

TITLE	Waste and Recycling Service
FOR CONSIDERATION BY	The Executive on 25 January 2018
WARD	None specific
DIRECTORS	Josie Wragg, Interim Director of Environment
LEAD MEMBER	Simon Weeks, Executive Member for Planning and Enforcement

OUTCOME / BENEFITS TO THE COMMUNITY

By agreeing to implement a food waste collection from April 2019 and extending the current waste collection contract with Veolia, this decision will contribute towards meeting waste and recycling targets and help to maintain good customer service standards. As part of the contract extension negotiations, there would be further explorations about improving the customer experience.

Implementing a food waste collection service will improve the Council's recycling performance. This will not only help the environment, by reusing valuable resources, it will also reduce costs as the average cost of recycling per tonne is approx. £100 per tonne less than landfill/energy from waste.

RECOMMENDATION

That the Executive approve:

- 1) the introduction of a weekly separate food waste collection from April 2019 based on the business case provided within this report. (Please note that approval was given by Executive 28 September 2017 on the provision that a food waste collection service is demonstrated to be operationally and financially viable).
- 2) the extension of the current waste collection contract with Veolia for a further 7 years from April 2019 as allowed for in the contract.
- 3) the delegation of any further related and subsidiary decisions to conclude the contract negotiations with Veolia to the Director of Localities and Customer Service in consultation with the relevant Executive Member.
- 4) the establishment of a Member/Officer working group to oversee the introduction and rollout of the new food waste service.

SUMMARY OF REPORT

In September 2017, Executive approved the introduction of a food waste recycling scheme subject to the service being shown to be operationally and financially viable. This report outlines how this service will operate.

There would effectively be a "cost neutral" situation of both implementing a new food waste collections service and extending the contract with Veolia. Veolia have an

excellent service record and continuing to use this provider would ensure that good service is maintained. Whilst this could miss potential savings by not going through a competitive tender process, the process of re-procurement can be costly and resource intensive.

Veolia is already set up with MS Dynamics which the Council will be implementing as part of the 21st Century Council transformation rollout. The contract extension will also ensure that service changes in April 2019 would be minimised with the introduction of separate food waste collection only. Maintaining the current service provider would also minimise risks during a period when finances and resources are stretched during the 21st Century Council change programme.

Background

In September 2017, Executive approved the introduction of a food waste recycling scheme subject to the service being shown to be operationally and financially viable. This was based on:

- The Council's recent market research from residents to understand their waste collection views and preferences. The results highlighted that 77% of residents were broadly happy with the current system of kerbside waste collection.
- Blue bags contain approx. 30% of food waste which equates to approx. 10,000 tonnes. Research suggests that 50% of this could be captured through the introduction of a separate food waste collection, allowing us to divert approx. 5,000 tonnes of food waste from the most expensive disposal costs.
- The recycling of an additional 5,000 tonnes of waste would increase recycling rates by 7%, bringing our overall recycling rate close to 50%. The cost of recycled waste is around £60 per tonne, whereas general waste disposal costs around £170 per tonne.
- From 2020, it is likely that Councils not achieving the 50% recycling target will face fines of up to £500k per annum. The introduction of separate food waste collection will be a crucial component of the Council achieving this target and avoiding any fines.

The current waste collection contract with Veolia expires on 31st March 2019, but there is an option to extend for a further 7 years, subject to satisfactory performance and mutual agreement.

Analysis of Issues

Financial

A growth item of £527,000 is in the Medium Term Financial Plan from April 2019. This was based on an expected cost growth due to inflation and additional property numbers. This budget growth is expected to be necessary with either a contract extension or re-tender.

Veolia have submitted in writing a contract extension price for the next 7 years, which includes inflationary growth, the increase in household numbers and the new food waste collection service. The net cost of the new service (taking into account food waste disposal savings) falls within the budget in the Medium Term Financial Plan.

Further details on the contract price and arrangements are included in the Part 2 Schedule.

