

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3

19 JULY 2021

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

WASTE PROVISION POST 2024

1. Purpose of report

- 1.1 To clarify the council's future considerations for waste/recycling collections after the term of the current contract is due to end in March 2024.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective/objectives under the **Well-being of Future Generations (Wales) Act 2015:-**

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 The council has outsourced its waste contract to a commercial contractor since 2003. The contract was re-tendered every 7 years and the council has had three contractors that have fulfilled the waste service role. The current outsourced waste contract was awarded to Kier Services Limited in April 2017 for an initial period of 7 years, which ends in March 2024, but does have the option to be extended for up to a maximum of an additional 7 years ending March 2031. The lead-in time for preparation of any alternative arrangement is substantial in order to manage any public consultation, address legalities, prepare any procurement process for plant, vehicles, equipment, contract preparation and give time for full mobilisation of contractor and advertising any revisions to the service.

- 3.2 There have been significant increases in recycling performance levels in recent years and Welsh Government (WG) developed a future strategy and implemented national targets for annual waste reuse/recycling/composting. Whilst the target for 2019/20 was 64%, the council achieved a recycling level of 67.6% when the Welsh average was 65.1%. The next target set by WG is 70% in 2024/25 and they are now considering future targets, alternative strategies and measurements to enable further improvements in recycling performance. There is no clear guidance at present to inform a new waste arrangement although WG commitment to a “Zero Waste Wales” by 2050 remains firmly in place.
- 3.3 UK Government’s Environmental Bill was delayed in 2020 and is due to be presented to parliament in 2021. This includes the introduction of Extended Producer Responsibility and Deposit Return Schemes and it is unknown how this will affect domestic waste kerbside collections.
- 3.4 WG are discussing alternative measures of recycling / environment performance which will incorporate the level of carbon emissions during recycling processing, instead of just addressing tonnages and recycling levels. This will feed into the circular economy legislation and encourage retaining material within Wales.
- 3.5 The new waste contract which commenced in 2017 made significant changes to the council’s waste management service in order to achieve the future performance targets as set by WG. The two-bag limit for residual waste and introduction of a new collection service for Absorbent Hygiene Products were instrumental in improving recycling rates and enabled this authority to achieve 67.6% recycling of all municipal waste in 2019/20. (The figure appears to have slightly increased in 2020/21 but has to be audited and published).
- 3.6 Performance targets were set within the new contract and incentives introduced for improved recycling rates at Community Recycling Centres (CRC). This has primarily encouraged Kier to cooperate with revised practices at these sites, to limit ‘black bag’ waste and provide greater control on contaminants. The current overall recycling performance at the three sites is 91% (2020/21).
- 3.7 If the current contract is to be replaced, or new arrangements made to provide this service, then consultations on service alterations and trials are required this year, in order to allow sufficient time to implement a new service by April 2024. However, as noted the current contractual arrangements with Kier allow for negotiation for extension of the contract, up to a period of 7 years.

