

# Public Document Pack

**Date of meeting** Thursday, 30th August, 2018  
**Time** 2.00 pm  
**Venue** Astley Room - Castle House  
**Contact** Geoff Durham 742222



**NEWCASTLE  
UNDER LYME**  
**BOROUGH COUNCIL**

Castle House  
Barracks Road  
Newcastle-under-Lyme  
Staffordshire  
ST5 1BL

## Task and Finish Group Cabinet Panel

### AGENDA

#### PART 1 – OPEN AGENDA

- 1 APOLOGIES
- 2 INTRODUCTION FROM CHAIR
- 3 MINUTES OF PREVIOUS MEETING (Pages 3 - 6)
- 4 A FUTURE RECYCLING STRATEGY (Pages 7 - 24)
- 5 ANY OTHER BUSINESS
- 6 DATE OF NEXT MEETING

**Members:** Councillors Burgess, Miss J Cooper, Harrison, Johnson (Chair), Proctor, Reddish (Vice-Chair), Robinson, P Waring and Wright

**Members of the Council:** If you identify any personal training/development requirements from any of the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Democratic Services Officer at the close of the meeting.

**Meeting Quorums :-** 16+= 5 Members; 10-15=4 Members; 5-9=3 Members; 5 or less = 2 Members.

**FIELD\_TITLE**

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

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## **TASK AND FINISH GROUP CABINET PANEL**

Wednesday, 25th July, 2018  
Time of Commencement: 2.00 pm

**Present:-** Councillor Trevor Johnson – in the Chair

Councillors: Burgess, Miss J Cooper, Harrison, Reddish, Robinson and Wright

Officers Executive Director Operational Services- David Adams and Andrew Bird - Head of Recycling, Waste and Fleet Services and Geoff Durham – Mayor’s Secretary / Member Support Officer

Also in Attendance Darren Riley – Team Leader/Driver

1. **APOLOGIES**

Apologies were received from Councillor Proctor.

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

3. **MINUTES OF PREVIOUS MEETING**

**Resolved:** That the Minutes of the meeting held on 12 April, 2018 be agreed as a correct record.

4. **FEEDBACK ON NEW MEMBER VISITS.**

Members who had joined the group from May, 2018 had visited the material recycling facility based in South Staffs together with looking at a comingled collection operation again in South Staffordshire and had found it to be a very useful experience.

5. **RESIDENT CONSULTATION ANALYSIS**

The Council’s Head of Recycling, Waste and Fleet Services – Mr Andrew bird informed Members of the results of the Recycling Residents Satisfaction Survey.

Members were advised that the survey was still running but the figures given only went up to 13 June.

The survey showed that three-fifths of those who had taken part were dissatisfied with the current service.

Councillor Robinson enquired whether the wards showing the highest level of dissatisfaction had been compared with those showing the lowest to see what, if anything was being done differently. Mr Bird explained that nothing was being done differently and that it was down to the reliability of service in the different areas.

Members were informed that, within the last month, collections had been more reliable and that the tonnage collected had increased. However, there was a clear indication that residents were unhappy with the current box type collections.

Members enquired as to where the survey had been publicised and were advised that it had been on the Council's website. It was requested that a reminder be done to residents to bring in a larger sample of respondents and that paper copies be issued to Customer Service Centres and a couple of copies given to every Councillor to hand out.

**Resolved:** That the information be received and the comments noted.

**6. OPTIONS FOR GARDEN WASTE COLLECTIONS**

Members were asked to consider options for future garden waste collections.

Staffordshire County Council will within the next twelve months be withdrawing recycling on a sliding scale over four years, and will only reimburse the Borough council for the cost of treatment. Reduction in recycling credits for garden waste material will have a financial impact upon the Borough Council. Members were asked to consider three options, outlined at paragraph 3.2 of the report for the future provision of garden waste collections.

Councillor Robinson was totally opposed to the introduction of charges for the service and sought assurance that any consultation on this would be carried out effectively. Councillor Robinson also suggested that introducing a charge would increase instances of fly tipping.

Members considered the outsourcing of the service which would create a saving to the Council. Members asked if residents would be charged for the collection of garden waste if it was outsourced and were advised that they would and that the amount could possibly be more than the amount estimated by the Council.

