

<b>Decision maker:</b>	<b>Cabinet member commissioning, procurement and assets</b>
<b>Decision date:</b>	<b>Monday 26 October 2020</b>
<b>Title of report:</b>	<b>Review of Waste Management Services</b>
<b>Report by:</b>	<b>Head of environment, climate emergency and waste services</b>

## **Classification**

Open

## **Decision type**

Non-key

## **Wards affected**

(All Wards);

## **Purpose**

The review seeks to understand current arrangements and likely future demands of the service alongside the council's own aspirations for environmental protection, resource efficiency and carbon reduction.

The purpose of the report is to:

1. Review the work of the task and finish group that was set up in 2019 to review the Waste Management Service that included looking at current arrangements and likely future demands of the service alongside the council's own aspirations for environmental protection, resource efficiency and carbon reduction.
2. commence a public consultation on options 2 & 3 (which are summarised on pages 35 - 41 in Appendix 1) to seek the views of the residents and businesses in Herefordshire.
3. consent for funds to be moved from the council's reserves to award a tender to enable the Waste Management service to carry out an effective and engaging public consultation.

## Recommendation:

That:

- (a) **accept the recommendations around consulting on options 2 & 3 from General Scrutiny Committee held on 28 September 2020**
- (b) **consent be given for expenditure up to the value of £75,000 is allocated from the council's waste revenue reserves to the Economy & Place Directorate's revenue budget for 2020/21 to award a tender and include expenditure required for resources to allow the council to carry out an effective and engaging consultation on the future of its Waste Management Service;**
- (c) **a further report is brought back to the cabinet member for procurement and assets outlining the resources required to deliver the waste services management review;**
- (d) **a further report is brought back to cabinet in Spring 2021 with a recommendation on future collection services and outlining future resources required to implement the recommendation; and**
- (e) **Subject to the provisions of the Financial Procedure Rules, the Assistant Director for Regulatory, Environment and Waste be authorised to take all operational decisions required to implement the above recommendations.**

## Alternative options

1. **Do nothing** - This is not an option as the current waste collection arrangements are due to expire in November 2023 and there is no further extension option. The future waste collection arrangements will have a significant implication on future waste disposal arrangements.
2. **Not to undertake a public consultation** – This option has been discounted as public acceptance is essential to the successful delivery of future services. The public consultation will also support the development and roll out of the future service as it will help to consider the different practical implications and approaches to each service option for different housing types, such as flats and communal developments.

## Key considerations

3. There are three main driving forces behind the need to review the council's waste management service, these are:
  - a. Our existing waste collection and disposal arrangements are due to expire at the end of 2023 and start of 2024 respectively. There is an option to extend our joint disposal (Waste Management Services) contract by up to 5 years to January 2029. This would also extend our partnership arrangements with Worcestershire County Council. There is no further extension option for the Waste Collection Contract which will expire in November 2023.
  - b. Significant change to waste policy is expected in the wake of the Resource and Waste Strategy 2018 and progress through parliament of the Environment Bill 2019-20. New policy and legislation will influence everything from packaging design & production to

how local authorities provide their waste management services. This will introduce the requirement for councils to provide weekly food waste collections to all households from 2023 and make it available to businesses for a charge. The government's clear direction is for the increased segregation of waste streams and a new target to achieve a 65% recycling rate.

- c. The council has the ambition to make sweeping changes to bring about a more sustainable county. Resource management, production and waste are significant contributors to carbon emissions\*. By making changes to how materials are used in production, minimising use of raw materials, discouraging waste, maximising reuse, recycling and recovery we will be able to bring about large reductions in carbon emissions in response to the Climate and Ecological Emergency.
4. As a Unitary Authority, Herefordshire Council has a statutory obligation to collect, recycle and treat waste produced by residents in its area. These obligations are enshrined in law, particularly the Environmental Protection Act 1990, providing a basis for what services are to be provided and how.
5. Herefordshire Council recently produced its County Plan 2020-24 setting out what it plans to achieve in the four years of the plan. The focus is on sustainability, connectivity and wellbeing.
6. In September 2019 the waste management team held two member briefing sessions to introduce the team and the service to councillors, many of whom were new to the organisation following the May 2019 elections. Members were taken through the government's Resource and Waste Strategy 2018 and what this could mean for the service and the council in future years.
7. Overall members at the briefings felt that the service should prioritise the prevention of waste, minimisation of carbon emissions and public acceptance.
8. Following this General Scrutiny Committee formed a cross party Waste Task and Finish group to review the waste management collection service across Herefordshire. Through a process of evidence & information gathering, learning from the experience of others and considering the needs and aspirations of the council the group have considered what the objectives for future improvements should be and different options for providing the service in future. The findings of this group can be seen in Appendix 1.
9. The general scrutiny committee considered the Task and Finish Group's report on the waste management strategic review on 28 September 2020. They recommended that
  - a. as part of the consultation process, there is clear explanation given as to why option one is not being put forward as an option;
  - b. the Waste Team continue to work with and lead the communications on each of the schemes to ensure public understanding for the preferred options is secured;
  - c. the reuse of waste is brought forward as quickly as possible at local household recycling centres;
  - d. that the Task and Finish group report is shared with DEFRA; and
  - e. the findings and recommendations be submitted to the executive for consideration.

