU legislation to deliver waste collection and disposal services, principally the Environmental Protection Act 1990 and the revised EU waste framework directive 2008.

Consultation advice has also been sought from the Corporate Legal team, and they have advised that there is no Statutory Duty to consult regarding the proposals. 9.2 There will be detailed work carried out regarding enforcement powers and legislation to ensure that where needed, the Council is enforcing and taking action when regulations are not adhered to.

#### 10. FINANCIAL IMPLICATIONS

- 10.1 Appendix 1 shows the full details of the financial implications of Proposals. Details of correct cost assumptions have been obtained from Finance officers. The investment will be £1.489m capital. The funding source will be corporate capital provision which will be formally applied for, following the Councils approval process. A full business case will support this. The pay-back period will be ten years.
- 10.2 In the longer term, there are significant further savings which need to be made from the Waste Service, which have been committed to in 20/21 and 21/22. Although this proposal contributes a saving of an estimated £107,000, further detailed work is being done to determine where other savings will come from. This includes:
  - i. Using existing assets such as vehicles for longer periods to achieve greater efficiencies or increase income
  - ii. Significantly increasing Trade Waste collection
  - iii. Improving productivity through the Whitespace system
  - iv. Enhancing the recycling options to increase residual waste savings
  - v. Reviewing the re3 contract

#### 11. BACKGROUND PAPERS

11.1 re3 Strategy 2018-2020 The following HNL reports: HNL Committee November 2017

#### **APPENDIX 1**

#### Matrix Summary - 5 Options Considered

#### Criteria

Each option was considered against the following criteria:

- Change in waste capacity provided to the resident, to reflect the ease of use and acceptability
- Tonnes of avoided CO2 (and therefore contribution to the Climate Change agenda)
- Recycling rate change compared to the 32% achieved in 18/19
- Impact of the change on the waste disposal service (re3)
- Cost/saving
- Anticipated level of risks of implementation or delivery of the option

#### Scoring

Points have been allocated against each option, out of a total of 10, with 2 being worst and 10 being best. The score for cost/savings has been doubled to reflect the importance of the criteria. The overall score is shown in the end column - with the highest score reflecting the best rated option overall.

Risks have been scored according to High/Medium/Low rating. Options with the highest risks scored lowest.

#### Assumptions

- 1. All options are based on there being no changes to the current red bin recycling collection and service
- 2. All options have implementation costs of £300k and these are revenue costs
- 3. Ongoing cost of replacement bins is treated as revenue
- 4. Life of bins is 7 years; life of vehicles is 7 years and residual value 5%. Software has a life of 3 years
- 5. Loans are maturity PWLB and based on current life of assets, and Capital financing costs are based on annuity method
- 6. Cost of Vehicles was provided 4 months ago and caveat that it may increase
- 7. Staffing costs are sufficient to meet requirements and include all relevant on costs
- 8. Derivation of savings from diversion from landfill to recycling and food waste are based on methodology, assumptions and data supplied by Oliver Burt and validated by Michelle Crick
- 9. Food waste diversion savings assume all households receive the service at the same time. In a phased approach (where households are given the service first, and then flats later in phase 2) the savings will be achieved over a phased basis, rather than all in year 1.

t and validated by Michelle Crick ice first, and then flats later in phase 2)

### Matrix Summary - 5 Options Considered

Service change option	Waste capacity change (PW)	Acce ptabil ity and ease Score	Tonnes of avoided CO2	Avoid ed CO2 Score	Recycling rate including change (from base of 32% 18/19)	Score	Impact on disposal contract	Score	Cost/saving £000's		Score	Risks within implementation and delivery (overall high, medium or low)	Score	Overall score and position
BASE CASE - do nothing. This team will exist to increase participation, even if none of the options below are chosen.	-	-	-	-	36%	-	-	-	Ongoing costs	100	-	-	-	-
1. Weekly food waste collection added to current service	+ 23 litres	10	1856	6	40%	6	Some impact on reduction of waste and increase in recycling	5	Capital Cost Setup Cost Ongoing costs Diversion saving Net cost	738 300 758 -487 271	4	2 High 2 Medium 4 Low	2	33
2. No food waste collection - fortnightly residual collection from smaller 140l bin	-100 litres	4	782 Tonnes	4	39%	2	Some impact on reduction of waste and increase in recycling	5	Capital Cost Setup Cost Ongoing costs Diversion saving Net saving	751 300 115 -135 - 20	8	5 Medium	8	31
3. No food waste collection - 3 weekly residual collection	-120 litres	2	624 (MC)	2	39.5%	4	Good impact on reduction of waste, and increase in recycling. Government not supportive of residents having to wait more than 2 weeks for waste collection.	5	Capital Cost Setup Cost Ongoing costs Diversion saving Net saving	83 300 -91 -107 -198	20	3 High 2 Medium	6	39
4. Weekly food waste and 3 weekly residual collection	-120l+23l = - 97 litres	6	1856 FW + 624 2480	8	44.5%	10	Good impact on reduction of waste, and increase in recycling. Government not supportive of residents having to wait more than 2 weeks for waste collection.	7	Capital Cost Setup Cost Ongoing costs Diversion saving Net saving	821 300 667 -725 -58	12	2 High 4 Medium	4	47
5. Weekly food waste and fortnightly residual collection from smaller 140l bin	-100l+23l = - 77 litres	8	1856 FW + 782 2638	10	43.5%	8	Good impact on reduction of waste, and increase in recycling. Government supportive of reducing capacity rather than reducing frequency.	10	Capital Cost Setup Cost Ongoing costs Diversion saving Net saving	1,489 300 873 -980 -107	16	1 High 3 Low	10	62