Darren Riley a Team Leader/Driver for the Council stated that he currently paid a similar amount for an additional garden waste bin. Mr Riley also stated that the preference was to keep the service 'in-house'.

Members asked whether outsourcing would mean job losses and were advised that no job losses were foreseen and that any outsourcing would be subject to TUPE negotiations.

A request was made to receive comparisons from other authorities that had introduced charges or outsourced their garden waste collections before any decisions were made. A list of pros and cons for each of the options was also requested.

- Resolved:** (i) That the financial implications be noted.  
(ii) That more information be brought to a future meeting before making recommendation to the Cabinet.

**7. OPTIONS FOR RECYCLING AND FOOD WASTE COLLECTIONS**

Members received a presentation on options for recycling and food waste collections.

There are three potential recycling collection methods operating in the UK.

Members were advised that, since the introduction of food waste collections the tonnage had decreased. This was a positive effect as residents had been able to see how much food was being wasted and had adjusted accordingly.

The presentation looked at a two stream recycling system, where paper and card would be kept separate, with the rest comingled in a bin and a fully comingled collection system, where everything is collected in a single wheelie bin,.. looking at the advantages and disadvantages of both systems

A modelling analysis was shown outlining the number of vehicles that would be required for each of the options. Option 1b would require the least number of vehicles. Mr Bird stated, that the figures presented come with a warning, that they result from high level modelling, which presents an indication of likely costs.

Mr Bird drew Members attention to the high level costings that had been prepared for each potential new service option. Whilst these were subject to more detailed modelling work, they gave an indication of the differences in revenue costs for each type of service being considered as well as how they compared to the cost of the current service. Further work will be carried out to refine these costings and will be reported back to the next meeting.

Councillor Robinson asked if funding was in place for any new vehicles that would be required if the service was changed.

In four years' time the current fleet would need replacing. However, if Members wished for the service to be changed sooner, the money would have to be found.

Councillor Robinson also queried whether shared services with authorities operating the same scheme could be considered? This scheme had been adopted by Lichfield and Tamworth.

Members would receive a copy of the presentation to enable the figures to be looked at in greater detail.

- Resolved:** That the information be received and the comments noted.

**8. NEXT STEPS**

It was felt that there was a need to find out what other Staffordshire authorities were doing and this could be extended to Shropshire and Cheshire.

In addition there needed to be wider discussion on the national picture.

**9. DATE AND TIME OF NEXT MEETING**

***Task and Finish Group Cabinet Panel - 25/07/18***

The next meeting would be held on Thursday 30 August, 2018 at 2pm.

**COUNCILLOR TREVOR JOHNSON**  
**Chair**

Meeting concluded at 4.00 pm

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**REPORT TO CABINET PANEL TASK & FINISH GROUP**

**Date 30<sup>th</sup> August 2018.**

1. **REPORT TITLE**                      **A Future Recycling Strategy**
- Submitted by:**                      **Head of Recycling & Fleet - Andrew Bird**
- Portfolio:**                              **Operational Services**
- Ward(s) affected:**                      **All**

**Purpose of the Report**

To confirm the preferred options put forward by the Cross Party Cabinet Panel Task & Finish Group for the introduction of a new kerbside recycling service and an affordable garden waste collection service.

**Recommendations**

- (i) That the Cabinet Panel Task and Finish Group indicates which of the options within the report it prefers for the introduction of a new kerbside recycling service which makes it easier for residents to recycle, and is simpler to operate.**
- (ii) That the Cabinet Panel Task and Finish Group indicates which of the options within the report it prefers for the future provision of garden waste collections following the withdrawal of recycling credits paid by Staffordshire County Council.**

**Reasons**

The Council needs to obtain the best financial value, with the least risk in terms of a reliable and efficient collection service that makes it easier for residents to recycle.

The County Council have now confirmed its intention to reduce recycling credits for garden waste to paying for treatment costs only over the next four years. This decision will create an additional budget pressures for the Council.

The current Recycling service has had a number of operational challenges, which has affected public satisfaction since its introduction, operational costs and pressure from global material markets has meant the projected income has not been achieved, putting significant pressure on budgets.

1. **Background**

- 1.1 The Council has been operating its new recycling collection service since July 2016, and although dry recycling rates have increased, the service is under pressure from the demand on the collection service and the resources available. This is largely a result of volumes of material, vehicles having to tip more than once during a working day and, over time, increased numbers of houses built, which was not adequately reflected in the original service

modelling. To rectify this, the service requires further significant investment if it is to be reliable to the end of its projected term in 2022.