10. The full set of recommendations can be seen in Appendix 1 summarised on pages 53-58 of the report.
11. It was noted that recommendation 13 proposed that, of the three waste collection options as seen in Appendix 1 summarised on pages 35 - 41, it was not proposed to consult on option 1 (an “as is service” with a food waste and garden waste collection bolted on). The rationale for this approach was accepted. However, the committee considered that this should be explained in the proposed consultation document.
12. The committee agreed that communication was key if there was to be public understanding of and acceptance of change and wished to encourage focus on this aspect.
13. A key concern and recommendation of the task and finish group was to ensure that the Waste Management Team is augmented with the required staff and resource to plan, commission and implement new services and manage our new arrangements. The task and finish group recommended the creation of three new posts which the Waste Management team have taken on board and are evaluating options around meeting the resources recommended. A further report will be brought back to the cabinet member to address the resourcing plan in the next 2 months.
14. The Task and Finish group also highlighted that further resource is likely to be required to appoint legal, financial and technical advisers as required, particularly in support during any procurement.
15. It was noted that in the interim prior to the introduction of the new service there was scope to undertake a number of improvements to current arrangements including the treatment of waste received at the household waste recycling centres. The committee considered that this latter initiative in particular should be pursued.
16. The report was regarded as comprehensive and thorough, raising significant issues. It was suggested that, noting the Council had been in dialogue with the Department of Rural Affairs (DEFRA) about the future direction of these services, as had other councils, there would be merit in providing them with a copy of the Group’s report.
17. The council has completed a tender process in line with the councils procurement rules and will award the tender subject to the decision. The time table for the consultation expects to commence in October 2020 and finish in March 2020

## **Community impact**

18. The review of future waste management service will positively contribute towards the following local and regional strategic priorities, targets and legislation:
  - The County Plan (2020-24) priorities:
    - Protect and enhance our environment and keep Herefordshire a great place to live:
      - Minimise waste and increase reuse, repair and recycling
      - Build understanding and support for sustainable living
      - Invest in low carbon projects

- Identify climate change action in all aspects of council operation Support the an economy which builds on the county’s strengths and resources;
- Seek strong stewardship of the county’s natural resource
- Support an economy which builds on the county’s strengths and resources:
  - Develop environmentally sound infrastructure that attracts investment
  - Spend public money in the local economy wherever possible
- In March 2019, Herefordshire Council unanimously declared a Climate and Ecological Emergency and formally adopted commitments to lead a local response, aspiring for the county to become carbon neutral by 2030
- Resource and Waste Strategy 2018
  - The Resource and Waste Strategy 2018 (RWS 2018) introduces a raft of measures to adopt a circular economy approach. It is a strategy for England reflecting already enacted policy changes in Scotland and Wales. These include:
    - Consistent recycling collections (all local authorities collecting the same materials)
    - Compulsory weekly food waste collection
    - Separate garden waste collection
    - Initiatives to encourage urban recycling
- The Environment Bill is currently progressing through Parliament and is expected to make significant changes to environmental legislation. Whilst there are no currently propose targets within the bill we anticipate the following targets as these are consistent with the EU Circular Economy Package (EU-CEP):
  - a preparation for re-use and recycling (including composting/anaerobic digestion) target of 55% of municipal waste by 2025;
  - a preparation for re-use and recycling (including composting/anaerobic digestion) target of 60% of municipal waste by 2030;
  - a preparation for re-use and recycling (including composting/anaerobic digestion) target of 65% of municipal waste by 2035 (RWS 2018 Target);
  - a gradual limitation on landfilling of municipal waste, to 10% by 2035;

## Environmental Impact

19. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire’s outstanding natural environment.