## Final Ranking

1 <sup>st</sup>	Weekly food waste and fortnightly residual collection from smaller 140l bin
2 <sup>nd</sup>	Weekly food waste and 3 weekly residual collection
3 <sup>rd</sup>	No food waste collection - 3 weekly residual collection
4 <sup>th</sup>	Weekly food waste added to current service
5 <sup>th</sup>	No food waste collection - fortnightly residual collection from smaller 140l bin

# BUSINESS CASE 1 - Weekly food waste collection added to current service

#### a. Outline of the proposed change

To introduce a domestic weekly kerbside food waste collection service to 73,000 residential properties in Reading as an additional service to the current AWC (Alternate Weekly Collection) service. This proposal does not restrict the current volume of 120l per week landfill (grey bin) available to residents. The waste, recycling and green collection services will be unaffected. The food waste service would be introduced in 2 Phases:

Phase 1 - 46,000 houses

Phase 2 - 13,000 HMO's and shared dwellings

Phase 3 - 14,000 flats in blocks

The food waste would be separated at source by residents and the Council would provide a 7l kitchen caddy and a 23l outdoor caddy which would be collected weekly. Communal properties will be provided with a 7l caddy and a 180l communal food bin.

This proposal has been modelled on a yield of food waste of 1kg/hh/wk, which would divert 3068 tonnes of food waste from landfill. The cost of landfilling a tonne of waste is £134; the cost of food waste treatment is £38, a disposal only saving of £96 per tonne.

The collection service would be provided by the in-house team using 5 No. dedicated food waste vehicles with collection crews tipping the waste at the HWRC in Island Rd for processing at the Severn Trent Green Power plant in South Oxfordshire. The food waste processing contract has been let by the re3 partnership.

b. Confidence level of delivery					
90%	Sufficient evidence exists from many other councils, to suggest that this is deliverable				

#### c. Impact on residents, businesses and other organisations

The proposal will offer residents an additional recycling collection service which is an additional 23l per week of waste capacity. It will mean that residents who chose to participate will separate food waste and present it for collection weekly using a new 23l caddy which they will store outside. In communal properties food waste will be stored in 7l

caddies and put into 180l communal food waste bins as necessary for weekly collection. Adding food waste will give customers a better selection of services as well as additional waste capacity.

d. Resources and support needed to make the change

Dedicated project resource will be required to introduce this new service:

- Project Officer within Waste Operations i.
- Marketing and PR support to design and run communications effort for the new ii. service.
- iii. Leaflets, direct marketing/communications with residents, web-page production.

COST SUMMARY (£000's)

Capital	£738
Revenue Implic.	£300
Revenue ongoing	£758
Diversion saving	-£487
Net cost	£271

Net cost

e. Timescale to Deliver and Major Milestones	
Consultation/fact finding	August 2019
Agree proposal and project plan	August 2019
Appoint project officer	September 2019
Order collection vehicles	August 2019
Place orders for caddies and delivery contract	September 2019
Prepare communications plan	October 2019
Route scheduling and planning. Whitespace updates.	December 2019 - February 2020
Communication activity.	June 2020
Recruit collection staff	Start June 2020
Service goes live	October 2020