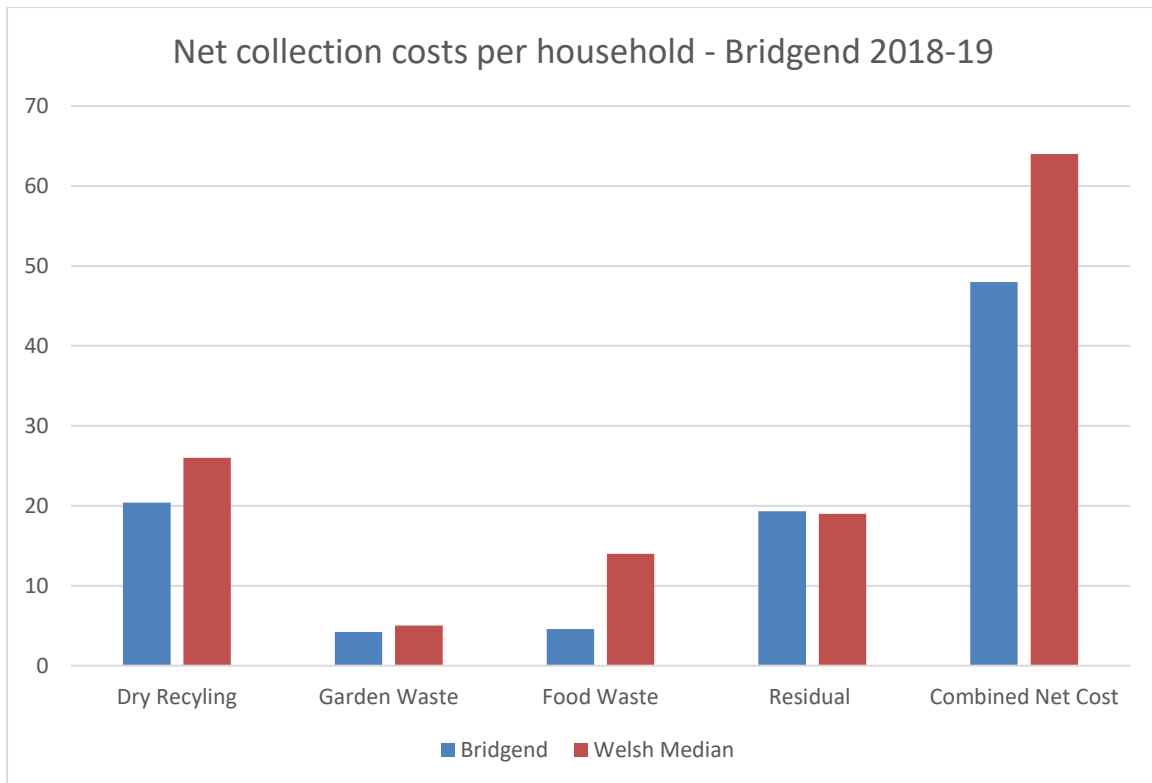
4. Current situation/proposal

4.1 The Waste Improvement Programme's Household Waste Management Benchmarking has been in place since 2007 and covers all 22 Welsh local authorities. The Welsh Local Government Association publishes the annual analysis of the overall costs of **Household Residual Waste Collections** to identify and evaluate the factors that influence service costs and performance. The last report was published in October 2020 and relates to the data from 2018/19. Comparison data is not always accurate in relation to Bridgend County Borough Council, due to the externalised waste contract arrangements which doesn't record information in the same format as other Local Authorities. Additional information is also contained within the **Waste Finance Project 2018/19 (local Authority Bulletin – Bridgend)**. Some of these report highlights are listed below:-

- The overall Welsh median net collection cost for residual waste services indicates that Bridgend costs are £19.31 per household, where the range is between £7.57 to £31.68 and the median is £19.
- The total number of reported missed bin collections is considered very low for all Welsh local authorities, when compared with the overall number of vehicle collections made each year. However, recording mechanisms for each LA differs and this isn't an accurate comparison. At Bridgend, there are approx. 8 million vehicle collections and 990 contractual 'missed bin' collections (2018/19) compared to the Welsh median of 4,527.
- Most of the figures in the report include disposal costs and this isn't a true comparison for Bridgend as this is a separate agreement with Neath Port Talbot County Borough Council and does not offer a true reflection of Kier's contractual performance.
- Residual Waste collected per household in a comparable group is 180kg for Bridgend and the Welsh median for this group is 255kg.

The Welsh Local Government Association also publishes the annual analysis of the overall costs of **Household Dry Recycling Collections 2018/19** and some report highlights are listed below:-

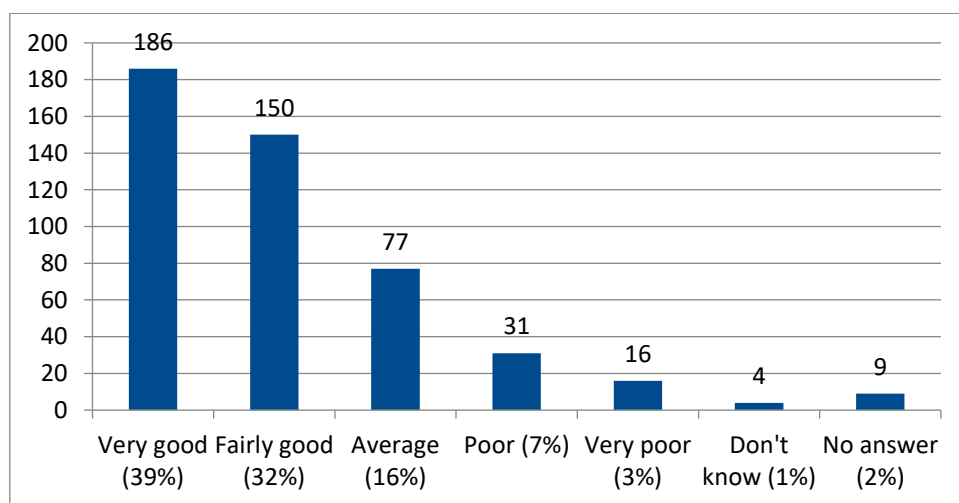
- The overall Welsh median net collection cost per household is £25 where Bridgend is the second lowest at £20.40.
- The Nett cost of Household dry recycling service median is £2.2 million where Bridgend is £1.3 million.
- Overall nett cost for dry recycling per Tonne ranged from £521 to £10 and the Welsh median was £198 where Bridgend was the second lowest at £102.27.
- Mass of dry recycling & Food Waste collected daily/operative median is 1,366 kg where Bridgend is 2,700 kg.