20. The environmental impact of the different waste collection options have been fundamental to the review and the proposed options detailed within the Task & Finish group report seek to deliver positive changes to the waste management service.
21. The proposed options seek to treat waste as a resource, supporting a more circular economy for Herefordshire reducing, reusing and recycling materials so that they stay in use for longer, offsetting use of raw materials and reducing carbon emissions.
22. Further consideration to minimise the environmental impact of the service will be integral to the subsequent service design of the preferred waste management service following. Here the future commissioning will include appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through the future contract management arrangements.

## **Equality duty**

23. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
24. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.
25. An equalities impact assessment will be undertaken following the public consultation and prior to a recommendation to cabinet on the future collection services.

## **Resource implications**

26. The Council currently spends £4m per annum on the current waste collection arrangement and £11m on the current waste disposal arrangements.

27. The table below provides a summary of the proposed budget implications and proposal to utilise the existing waste management reserve for this activity.

Revenue Project Costs	2020/21	2021/22	2022/23	Future Years	Total
	£	£	£	£	£
Consultation Contract Award and Resources	£75,000				£75,000
<b>TOTAL</b>	<b>£75,000</b>				<b>£75,000</b>

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2020/21	2021/22	2022/23	Future Years	Total
	£	£	£	£	£
<i>Council Waste Revenue Reserves</i>	£75,000				£75,000
<b>TOTAL</b>	<b>£75,000</b>				<b>£75,000</b>

- 28 In accordance with the Financial Procedure Rules, the Chief Finance Officer has consented to the use of the earmarked reserve and any necessary virements.

## Legal implications

- 29 There are no specific direct legal implications arising from this report.

## Risk management

30. A full set of risks associated with the review can be seen on pages 51 & 52 in Appendix 1. Below are some of the main risks associated with the review.

Risk / opportunity	Mitigation
Not enough time to complete required work	Do not delay in resourcing and ensure effective decision making processes are in place. Consider a single Commissioning Manager with delegated responsibility (as advised by DEFRA in early 2018)
Lack of planning for the new service	The council does not delay to adequately resource the planning, development and commissioning of new services.

	Resources are identified to complete the planning and design of any new service promptly to a decision being made in early Spring.
Service is not compliant with new legislation that is expected in the next year from Central Government	Ensure flexibility through the design and commissioning process to reflect that policy is still in development and legislative requirements are yet to be finalised. Engagement with government on developing policy and likely requirements Effective governance in place to take informed and timely decisions and corrective action.
Poor Value for Money	The council does not delay to adequately resource the planning, development and commissioning of new services. Effective governance in place to take informed and timely decisions and corrective action.
Volatility of recycling markets, availability and prices	Recycling services designed to accept core materials as priority Quality of materials is prioritised to maximise market opportunities and value Flexibility to allow changes to accepted recyclable materials without incurring unreasonable costs. Decisions on any new materials to be accepted are based on a sustainable market being available and not on public/political demand.

- 31 The risks should be regularly reviewed throughout the planning, commissioning and implementation phase to identify new risks and put in place appropriate measures to control them.

## Consultees

32. The following consultation has taken place in terms of the Waste Management Review proposals.

Meeting	Date	Feedback
Waste Management Review Task and Finish Group	Several Meetings in 2019/20	Finalised recommendation ready for presentation to General Scrutiny and cabinet members



Waste Scope Review - HC Senior Officers including the Director of Economy and Place and the Section 151 Officer	16 July 2020	Positive feedback and recommendation to consult with the Cabinet member for Assets and Procurement
Waste Management Review – Political briefing with cabinet member for Commissioning, Procurement and Assets	27 July 2020	Positive feedback with a recommendation to consult with the cabinet member for Finance
Waste Management - Political Briefing with the cabinet member for Commissioning, Procurement and Assets and cabinet member for Finance	29 July 2020	Positive feedback and next steps agreed for a paper to be taken to General Scrutiny and a cabinet member decision to be taken in October
General Scrutiny Committee	28 September 2020	Recommendation approved in Appendix 1 and further recommendations made as per the above report
Waste Management - Political Briefing with the cabinet member for Commissioning, Procurement and Assets and cabinet member for Finance	8 <sup>th</sup> October 2020	Positive feedback and final agreement to conclude the decision paper in order to award the public consultation

## Appendices

Appendix 1 – Review of Waste Management Services Task and Finish Report

### Background papers

None identified