#### f. Risks and Opportunities

Risks - in order of High/Medium/Low

- i. High cost to the council and having to find it from corporate resources/reserves H
- ii. Success of participation is so great that it requires an additional vehicle, creating initial additional cost until the vehicle is at capacity again H
- iii. Behaviour change will not be achieved with residents continuing to dispose of food waste in the grey landfill bin with the food caddy being regarded as additional waste capacity. M
- iv. Failure to introduce the service effectively due to lack of adequate resources -M
- v. Target food waste collection of 1kg/hh/wk is not achieved and projected landfill diversion saving is not achieved, thus increasing the cost of the service. L
- vi. Participation in the service dwindles as residents see how much food they are throwing away. A similar service in the Royal Borough of Windsor and Maidenhead saw initial gains reduce meaning additional marketing effort was needed to promote the service. L
- vii. Residual overall tonnages may increase as a result of the additional service. L
- viii. Recycling rates may not see the projected rise of 4%. This could be due to the recycling percentages changing for other reasons not in our control. L

#### Opportunities

- I. Introduction of an additional recycling service is likely to be welcomed by residents at a time when awareness of recycling is growing.
- II. To tie the change to a comprehensive recycling awareness and education campaign with an emphasis on environmental but also cost benefits of increasing recycling.
- III. Increase in the current heightened public awareness of plastics, recycling, the environment and climate change is likely to affect residents' behaviour in relation to recycling.

IV. To reduce the amount of waste going to landfill and to improve recycling rates.

#### g. Dependencies

- i. Political and Senior Management Support for all of the changes.
- ii. Early buy in to policy changes so that clarity of approach can be provided to residents.
- iii. Business case to be approved.
- iv. Legal and Procurement Support at key times of the process, without the need to procure support externally.
- v. Corporate Marketing and PR support for communications.
- vi. Successful vehicle procurement and staff recruitment.

# BUSINESS CASE 2 - No food waste collection - fortnightly residual collection from smaller 140l bin

#### a. Outline of the proposed change

To replace 50,000 240l grey bins with 140l grey bins including delivery. This will reduce the weekly capacity of waste per property by 100l per week and will introduce a degree of compulsion for residents to manage their waste more carefully and to ensure recyclable material is not land filled. Residents will be given additional recycling bins free of charge for a set period of time.

# b. Confidence level to deliver outcomes30%This proposal may face some opposition from residents as it could be regarded<br/>as a cut in service level. Not all residents regard recycling as a priority nor<br/>perhaps understand the need to sort their waste correctly.

#### c. Impact on residents, businesses and other organisations

There could be an adverse impact on residents who regard this change as a service reduction and who may chose not to engage with the recycling agenda. There is no additional capacity being provided in any way. Impact on HMO's likely to be greater due to numbers of people living in one household.

#### d. Resources and support needed to make the change

Dedicated project resource will be required to introduce this new service:

- i. Project Officer within Waste Operations
- ii. Marketing and PR support to design and run communications effort for the new service.
- iii. Leaflets, direct marketing/communications with residents, web-page production.

COST SUMMARY (£000's)

Capital	£751		
Revenue Implic.	£300		
Revenue ongoing	£115		
Diversion saving	-£135	Net saving	-£ 20

e. Timescale to Deliver and Major Milestones	
Consultation/fact finding	August 2019
Agree proposal and project plan	August 2019
Appoint project officer	September 2019
Prepare communications plan and begin	October 2019
Place orders for bins and delivery contract	November 2019
Route scheduling and planning. Whitespace updates.	March 2020 -
	May 2020
Recruit collection staff	Start June 2020
Service goes live	October 2020

#### f. Risks and Opportunities

Risks - in order of High/Medium/Low

- i. The change risks being unpopular with residents and elected Members with an attendant lack of buy in to the waste service and recycling M
- ii. Fly tipping levels and clearance costs will increase, as will negative environmental impacts M
- iii. Contamination of recycling bins will increase and any savings negated by increased landfill charges for contaminated material. Returns for the sale of recycled material will be adversely impacted M
- iv. Potential for trips to the HWRC to increase M
- v. All collection rounds would need to be re-scheduled M

#### Opportunities

- i. To tie the change to a comprehensive recycling awareness and education campaign with an emphasis on environmental but also cost benefits of increasing recycling.
- ii. Exploitation of the current heightened public awareness of plastics, recycling, the environment and climate change to affect residents' behaviour in relation to recycling.
- iii. To reduce the amount of waste going to landfill and to improve recycling rates.

#### g. Dependencies

- i. Political and Senior Management Support
- ii. Business case to be approved.
- iii. Legal and Procurement Support
- iv. Corporate Marketing and PR support.