In summary, where comparative data is available, Bridgend’s waste contract shows both positive value for money and output performance on an all wales basis.

4.2 Satisfaction of the waste and recycling service has been captured in a 2019 Citizens Panel survey (which is being repeated in 2021 but is not available at time of report writing) the results of which are shown below:

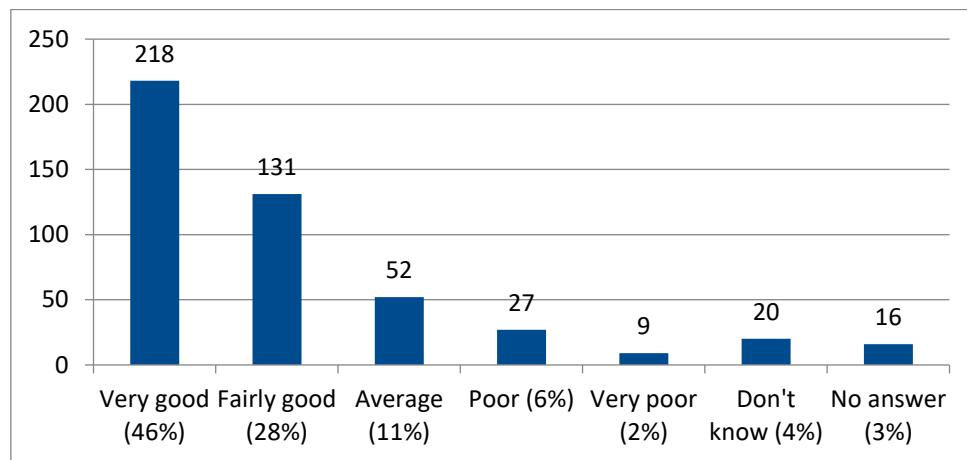
When asked, how would you rate the kerbside collection service?



The graph above shows that respondents rated the kerbside collection service as;

- 71% (336) very good or fairly good
- 16% (977) average
- 10% (47) poor or very poor
- 1% (4) did not know

Generally speaking, how would you rate the quality of the service provided at the community recycling centres you use?



The graph above shows that;

- 74% (349) respondents said the quality of service was very good or fairly good
- 11% (52) respondents said the quality of service was average
- 8% (36) respondents said the quality of service was poor or very poor

4.3 Improving recycling performance

4.4 A new Street Litter Recycling Contract is due to commence in July 2021 and will capture litter collected from bins and clean ups, highway waste and fly tipping. It is anticipated that this material could provide an increase of between 0.6% and 1.0% to overall annual recycling levels.

4.5 Similarly, the new Community Recycling Centre in Village Farm Industrial Estate in Pyle will provide a re-use centre and this could also capture a recycling increase of +0.5%. Additional benefits can also be achieved from introducing re-use of Bulky Waste and Trade Waste recycling. However, these sources are untested and it will take some time for these services to be bedded into the council's waste infrastructure and provide measurable benefits.

- 4.6 A Compositional Analysis of residual waste was carried out in 2015 and again in 2019, to determine the type of waste deposited in 'black bags' and assess any variation from the operational practices introduced by the contract in 2017. This report shows that whilst there has been a considerable reduction in the amount of residual waste presented per household, there is still a large amount of recyclate material which can be redirected to kerbside recycling collections. Noticeably, *'putrescible making up 31.1% of the residual waste analysed; this included 12.1% of avoidable food waste still in its packaging, 5.9% of unpackaged avoidable food waste and 4.9% other organic waste. Paper and card made up 17.0% of the overall composition followed by plastic film (13.0%), other combustibles (8.7%), dense plastics (6.9%), other non-combustibles (6.9%)'*.
- 4.7 In 2017, a new Food Waste treatment agreement was entered into with the City and County of Swansea Council, which utilises an Anaerobic Digester plant in Stormy Down in Bridgend. This partnership continues to benefit from WG grant funding and recycles approx. 8000T/annum. The Compositional Analysis Report mentions that this material would benefit from an awareness campaign to inform residents and re-direct this waste into the appropriate outlet.
- 4.8 The collection of Absorbent Hygiene Products generates approx. 1000T/annum of recyclate. A WG grant to support AHP services provided funding to advertise this service and this could improve the participation and further segregation of this waste. All of these small changes could help to achieve the next WG recycling target of 70% by 2024/25.