Operational

The food waste collection service will have a food waste pod fitted at the front of each collection vehicle which will allow the same vehicle to collect; mixed dry recycling, residual (blue bag) waste and food waste across the borough via a “one pass” system. The contract extension with Veolia will deliver this service through approx. 16 new waste vehicles provided by Veolia which has been priced into the new annual cost detailed in Part 2 and shown in Appendix 1.

For residents the food waste collection could be achieved through the introduction of 23 litre sealed food waste containers, smaller kitchen caddies and a supply of biodegradable bags to maintain a hygienic collection service from each home. These containers are much smaller and less intrusive than wheelie bins. The new containers would be funded by the Council but delivered by Veolia. The new food waste collection service would require an initial capital investment of in year one of £500,000 to cover the cost of the food waste containers, kitchen caddies and biodegradable bags.

The proposal to extend the Veolia contract would ensure that an “as is” service was maintained, with the addition of the weekly food waste collection. The service would operate out of a depot within the Borough with disposal via re3 facilities in Reading and Bracknell. Staff terms and conditions would remain unchanged. A Communications Plan as outlined in Appendix 3 would be put in place from January 2018 to ensure that all residents are made aware of the impending implementation of food waste collections.

Supporting the Business Case

The chart below shows the kgs per property per week collected in the respective areas giving an average of 1.49kgs per property per week and showing that the Wokingham estimate is on the cautious side.

Authority	Kgs / property / week	Frequency of food waste collection	Frequency of residual waste collection
St Albans	1.5	WEEKLY	FORTNIGHTLY
Chiltern & Wycombe	1.33	WEEKLY	FORTNIGHTLY
South Bucks	1.34	WEEKLY	FORTNIGHTLY
Wokingham (e)	1.46	WEEKLY	WEEKLY
Three Rivers	1.62	WEEKLY	FORTNIGHTLY
Dacorum	1.26	WEEKLY	FORTNIGHTLY
Central Bedfordshire	1.46	WEEKLY	FORTNIGHTLY
Isle of White	1.9	WEEKLY	FORTNIGHTLY
North Somerset	1.3	WEEKLY	FORTNIGHTLY

Veolia as Service Provider

Veolia have an excellent service record as detailed overleaf and continuing to use Veolia would ensure that good service is maintained. Veolia is already set up with MS Dynamics which the Council will be implementing as part of the 21st Century Council

transformation rollout. The contract extension will also ensure that service changes in April 2019 would be minimised with the introduction of separate food waste collection only.

As part of the contract extension negotiations there will be further explorations as to how the customer experience could be improved. For example, this could include capitalising on “in cab” capabilities which would result in improved electronic communication, creating a new online system for bulk waste or moving to electronically chipped bins rather than the sticker system currently in place. Softer targets which are measured through MS Dynamics and not currently captured in the service level agreement, would also be included in contract monitoring. Some of these improvements could be implemented prior to the contract extension date of April 2019.

Missed collections

The following chart shows an average per annum comparison of missed bins per 100,000 collections:

Year	Contract	Average missed bins per 100,000 collections per annum
2012/13	* Veolia benchmark	51
	Veolia Wokingham	37
2013/14	* Veolia benchmark	22
	Veolia Wokingham	13
2014/15	* Veolia benchmark	18
	Veolia Wokingham	8
2015/16	* Veolia benchmark	19
	Veolia Wokingham	7
2016/17	* Veolia benchmark	25
	Veolia Wokingham	7

* It should be noted that the Veolia benchmarks detailed above all have fortnightly collections which are inherently higher than weekly collections as residents are more likely to report them as do not want to wait for two weeks.

Health & Safety Performance

There have been two planned health and safety interventions by the Health & Safety Executive, one in 2012 and a follow up in 2016. Veolia and the Council fared very well in both interventions with the partnership work on health & safety proving successful over the Contract period so far. The following chart highlights the health & safety performance since the start of the Contract in 2012.

Incident	WBC
Accident	4
Incident	8
Motor Incident	7
RIDDOR	0
Near Miss	7
Hazard/Safety Concern	8
*Work Safely Observation	33

*Please note that a high figure for this is good.