# BUSINESS CASE 3 - No food waste collection - 3 weekly residual collection

#### a. Outline of the proposed change

To change the current Alternate Weekly Collection (AWC) with grey landfill bins being collected every 3 weeks rather than every 2. Recycling collections will remain fortnightly as will the chargeable green waste service. Residents will be given additional recycling bins free of charge for a limited period.

b. Confidence le	evel
30%	This proposal will face some opposition from residents and Councillors as it could be regarded as a cut in service level. Not all residents regard recycling as a priority or do not understand the need to sort their waste correctly. However, The change to 3 weekly has been successfully introduced in a number of other authorities.

#### c. Impact on residents, businesses and other organisations

There will potentially be an adverse impact on residents who regard this change as a service reduction and who may chose not to engage with the recycling agenda.

#### d. Resources and support needed to make the change

A dedicated project resource will be required to introduce this new service:

- i. Project Officer within Waste Operations
- ii. Corporate Marketing and PR team design and run communications effort for the changed service.
- iii. Leaflets, direct marketing/communications with residents, web-page production.

COST SUMMARY (£000's)

e. Timescale to Deliver and Major Milestones	
Agree proposal and project plan	October 2019
Prepare communications plan	October 2019
Let contract for supply and delivery of new bins and collection of old.	November 2019
Appoint project officer	November 2019
Route scheduling and planning. Whitespace updates.	Feb 2020 - April
	2020
Communication activity.	October 2019
Service goes live	October 2020

#### f. Risks and Opportunities

Risks - in order of High/Medium/Low

- i. The change risks being unpopular with residents and elected Members with an attendant lack of buy in to the waste service and recycling H
- ii. Fly tipping levels and clearance costs will increase, as will negative environmental impacts, street scene piles of black bags H
- iii. Contamination of recycling bins will increase and any savings negated by increased landfill charges for contaminated material. Returns for the sale of recycled material will be adversely impacted M
- iv. Potential for trips to the HWRC to increase H
- v. All collection rounds would need to be re-scheduled M

#### Opportunities

- i. To tie the change to a comprehensive recycling awareness and education campaign with an emphasis on environmental but also cost benefits of increasing recycling.
- ii. Exploitation of the current heightened public awareness of plastics, recycling, the environment and climate change to affect residents' behaviour in relation to recycling.
- iii. To reduce the amount of waste going to landfill and to improve recycling rates.

#### iv. 4. Reduce costs

#### g. Dependencies

- i. Political and Senior Management Support
- ii. Business case to be approved
- iii. Legal and Procurement Support
- iv. Corporate Marketing and PR support

# BUSINESS CASE 4 - Weekly food waste and 3 weekly residual collection

#### a. Outline of the proposed change

To change the current AWC waste collection system to the following:

1. To introduce a domestic weekly kerbside food waste collection service to 73,000 residential properties in Reading, (as set out in Business Case 1 above).

2. Fortnightly recycling collection (red bin as is).

3. Three weekly residual collection (grey bin).

b. Confidence l	evel
70%	This proposal will face some opposition from residents and Councillors as it could be regarded as a cut in service level. Not all residents regard recycling as a priority or do not understand the need to sort their waste correctly. However, the introduction of a new recycling service for food waste is likely to be welcomed and clear communications about how to recycle well and reduce food waste will put the change in context. The change to 3 weekly has been successfully introduced in other authorities.

#### c. Impact on residents, businesses and other organisations

There will potentially be an adverse impact on residents who regard this change as a service reduction and who may chose not to engage with the recycling agenda. However, the introduction of a new recycling service for food will help to offset negative perception and provide additional capacity.

#### d. Resources and support needed to make the change

A dedicated project resource will be required to introduce this new service:

- i. Project Officer within Waste Operations
- ii. Corporate Marketing and PR team design and run communications effort for the changed service.

iii. Leaflets, direct marketing/communications with residents, web-page production.