- 1.2 A budget saving of £500,000 was envisaged at the commencement of the new service in 2016, however although savings have been achieved in comparison to the previous service, they have not achieved the level of savings expected. A major factor in this has been the inability to achieve income levels for the high quality materials produced through the service, following global crashes in prices, particularly those of card and plastic.
- 1.3 As a result of these challenges, at its meeting on 4<sup>th</sup> January 2018, in response to a request from the Portfolio Holder, authority was given by Cabinet for the establishment of a politically balanced Cabinet Panel Task and Finish Group (the Group) to examine the problems arising from the operation of the waste and recycling service and for the group to bring recommendations to a future Cabinet meeting. The Group have looked at a number of collection options, and undertaken visits to look at alternative collection systems, and have reviewed alternative collection systems which have been modelled and costed to inform their recommendations to Cabinet.
- 1.4 A consultation with residents was launched on 20<sup>th</sup> February 2018. The report attached at Appendix 1, was prepared on 13<sup>th</sup> June 18, having run for 16 weeks. Within that period the survey received comments from almost 1,300 people which is the highest number of respondents to any of the Council's online consultations. Assuming that responses were one per household who responded this represents around 2.5% of households in the Borough.
- 1.5 Cabinet asked the panel to reconvene to look at: options for future recycling collection services, looking at twin stream and fully comingled collection operations incorporating the use of a wheelie bin. Modelling of these options has been undertaken and presented to The Group.
- 1.6 As part of its current recycling and waste strategy, the Council also operates a separate garden waste service to the majority of residents within the Borough. This service was introduced in the mid 2000's in response to government introduction of weight based recycling targets. A paid for subscription service for residents who wish to have additional garden waste bins was introduced in 2011.
- 1.7 As with dry recycling, recycling credits are paid to the Council by the County Council for all garden waste collected. The rate however is a little less per tonne, than that which we receive for other materials.
- 1.8 In late 2017, the County Council, as Waste Disposal Authority (WDA) initiated discussion with the eight district Waste Collection Authorities (WCA's) as they wished to stop paying recycling credits for garden waste collections, and merely reimburse WCA's for the cost of treatment for the material. This was in order for the WDA to contribute towards significant savings the County Council has to make as part of its Medium Term Financial Strategy (MTFS), and follows a similar policy approach adopted by many WDA's, operating in two tier authority systems.
- 1.9 The Council has subsequently been informed of the County Councils intention to bring in phased reductions in the payments of recycling credits for garden waste, over a four year period, down to reimbursement of treatment costs only.
- 1.10 This change will bring an additional and significant budget pressure with the loss of £275,600 in recycling credit income by 2022, when the County Council will only reimburse for the cost of treatment which currently costs £23.84p per tonne to process.



- 1.11 Cabinet asked the Group to reconvene and look at two options for introducing a chargeable service that will avoid a significant additional financial burden being placed on the Councils finances.

2. **Issues**

- 2.1 It is vitally important that the Council looks to obtain the best financial value from the services it operates.
- 2.2 The separate garden waste collection collects on average around 10,500 tonnes of garden waste each year, which is processed into compost mainly for use in the agricultural market.
- 2.3 Loss or a reduction in the amount of garden waste collected will result in lower overall recycling performance for the Council due to the significance (in weight) of this stream of the Councils recycling service to the overall recycling rate of the Borough.
- 2.4 The current recycling collection service has suffered some significant operational issues since its commencement in 2016, with unreliable collections, and poor customer satisfaction. However, recycling rates have increased over the previous service, and are higher than many of our partner authorities in Staffordshire, and collection costs overall are the second lowest for a WCA in Staffordshire.
- 2.5 This Group has looked in detail previously at markets for collected recycled material. Markets for materials have suffered major volatility over the last couple of years and in particular the last nine months or so, following China's stringent restrictions on imports of materials which do not meet their high quality criteria. Much of the material going to China came from comingled collection operations, and they have encountered large amounts of contamination. This has resulted in oversupply into other markets which has had an impact on prices for lower quality materials. The situation is unlikely to improve greatly moving forward, until investment within the UK can deliver higher quality materials for recycling and reprocessing.
- 2.6 Cabinet has indicated it wishes to continue to provide separate food waste collection, therefore, in looking at alternative recycling systems systems, the Group are asked to consider how this will be achieved. Currently food waste is collected on the same vehicle as recycling on a weekly basis, however a change to a new recycling service operating with wheelie bins on a fortnightly basis, would potentially need additional resources to collect food on the week when recycling was not collected.
- 2.7 Operating any form of recycling collection system, the Council will have to maintain the operation of its transfer and bulking station as there are no facilities close enough to reprocess material which could facilitate direct delivery of collected materials. (Other than garden waste)