By agreeing to continue with Veolia this would remove the need to carry out a new tender process for the waste service. Whilst it may be possible to make some savings through a competitive tender process, the process of re-procurement can be costly and resource intensive. The process would take 9 – 12 months for contract award and probably another six months if a new contractor was awarded, because of lead in times on vehicle assets and transfer arrangements. If a decision was made to re-procure, then this process would need to start as soon as possible. Benchmarking information suggests that the price offered by Veolia represents good value for money compared with similar contracts elsewhere in the country.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Not Applicable
Next Financial Year (Year 2)	£0	Yes	Not Applicable
Following Financial Year (Year 3)	£500,000 Part 2 Report	Yes	Capital Revenue

Other financial information relevant to the Recommendation/Decision

Revenue:

1. Regardless of the decision on food waste collection, the Council is expecting additional costs of around £527,000 per annum from 2019/20 in carrying out its waste service due to growth in property numbers (£127k) and inflation (£400k) which is included in the Medium Term Financial Plan in 2019/20.
2. As detailed in Part 2 of this report it is expected to cost approx. £500,000 per annum to separately collect food waste
3. It is anticipated that a separate food waste collection would save up to £500,000 per annum in waste disposal compared to continuing the current service, which would offset the cost of introducing the new food waste service as detailed in 2 above.
4. Introducing the separate food waste collection will be crucial to helping us avoid new fines for non-achievement of the 50% recycling target from 2020, which could amount to £500,000 per annum on top of the service increase detailed in 1 above.

Capital – this service would require an initial capital investment of in year one (2019/20) of £500,000 to cover the cost of the food waste containers, kitchen caddies and biodegradable bags. There is a current bid into the capital programme to cover this initial investment.

Cross-Council Implications

Increasing recycling materials like food will encourage residents to recycle more and further enhance Wokingham reputation as a great place to live.

Reasons for considering the report in Part 2

Commercially sensitive information, relating to the contract extension with Veolia, is included on the Agenda as a separate Part 2 Report.

List of Background Papers

None

Contacts Frances Haywood	Services Strategy and Commissioning Place
Telephone Nos. 0118 974 6859	Emails frances.haywood@wokingham.gov.uk
Date 10 November 2017	Version No. 0.2

Appendix 1 One pass vehicle/system with approx. 16 to be provided

- Two compartments at the rear of the vehicle and a pod behind the cab.



Appendix 2 - Weekly Food Recycling Collection Q&A

Q 1. Why are you doing this?

A. There are advantages for all residents and the environment of introducing weekly food recycling. These are:

- The food recycling bins are solid and lockable meaning birds and animals will not be able to get to them as they can sometimes with the Blue Bags.
- By recycling food waste we could save up to £500,000 per year, which will help WBC protect other vital services
- Recycling food waste will also help us reach the national target of 50% recycling rate by 2020 by adding approximately 7% to our overall recycling rate which currently stands at 40%. This could save a further £500,000 in fines for not reaching the 50% target
- Recycling food waste – and generally reducing all landfill – will help us maintain a weekly collection service despite the financial pressures to change
- Reducing landfill is good for the environment

Q 2. How often will my food waste be collected?

A. It will be collected once a week on the same day and time as your blue bags and black boxes and in the same vehicle as detailed in the Summary of this Report and in Appendix 1.

Q 3. How will the system work?

A. You will be given a 23litre food recycling box with a lockable lid, a 7 litre food recycling caddy and a supply of biodegradable bags that fit inside the caddy in the same way a black bin bag fits inside a rubbish bin.

You will be able to put day-to-day food waste into the bags in the caddy and, when the bags are full, place them in the lockable food recycling box.

Q 4. Will we have to pay for the recycling boxes, caddies or bags?

A. No. Everything you need to recycle your food waste under this scheme will be provided free of charge. The bags that will be provided are biodegradable to go into food recycling waste and so we would ask people do not use other types of bag.

Q 5. Will I get the same number of Blue Bags when food recycling is introduced?

A. Yes you will continue to receive 80 bags per annum.

B. Here's how the scheme works:

- Before the start of the service every household will be given on top of their blue bags and black boxes, food waste recycling equipment along with information on how the scheme works
- The black recycling boxes and the Garden Waste Scheme remain unchanged.
- Extra blue bags for larger properties remain unchanged (an extra 20 Blue Bags per year for a family of five and an extra 40 Blue Bags for a family of six).
- Those eligible for additional bags for clinical waste will continue to do so

Q 6. What can go in the food recycling?