COST SUMMARY (£000's)

Capital	£821
Revenue Implications	£300
Revenue ongoing	£667
Diversion saving	-£725

Net Saving - £58

e. Timescale to Deliver and Major Milestones		
Consultation/fact finding	Augu	ist 2019
Agree proposal and project plan	Augu	ist 2019
Order collection vehicles	Augu	ist 2019
Appoint project manager	Augu	ist 2019
Place orders for caddies and delivery contract	Sept	ember 2019
Prepare communications plan	Octo	ber 2019
Appoint project officer	Nove	ember 2019
Route scheduling and planning. Whitespace updates.	Feb 2	2020 - April
	2020	
Start to recruit collection staff	May	2020
Service goes live	Octo	ber 2020

#### f. Risks and Opportunities

Risks - in order of High/Medium/Low

- i. Potential for trips to the HWRC to increase H
- ii. Success of participation is so great that it requires an additional vehicle, creating initial additional cost until the vehicle is at capacity again H
- iii. The change risks being unpopular with residents and elected Members with an attendant lack of buy in to the waste service and recycling M
- iv. Fly tipping levels and clearance costs will increase, as will negative environmental impacts
  M
- v. Contamination of recycling bins will increase and any savings negated by increased landfill charges for contaminated material. Returns for the sale of recycled material will be adversely impacted M

vi. All collection rounds would need to be re-scheduled - M

#### Opportunities

- i. To tie the change to a comprehensive recycling awareness and education campaign with an emphasis on environmental but also cost benefits of increasing recycling.
- ii. Exploitation of the current heightened public awareness of plastics, recycling, the environment and climate change to affect residents' behaviour in relation to recycling.
- iii. To reduce the amount of waste going to landfill and to improve recycling rates.

#### g. Dependencies

- i. Political and Senior Management Support
- ii. Business case to be approved
- iii. Legal and Procurement Support
- iv. Corporate Marketing and PR support.

# BUSINESS CASE 5 - Weekly food waste and fortnightly residual collection from smaller 140l bin

#### a. Outline of the proposed change

To introduce a domestic weekly kerbside food waste collection service to 73,000 residential properties in Reading, (as set out in Business Case 1 above).

To replace 50,000 240l grey bins with 140l grey bins including delivery. This will reduce the weekly capacity of waste per property from 120l per household to 70l per week. However, the introduction of weekly food waste collection would increase capacity weekly with a 23l food waste caddy. This means an overall reduction in capacity of only 27 litres per week as shown below:

Changes in Bins	Grey waste	Red recycling bin	Food waste bin	Total capacity
	bin			
2 weeks current	240	240	N/A	480
capacity				
Equivalent current	120	120	N/A	240
weekly capacity				
Change to 140l bin	70	120	N/A	190
Addition of food	70	120	23	213
waste bin				
Reduction in				240-213 =
capacity total				27 litres

b. Confidence level				
80%	This option is likely to be relatively popular amongst residents and elected members. However, for those with large families or in flats this reduction in landfill capacity may be less popular.			

#### c. Impact on residents, businesses and other organisations

The proposal will offer residents an additional recycling collection service but a reduction in waste capacity of 27l per week.

#### d. Resources and support needed to make the change

A dedicated project resource will be required to introduce this new service:

- i. Project Officer within Waste Operations
- ii. Corporate Marketing and PR team design and run communications effort for the new service.
- iii. Leaflets, direct marketing/communications with residents, web-page production.

COST SUMMARY (£000's)

Capital	£1489
Revenue Implic.	£300
Revenue ongoing	£873
Diversion saving	-£980
Net saving	-£107

e. Timescale to Deliver and Major Milestones	
Consultation/fact finding	August 2019
Agree proposal and project plan	August 2019
Appoint project officer	August 2019
Order collection vehicles	August 2019
Let contract for supply and delivery of caddies and bins.	September
	2019
Prepare communications plan	September
	2019
Route scheduling and planning. Whitespace updates.	Feb 2020 -
	April 2020
Communication activity.	October 2019
Start to recruit collection staff	May 2020
Service goes live	October 2020

#### f. Risks and Opportunities

Risks - in order of High/Medium/Low

- i. Success of participation is so great that it requires an additional vehicle, creating initial additional cost until the vehicle is at capacity again H
- ii. Participation in the service dwindles as residents see how much food they are throwing away. A similar service in the Royal Borough of Windsor and Maidenhead saw initial gains reduce meaning additional marketing effort was needed to promote the service M

- iii. Target food waste collection of 1kg/hh/wk is not achieved and projected landfill diversion saving is not achieved, thus increasing the cost of the service L
- iv. Behaviour change will not be achieved with residents continuing to dispose of food waste in the grey landfill bin with the food caddy being regarded as additional waste capacity - L

#### Opportunities

- i. Introduction of an additional recycling service is likely to be welcomed by residents and elected members.
- ii. To tie the change to a comprehensive recycling awareness and education campaign with an emphasis on environmental but also cost benefits of increasing recycling.
- iii. Exploitation of the current heightened public awareness of plastics, recycling, the environment and climate change to affect residents' behaviour in relation to recycling.
- iv. To reduce the amount of waste going to landfill and to improve recycling rates.