3. **Proposal**

Recycling Collection

- 3.1 In considering the recycling collection service, it is proposed that the Group have considered the following options, with the existing system used for cost comparison purposes. –
- Twin stream – where either paper or paper and card are kept separate and everything else is comingled in a single wheelie bin and collected fortnightly (with food collected separately).

- Fully comingled – where all materials are mixed together in a single wheelie bin and collected fortnightly (with food collected separately)
- 3.2 A wheelie bin is usually provided for fully comingled services and many two stream operations, although a number of authorities do operate a twin stream system using kerbside boxes such as we operate in the Borough, the closest being our neighbouring authority of Shropshire. The Councils other neighbouring WCA, Stafford Borough operates a two stream system using a wheelie bin with an internal caddie (box) to contain paper.
- 3.3 Each system has its advantages and disadvantages. A summary of these are attached at Appendix 1. Whilst the advantages and disadvantages of the current system are well known, a twin stream and fully comingled system will be easier for the householder to use, together with simplified collection operations utilising standard compaction vehicles with or without food pods. The biggest risk will be dealing with increased levels of contamination, which the Council will need to ensure it manages effectively and robustly in order to avoid costly rejection payments.
- 3.4 Initial modelling work undertaken and presented previously, and now updated, shows that a twin stream or fully comingled service can be delivered cost effectively, although it will be more expensive than the budgeted cost of the current service.
- 3.5 Within the modelling and feasibility studies for the recycling service, the Group are asked to consider and express a preference for how to integrate continuing the provision of a separate food waste collection service, as this has a significant impact on the design and provision of a new service moving forward as well as the option to collect recycling on a fortnightly or weekly basis in the future.
- 3.6 The modelling work undertaken has shown it is possible for the Council to continue to collect separate food waste cost effectively; however the type and combination of vehicles to be used for recycling and food waste collections will require further detailed consideration before a recommendation on the types of vehicles can be made.
- 3.7 Collecting paper and card separate results in reduced gate fees payable to the Material Recovery Facility (MRF) as paper / card (fibre) is costly to separate, and the Council maintains control of selling the higher value materials (paper). Collecting just paper alone will increase the gate fee for the MRF, as they will have to deal with the card comingled with the other materials, and the overall income value will be lower. Additionally paper quantities being collected are dropping nationally, as fewer newspapers and magazines are being purchased. At the same time volumes of card are increasing as more home deliveries are taking place as result of increased internet shopping undertaken by householders. Further the paper and card industry are reluctant to purchase paper and card from MRF's due to the poor quality of the material as it goes through the collection and sorting process, leading to this material largely going to export markets.
- 3.8 It is proposed therefore that the Group recommends an option to be considered by Cabinet for further planning and modelling work in order to move to the preferred collection service.
- 3.9 Further detailed planning and modelling will inform the potential timescales for introducing a major service change. This will be dependent on a number of key factors such as service design, procurement and financing to implement the change.

Garden Waste Collection

- 3.10 With reference to the garden waste service, the Group are asked to consider options for the continuing provision of this service incorporated within the proposed redesign of the recycling collection service, not least to identify ways of dealing with the increased budget pressure resulting from the County Councils withdrawal of recycling credits.
- 3.11 There are two options that views of the group are being sort on:
- Introduce a chargeable garden waste collection service, whereby residents wishing to receive a garden waste collection service pay an annual subscription fee. This system is now operated by around 60% of WCA's in England.
  - Outsource the provision of a garden waste collection service to a private sector waste management company, a number of who operate services in this way to a number of authorities.
- 3.14 In either of the options above, it is recommended that the service to residents be extended to a full twelve months, unlike the current service which has an eight week shutdown during the winter.
- 3.15 For this timescale to be achieved there would be considerable preparation work required to be undertaken over the next 7 months. The key aspects of this are to ensure operational round planning, customer services support, electronic payment systems and communications plans with residents are all put in place.