A. Pretty much any kitchen food waste. We'd ask people not to add fats or oils but other than that any food waste – peeling, trimmings, leftovers, bones etc. can all be recycled. If you home compost at the moment, please carry on doing so.

Q 7. Will I leave my food recycling caddy and food recycling box out for collection?

A. No. The smaller 7 litre caddy is for you to use in your kitchen and compostable / biodegradable bags with food should be put in the 23 litres bin for collection.

Q 8. Will this mean another collection vehicle has to come round every week?

A. No. All the food waste, black box recycling and blue bag waste will be collected in the same day, at the same time and in the same vehicle..

Q 9. Do we have to recycle our food waste – can't we still put it in general waste?

A. You don't have to recycle food waste: it can be put in general waste and will be collected. But food recycling brings significant advantages to you and the community. These are:

- The food recycling bins are solid and lockable meaning birds and animals will not be able to get to them as they can sometimes with bin bags or Blue Bags.
- By recycling or reducing food waste we could save up to £500,000 per year, which will help WBC protect other vital services
- Reducing food waste will also help us reach the national recycling target of 50% by 2020 which could save a further £500,000 per annum
- Recycling food waste – and generally reducing all landfill – will help us maintain a weekly collection service despite the financial pressures to change

Q 10. What will happen to the food recycled?

A. It will be taken to a processing factory (known as an anaerobic digestion plant) where about 80% of it will be turned into fertiliser for crops and the rest used for energy creation.

Q 11. Is this a first step towards bring a fortnightly collection of general waste?

A. The Council recently committed to retaining a weekly waste collection so there are no plans to move to fortnightly collection of general waste and that will not be part of the waste any waste & recycling collection contract.

Appendix 3 – Food Waste Communications Plan

Introduction

In September 2017, Executive approved the introduction of a food waste recycling scheme subject to the service being shown to be operationally and financially viable. Food waste collections are due to be introduced across the borough from April 2019 subject to further approval by Executive. A communications strategy is required from the agreement of the contract (due to be January 2018) until at least two months following the commencement of collections (at least June 2019).

Objectives of the Communications Strategy

- Ensure that all residents are made aware and kept fully up to date with the implementation of food waste collections in the borough.
- Make sure that all audiences are fully versed and educated on how best to utilise the service, and also ensuring that they continue to use the service following initial introduction.
- Provide the opportunity for dialogue between residents so that they have the opportunity to raise any concerns or queries prior to implementation.

Audiences

- It's important to take into account the need to ensure that the messages reach all members of communities – and so various approaches may be required.

PRIMARY

Internal

- Staff within the waste and recycling team and more general environment directorate.
- Executive members

External (in the borough)

- All residents
- Local business owners
- Schools

SECONDARY

Internal

- WBC elected members
- WBC staff
- WBC Customer Services

External (in the borough)

- Media
- Thames Valley Police
- Emergency Services
- Town and Parish Councils
- Neighbourhood Action Groups
- Residents' Associations
- Wokingham Area Access Group
- Neighbouring authorities
- Chamber of Commerce
- Business Link Berkshire
- The Regeneration Company
- Local MPs
- Wokingham Society
- Disability/ access groups

Key Messages

- Blue bags contain approx. 30% of food waste which equates to approx. 10,000 tonnes. Research suggests that 50% of this could be captured through the introduction of a separate food waste collection, allowing us to divert approx. 5,000 tonnes of food waste from the most expensive disposal costs.
- Introduction of food waste collections is a crucial step towards the council reaching its 50% recycling target by 2020, and avoiding any fines.
- Once agreed, we can include a key message on the inclusion of boxes and bags: the plan is for 23 litre sealed food containers, small kitchen caddies and a supply of biodegradable bags to line the caddies. It is easy to recycle food waste.
- Demand for food waste collections is there, and it has proven to be successful in other local authorities as a means to reducing waste going to landfill.
- Veolia will be supplying new fleet to cope with the inevitable increased demand for this new service.