#### g. Dependencies

- i. Political and Senior Management Support
- ii. Business case to be approved
- iii. Legal and Procurement Support
- iv. Corporate Marketing and PR support.
- v. Successful vehicle procurement and staff recruitment.
- vi. Policy sign up and ownership to commit to rules. Update service standard.

#### APPENDIX 2 re3 BACKGROUND

The re3 partnership has award-winning facilities and, through a successful partnership of public and private sector organisations, provides high quality services to the individual re3 councils and residents alike. Independently tested resident satisfaction is high, at 98%. Over a decade, the re3 partnership has been able to significantly reduce the amount of waste sent to landfill and ensure, through tough market conditions, that local recyclables are recycled as locally as possible.

Changes in service over recent years, negotiated and delivered within the framework of the shared contract and by the re3 partnership, include:

- In 2016, the introduction of new access controls at the Recycling Centres, greatly reducing queuing and enabling a greater focus on recycling. The recycling of street sweepings.
- In 2017, opening 'black bag' waste to retrieve recyclables and items for reuse.
- In 2018, the introduction of recycling for plastic pots, tubs, trays, cartons and foil. The sale of locally produced and peat-free compost. Public tours and improved communications to help explain what happens to waste via re3.
- So far in 2019, the re3 partnership has reintroduced wood recycling and added processing capacity to recycle food waste, by anaerobic digestion.

Those changes have helped to deliver financial savings and improve council performance. The contract has proven to be a platform upon which the re3 councils can build most successfully.

There are two principal, and overlapping, areas of focus for re3. Firstly, working with the individual councils to improve performance outcomes. Secondly, working with the Contractor FCC, to continue the process of contract change, improving performance and seeking best value.

Performance risk in any significant contract such as re3 is often shared. The re3 councils chose not to include waste collection within the re3 contract and so performance risk, on waste collected by the councils from residents, resides first and foremost with the councils themselves. Accordingly, both the quantity and quality of waste collected for recycling by RBC are critical to performance and financial outcomes.

In the past, waste collection has traditionally been seen as a linear process in which councils provide a service to residents in taking away unwanted items. It is critical that, instead, the entire waste service is seen as part of a much bigger cycle which is successful at returning those unwanted items to purposeful use, time and time again. That is an important change of perspective and critical to the future success of a key, universal, council service. So, RBC must retain high standards of collection for residents whilst, at the same time, focussing much more successfully on the treatment, and costs, of what is present in the bins it collects.

#### **APPENDIX 3**

## RESOURCES AND WASTE STRATEGY FOR ENGLAND, WALES AND NORTHERN IRELAND

The UK Government published its Resources and Waste Strategy (RWS) in December 2018. Initial consultations on three key areas, directly relevant to local authorities, were begun early in 2019 and the consultation period finished in May.

RWS features a genuinely ambitious set of objectives. Headline proposals and characteristics are:

- 1. CONSISTENCY IN WASTE COLLECTION
- (a) The Government wants to recycle 65% of household waste by 2035.
- (b) In its RWS, Government explains that it would like to legislate to require 'dry' recyclables (paper, card, plastics, tins/cans and glass) plus food to be collected as standard.
- (c) The Government is proposing that the format of waste collections should be prescribed and proposes three service types.
- (d) Where local authorities already operate a fortnightly schedule for collection of residual waste, Government does not expect them to have to extend the schedule further (not should they reduce capacity of collections).
- (e) RWS proposes that garden waste collections be provided free of charge in order to increase the capture of garden waste for composting.
- (f) RWS proposes that businesses will be required to make available for collection their non-household municipal (NHM) waste which can be recycled. Government believes that recycling rates of up to 70%, within this sector, can be achieved.
- (g) Businesses will be required to make their dry recyclables (paper, card, plastics, and tins/cans) available for collection. There are options for the inclusion of both food and glass.
- (h) The Government is particularly interested in ways that small and micro-sized business (over 85% of the sector) can be accommodated and may legislate for certain organisations (including local authorities) to effectively franchise collections in specific geographic areas in order to help reduce costs to these business.
- 2. EXTENDED PRODUCER RESPONSIBILITY (EPR)
- (a) The Government wants the producers of packaging to bear the full net cost of collecting, sorting, treating and disposing of 'consumer facing' packaging waste in the UK.