4. **Reasons for Preferred Solution**

- 4.1 Members and the public are unhappy with the current recycling collection service, and have recognised it requires further significant resource investment to make it more reliable. The service has been unable to generate the levels of savings in the MTFS during its first two years of operation, mainly as a result of poor and worsening global markets for recycled materials and due to the lack of resilience in the service to meet the demands placed on the service to complete collections.
- 4.2 Additionally the County Councils decision to withdraw recycling credits for the collection of garden waste will have a significant additional pressure on the Councils budget.
- 4.3 The advantages and disadvantages of alternative collection strategies are as set out in this report.

5. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 5.1 The proposal is key to having in place an up-to-date efficient and customer focused Integrated Municipal Waste Management Strategy for Newcastle under Lyme Borough Council, and will contribute to the following corporate priorities:
- creating a cleaner, safer and sustainable Borough
  - creating a Borough of opportunity
  - transforming our Council to achieve excellence

**6. Legal and Statutory Implications**

- 6.1 The Council has a legal duty under the Waste Framework Directive 2012, to provide collection services for none recyclable waste, and to collect separately four streams of recycling, namely, paper/card (fibre), metal, plastic, and glass all free of charge.
- 6.2 The Council has no statutory responsibility to provide garden waste collection services, and can make a charge for doing so if it so wishes.
- 6.3 Currently the Council does not have any statutory recycling targets imposed by Central Government; however there is a service level agreement with the County Council to deliver recycling levels above 50% as part of their PFI arrangements for their Energy from Waste Plant in the South of the County.
- 6.4 Government will be publishing its Resource and Waste Strategy in late 2018; this may incorporate new targets for local authorities, and may mandate separate food waste collections, to bring England’s Local Authorities in line with the devolved governments of Wales, Scotland and Northern Ireland. The Council will need to be mindful of this emerging work and any implications it may have on its future recycling and waste strategy moving forward.

**7. Equality Impact Assessment**

- 7.1 The proposal supports the Equality Impact Assessment undertaken for the effective delivery of the Integrated Municipal Waste Management Strategy for Newcastle under Lyme Borough Council

**8. Financial and Resource Implications**

- 8.1 The proposal has significant financial and resource implications for the Council.
- 8.2 A full high level cost analysis by the various options modelled and is detailed in Appendix 2.
- 8.3 A full high level cost analysis for chargeable garden waste is detailed in Appendix 3.
- 8.4 The table below details the estimated operational costs for the preferred option of a twin stream recycling collection service with separate paper and card and separate food (A), as recommended by the Cabinet Task & Finish Group. The table also includes column’s detailing the financial cost of collecting paper only (B), and a comparison to the Councils current kerbside recycling collection service (C).

It should be noted that these figures are subject to refinement as further detailed planning and modelling is required on the preferred option and that these are operational costs only, and do not include any overheads or capital charges which would also be incurred by the Council.

<b>Cost</b>	<b>Column A Twin Stream with separate paper / card and separate food waste</b>	<b>Column B Twin Stream with separate paper only and separate food waste</b>	<b>Column C Fully Comingled with separate food waste</b>	<b>Column D Comparison with current service</b>
Operation of NBC Transfer Station	£365,000	£365,000	£365,000	£405,000

Gate Fee for Food Waste processing based on 2017/18 cost	£29,623	£29,623	£29,623	£29,623
Gate Fee for MRF processing – including transport & rebate for sale of materials (no fibre)	£279,000	£516,000	£624,000	N/A
Collection Costs – vehicles and staff, including managements & supervision	£1,300,000	£1,300,000	£882,146	£1,813,600
<b>Income</b>				
Paper / Paper & Card	£189,000 (paper/card)	£164,680 (paper)	N/A	£164,680 (paper)
Other Income – plastic card, metal, glass	N/A	N/A	N/A	£145,000
Recycling Credits – based on current tonnage	£580,162	£580,162	£580,162	£580,162
<b>Net Cost of service</b>				
	£1,204,461	£1,465,781	£1,320,607	£1,358,381

8.5 As stated in paragraph 3.3, it is a proven fact that collecting recycling materials in a wheelie bin will incur levels of contamination, which can equate to 12% of the total quantity of material collected for recycling. Contract arrangements with the MRF will take account in dealing with a level of contamination, typically around 5%, but anything additional would incur additional cost and rejected loads. A rejected load equating to around 12 tonnes of material could incur costs of around £3,000, and therefore it is imperative the Council manages collections appropriately through effective communication with residents, and monitoring collections closely to ensure contamination rates remain within excepted thresholds of the MRF contract conditions.