4.9 2030 Decarbonisation Agenda and Current Contract Extension

- 4.10 The Council is currently considering options for implementing the 2030 Decarbonisation Agenda by reducing carbon emissions throughout the borough. The Council's intent and commitment is included in Cabinet reports of June 2020 and January 2021.
- 4.11 Fleet optimisation and embracing new technology is being explored but the Ultra Low Emissions Vehicles (ULEV) marketplace is still in development; this is especially the case for Large Good Vehicles (LGV) such as those used in the waste and recycling collection operations. The UK is currently testing various fuels such as Hydrogen and Electric to identify the most suitable for various scenarios, as waste vehicles require significant power due to their size and use on all residential roads. Alternative fuel testing in waste services has already started in Wales and is likely to feed into fleet design over the next five years. At present, as this technology is still developing the vehicles are disproportionately expensive and to a large degree long-term effectiveness of the best solution is still to be proven.

- 4.12 Any preparation of a re-procurement of a future contract or in house service provision of waste services requires the finalisation of tender documents and methods of operation by 2022, to enable the contract award and mobilisation to take place prior to 2024. There is currently insufficient information to include lower emission vehicles into a new procured or in house waste services contract and that would hamper the council's decarbonisation agenda until the end of the contract period, which is likely to be in 2031 (unless the Council was willing to take a significant risk on developing and investing in expensive technologies).
- 4.13 It is clear that the natural initial date at which BCBC can exit the contract with Kier in 2024 would not be a good time to replace the refuse and recycling fleet. A commitment for many years to come with a new diesel fleet of vehicles in 2024 would not be aligned with the 2030 decarbonisation agenda.

4.14 Next Steps

4.15 Given the uncertainty linked to:

- As yet unknown future WG recycling targets
- As yet unknown impacts of Extended Producer Responsibility legislation
- As yet unknown impacts of Deposit Return Scheme legislation
- A developing ultra low emissions waste vehicles sector

It is recognised that April 2024 would not be an ideal juncture to invest in a new fleet and waste collection model. Also the uncertain effect of upcoming environmental legislation further compounds the difficulties relating to fleet requirements and vehicle configuration choices. As a result, it has been recommended by CCMB, in their meeting on 18th May 2021, that officers explore the possibility of a short two/three year extension of the existing contract with Kier using the existing fleet, as permitted in the existing contract. This will offer additional time for ULEV vehicle trials, progression on WG future targets and assessing the impact of changes to Environmental Legislation.

4.16 Officers are looking to write to Kier shortly to explore the possibility of extending the contract and negotiations to this end will shortly be underway. Officers will report to Cabinet in due course and any extension to the contract will be subject to Cabinet's approval.

5. Effect upon policy framework and procedure rules

5.1 This report has no effect on policy framework and procedural rules.

6. Equality Act 2010 Implications

- 6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an EIA in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The Well-being of Future Generations (Wales) Act 2015 assessment has been completed. There are no implications to the Well-being of Future Generations (Wales) Act 2015 resulting from this report.

8. Financial implications.

- 8.1 The current contract allows for reasonable adjustment to the pricing schedule. Any variation in cost that may result through the extension negotiation process will be presented to a future Cabinet meeting for approval.

9. Recommendations

- 9.1 It is recommended that the Committee note the contents of this report and provide comments on the content of this report.

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Background Documents:

Welsh Government – Beyond Recycling – A strategy to make Circular Economy in Wales a reality 2020

Welsh Government – Well Being of Future Generations Act – A globally responsible Wales 2015

Welsh Government – Towards Zero Waste – One Wales: One Planet 2010

Welsh Government – Local Authority Municipal Waste Management 2019/20 (pub. Nov 2020)

Welsh Government Collections Blueprint - For affordable and sustainable local authority collection services for recyclable, compostable and residual waste 2011

National Resources Wales - Wastedataflow 2018/19

Welsh Government – Towards Zero Waste: our waste strategy (pub 2010)

Welsh Local Government Association – Benchmarking Working Paper, Household Dry Recycling Collections 2018/19

Welsh Local Government Association – Benchmarking Working Paper, Household Residual Waste Collection 2018/19

Welsh Local Government Association – Waste Finance Project 2018/19 - Bridgend

Resource Futures – Compositional Analysis of Residual Waste 2020

Resource Futures – Waste Compositional Analysis 2019

Eunomia - Review of WG Collections Blueprint 2016