- (b) The Government is proposing that unitary authorities, like the re3 partnership, will receive funding for (i) the cost of collection, (ii) the amount collected and recycled and, (iii) the cost of packaging in the residual waste stream.
- (c) To support the funding proposals contained in RWS, ownership of packaging may be attributed to packaging producers throughout the value chain. At present ownership changes, for example, as it is purchased, used, discarded, collected, sorted and sold for reprocessing.
- (d) Collection standards, such as those identified in the consistency theme, and other aspects of service delivery are likely to be subjected to scrutiny and influence of the producers. That is inevitable as they will be funding EPR.
- (e) The Government proposes that consistent communications, with funding support, should be established on a national and local level to support consistency and greater levels of participation.
- (f) RWS includes a proposal for common standards for product labelling which support consistency across the system (such as, covered elsewhere, consistency in collection type and materials).
- 3. DEPOSIT RETURN SCHEMES (DRS)
- (a) Government is proposing to introduce one of two models for a UKwide DRS which could replace council collections of plastics, metal cans and tins and glass bottles.
- (b) The scheme would work via a deposit being added to the cost of a product which could be redeemed upon return via a reverse vending machine or manual return via smaller shops. Deposits of up to 20p on larger bottles have been discussed.
- (c) The models are: (i) 'All in' which would seek to capture all types of plastic bottle, metal can and tins and glass bottles, and (ii) 'On the go' which would seek to capture smaller items of the same types of packaging (e.g. under 750ml) and which are usually associated with the causes of litter whilst the public is 'on the go'.
- (d) Government intends to establish a Deposit Management Organisation (DMO) which will administer the scheme and manage the flows of data and considerable amounts of money derived from the original payment of the important deposit (at point of purchase) and repayment, upon redemption at a reverse vending machine or equivalent.

It seems that a considerable body of evidence has been submitted in the form of consultation responses. From a local authority perspective, there is some concern about the way that proposals for consistency in collections and DRS overlap and embed costs. Retailers and producers also have concerns about the value for money of the package of measures. While there are some quite genuine concerns, there are also some areas of potential opportunity for local authorities - for example, efficient and effective collections of recycling, from local businesses, are part of future plans for many councils'.

#### APPENDIX 4 CURRENT PROVISION READING BC

- Grey 240 litre wheeled bin fortnightly rubbish
- Red 240 litre wheeled bin fortnightly co-mingled recycling all main items except glass and textiles
- Glass collected through system of glass banks across the Borough
- Paid for green waste service available approximately 15,000 customers
- Nappies The Council currently provides additional capacity for families with 2 or more children in nappies by issuing white sacks which are collected on a fortnightly basis with the grey bin. This facility would continue if smaller bins were introduced, but families which do not qualify for the additional capacity would be expected to use the grey bin as they do now to dispose of nappies
- 58,000t waste collected pa
- 18,500t recycling collected (31.66%)
- 46,000 houses
- 27,000 flats

#### The Current service and recent service changes

The current service is based on alternate weekly collections (AWC) system with a chargeable fortnightly green waste collection. The current recycling rate is 32%. The Council has a Waste Minimisation Strategy 2015-2020 which is aligned with the aims of the re3 strategy. The delivery of targets contained within the re3 strategy have been significantly affected by savings led service changes such as removal of the waste minimisation and environmental enforcement teams in 2017.

Over the past few years a number of changes have been made to the waste collection service, summarised below:

• Introduction of a service collection standard

A new waste service standard and round structure was introduced in February 2017 and the following supporting projects have been ongoing since that time. They are all focussed on reducing the amount of waste collected and reducing contamination.

• One Bin Policy - 5000 properties have been identified as having large (360l), or multiple grey bins (these include HMO's) many of which are not justified and do not comply with the criteria set out in the service standard. Excess or large bins started to be removed in August 2018 on a round by round basis, which will reduce the tonnage of waste collected. The removal of 60% of the 550 properties

identified with additional capacity from the Caversham round resulted in a reduction of 23 tonnes of residual waste and an increase of 13.5 tonnes of recycling.