- General waste collections will remain weekly.
- Contract with Veolia has been extended for another 7 years, they will cover the food waste collection. They have an excellent service record, and this will ensure good service is maintained.
- Encouraging recycling of materials like food will only encourage residents to recycle more items and make the borough a greener place.

Monitoring and Evaluation

The success of each communication activity activity/ channel highlighted in the communications action plan below will be monitored and evaluated. This will allow for activities to be changed if they are not as effective as planned.

Qualitative

- Media measurement (traditional and digital) – tone and treatment
- Customer Services measurement of public feedback – tone

Quantitative

- Number of posts on social media relating to food waste
- Actual number of users of the service when introduced
- WBC Customer Services measurement of public feedback – amount
- Website data for visits
- Tonnes of food waste collected

The communication plan itself will be reviewed and amended on a regular basis and updated accordingly. This is a live communications plan.

Timeline

January 2018	New contract with Veolia to be agreed
TBC 2018	Leaflets/posters distributed
January 2019	Bins begin to be distributed to houses
April 2019	Collections begin
June 2019	Reflection on the success of the scheme

Appendix 1 – Communications action plan

Glossary

WBC – Wokingham Borough Council

PB – Peter Baveystock

IG – Irum Gulzar

RD – Rachel Dennis

LS – Louise Strongitharm

FH – Frances Haywood

CS – Customer Services

All communications activities to be signed off by PB and EXEC MEMBER

199

Objective	Date	Activity/channel	Message	Audience	Who	Cost	Progress
To ensure that residents and all members are briefed on the contract decision and subsequent launch of the scheme	January 2018	Press release to go out	<ul style="list-style-type: none"> • Benefits of the scheme – key messages • Update on project so far 	All audiences	RD with input from PB and FH	Met in-house	Contract currently under negotiation
To increase involvement with communities and improve interest in scheme	Prep in March for April 2018 launch	Start of schools competition – design poster	<ul style="list-style-type: none"> • Benefits of the scheme – key messages • Educate residents about food waste recycling. 	All audiences	RD/PB/LS	Met in-house	
To continue maintain interest in the scheme and inform and	July 2018	Announce winner of the schools project via photo op	<ul style="list-style-type: none"> • Winning school and pupil announced. 	All audiences	RD	Met in-house	

Objective	Date	Activity/channel and social media	Message	Audience	Who	Cost	Progress
prepare audiences.							
To inform and prepare audiences for the introduction of collections in the new year	Winter 2018	Wokingham Borough News – Winter 2018 Poster	<ul style="list-style-type: none"> • Details about food waste collection 	All audiences	RD with input from PB	Met in-house	
To inform and prepare audiences for the delivery of new boxes in the new year	December 2018	Media release Social Media Sharepoint	<ul style="list-style-type: none"> • Details about what to expect and when different areas can expect their boxes. • Include more information about what to put in the boxes and where to put them 	All audiences	RD with input from IG/PB	Met in-house	
To inform and prepare audiences for the delivery of new collection boxes	January 2019	Social Media Intranet	<ul style="list-style-type: none"> • Details about what to expect and when different areas can expect their boxes. • Include more information about what to put in the boxes and where to put them 	All audiences	RD with input from IG/PB	Met in-house	
To prepare all audiences for the start of new collections	Late January 2019 ongoing	Media release Posters/Leaflets Social Media	<ul style="list-style-type: none"> • Advise of how to find collection dates and when the collections will start 	All audiences	RD with input from PB/IG	Met in-house	
To prepare audiences and ensure	April 2019	Media release Social media Intranet	<ul style="list-style-type: none"> • Advise that collections have now begun • Reiterate what can and cannot go in the boxes 	All audience	RD with input from PB/IG	Met in-house	

Objective	Date	Activity/channel	Message	Audience	Who	Cost	Progress
participation in the scheme							
To continue to ensure participation	June 2019	Media release Social media Briefing for all members	<ul style="list-style-type: none"> • Success of the scheme 	All audiences	RD with input from PB/IG	Met in-house	

This page is intentionally left blank