- Many HMO's have excess bin capacity and all HMO's have now received a letter explaining that the Council will no longer collect any bins in excess of the allowed residual capacity and excess bins are now being removed. Authorised bins are being stickered to help collection crews identify which bins to collect. The collection of excess waste is the Landlords' responsibility and is a chargeable service.
- Contaminated bin trials. Over the course of three collection cycles, officers made contact with residents in areas where recycling contamination levels were high and through conversations and the distribution of recycling information reduced the number of contaminated bins by half; illustrating the importance of direct contact in behaviour change. The initiative was underpinned by the threat to remove bins which remained contaminated after the third cycle.
- Recycling in Housing blocks. Contamination of 1100L recycling bins in a number of large RBC Housing blocks had increased to unacceptable levels. In order to address this issue dedicated lockable bin stores have been provided and residents issued clear recycling sacks and the key code to the stores. This has resulted in good quality recycling being presented and a reduction in contamination. Discussions are ongoing with the Housing Service to roll this out in other blocks where contamination is an issue.
- Plastic Pots tubs and trays

Kerbside collection of pots, tubs, trays, tetra-pak and foil was introduced in February 2018. The volume of recycling collected at the kerbside has increased significantly as a result, increasing pressure on collection crews but as the material is very light the increase in tonnages has been relatively low. This initiative sends a strong signal that the re3 partnership is committed to sending high quality plastics for recycling in the UK at a time when other authorities are sending such material to landfill or withdrawing the service and further enhances the recycling offer to residents.

• Waste Service review

A review of the waste operations collection service was carried in May 2018 supported by White, Young, Green (WYG) who were retained to carry out a review of the service and to compare it to other Authorities in the cohort in terms of performance and cost.

- Waste Management software (In-Cab) system has been procured (Whitespace) and is in operation for Garden Waste Collections and residual collections. When implementation is complete (estimated August 2019) the system will improve the customer journey for missed bins, bin deliveries and bulky waste collection by giving real time information from crews to the back office, contact centre and residents who have reported or purchased a service. The saving in administration, printing of paper schedules, and reallocating of work has been identified as part of the £100k saving in the Neighbourhood Support Team.
- Paper copies of waste collection calendars have been stopped with information being available on-line only.
- Staff sickness and absence have been reduced from a high of 12% to 6% by improved sickness monitoring and prompt application of Council procedures. These savings have been captured in savings business case T&S 10.

#### APPENDIX 5 SAVINGS AND INCOME

19/20 MTFS savings and efficiencies targets for Household Waste are £635,000 (a), in addition to gross income targets of £1.7m (b). On current predictions the income will be achieved but the savings will not.

In total £267,000 is achievable, with an additional £100,000 estimated of green waste income. This therefore leaves a gap to be filled of £268,000. Many other potential options are being considered, which have been shown below, but are not yet agreed. The introduction of green waste and smaller bins would contribute a further £107,000 to this savings target, albeit not in this financial year. Table 1 below shows a breakdown of the details.

In terms of gross income, this years' £1.7m is expected to be met through the trade waste and garden waste.

Specifics of saving area	19/20	Likelihood and amount of actual saving	Alternative savings	20/21	21/22
Waste operations - remove a round from the waste collection service	£284,000	Not possible due to increase in numbers of properties. No addition to budget provided for growth of housing numbers. The remainder of the saving included a capital receipt for the sale of the truck, so this is also not achievable. Amount - £0	Possible RE3 additional savings created by reducing the contamination of recycling currently 25% of material received.	£31,000	0
Service efficiencies and	£77,000	Expected to be achieved	N/A	0	0

#### a) MTFS Waste

further trade waste expansion. These included stopping calendar production, in cab technology, reduction in sickness levels (agency spend)		Amount - £77,000			
Increase charge on green waste collection	£180,000	Expected to be achieved Amount - £180,000	Not required as likely to be achieved. Potential for over achievement of £100k	£17,500	£17,500
Trade waste increase	£86,000	In order to achieve net income of £86,000, we would have to increase the income from trade waste by £860,000, from the current figure of £770k to £1.63m. This is not possible. It appears there was confusion when this target was set, in translating from the service suggestion of increasing gross income, to the financial input of net income. The service anticipates a stretch target as a further		0	0

'Alternative to market testing' which is across E&CS and no split agreed yet regarding what proportion is the target for waste	£8,000	£100,000 gross income achieving a net income of £10,000. Amount - £10,000	Finance has questioned this as they believe it is double counting, as these amounts have already been submitted as separate MTFS lines. Waiting confirmation that this is the case.	£253,000 tbc	£290,000 tbc
Re3					
TOTAL	£635,000	£267,000	£100,000	tbc	tbc
GAP TO FILL	£268,000				

#### FUNDING AGREED

DUF funding agreed by Service area	19/20	20/21	21/22
Waste collection - weighing machines on vehicles (£40k) and recycling and enforcement staff for new team (£85k)	£51,000 plus £74,000	_	-
Total	£125,000	-	-

#### (b) ANNUAL INCOME TARGET WASTE £000'S





Income progress in Year

#### APPENDIX 6 PROJECT GOVERNANCE STRUCTURE