8.5 Significant capital costs will be incurred for provision of the new service, including procurement of wheelie bins, vehicles, and alterations to the Councils Transfer Station. Indicative figures are detailed in the table below.

Capital requirement	Cost
Procurement of Wheelie Bins and distribution	£913,000
Procurement of internal bin Caddie (box)	£154,000
Procurement of vehicles	Between £1,445,000 (Comingled + Food) or 1,785,000 (Twin Stream + Food)
Modifications to Knutton Lane Depot Transfer Station	£500,000 - TBC

8.6 With regard to garden waste collections, to continue to operate the service with reduced payments of Recycling Credits from Staffordshire County Council would have the following additional financial burden on the Council.

- 2019/20 - £68,900.
- 2020/21 - £137,800.
- 2021/22 - £206,700.
- 2022/23 - £275,600.

8.7 Charging for the collection of garden waste, introduced at a £36 charge per bin, per year would offset the loss in recycling credit payments, and provide revenue saving at the following levels. Figures assume an initial uptake of 20% rising to 35% in four years.

- 2019/20 - £84,984 (based on 20% take up)
- 2020/21 - £162,517 (based on 25% take up)
- 2021/22 - £248,159 (based on 30% take up)
- 2022/23 - £314,411 (based on 35% take up)

8.8 Outsourcing the service to the private sector, for them to provide the whole service, including revenue generation would result in a saving to the Council of £545,184. This would be subject to any TUPE negotiations.

8.9 With exception of the last option, it is assumed that the same level of resources employed to carry out the garden waste collection service currently in terms of vehicles and staff are maintained until a clear picture of take-up is known.

8.10 In terms of other resources, a Project Steering Group will to be formed to include officers from Finance, ICT, Customer Services, and Communications. Further expertise will be required as the project moves forward from Human Resources, Procurement and Planning.

8.11 As the project develops, and once a Cabinet decision is made further resources may need to be required to ensure the project is delivered efficiently and within agreed timescales.

## 9. **Major Risks**

9.1 The international market for sale of recycled materials is very volatile and carries major financial and legal risks, particularly in export markets. China, has been the main destination for European recycled materials, and has through its customs process clamped down on quality, particularly mixed paper and plastics, where they have experienced high levels of contamination.

9.2 Moves such as this put pressure on other markets with additional quantities of materials chasing other markets, with the potential that values for materials can fall due to oversupply.

9.3 Obtaining and sustaining UK markets provide better security for the sale of materials so long as they remain of suitably high quality. This has now become a real issue for comingled collections, which can have high levels of contamination, or 'non-target' materials. The result is that the gate free for processing material in this way has risen significantly over the last few years. Additionally the Council will need to undertake a rigorous TEEP (Technically, Environmentally, Economically and Practical) assessment to prove that the twin stream collection and sorting system produces materials to the same quality to those collected separately.

9.4 In considering the garden waste collection service, charging for a service which was previously provided free of charge for one garden waste bin per household will need to be managed effectively in respect of information available to residents.

- 9.5 Poor take up of service with resources maintained at their current level could result in overall savings/income not being achieved.
- 9.6 A reduction in garden waste tonnage collected will have an adverse effect on the Councils Recycling performance. Assuming a take up of the chargeable garden waste service of 20% of residents, the Councils overall recycling rate could drop by around 12 %. This reduction in performance in turn could impact on the County Council's ability to reach an overall 55% recycling target for Staffordshire, imposed as part of the WDA's PFI contract arrangements with DEFRA, which are valued at around £5million a year. Failure to achieve the 55% recycling target for Staffordshire could see PFI credit payments reduced by DEFRA, placing an additional financial burden on the County Council.

10. **Background Papers**

- 10.1 Appendix 1 - Advantages/disadvantages of service model options
- 10.2 Appendix 2 – detailed cost analysis for kerbside recycling collection models.
- 10.3 Appendix 3 – detailed cost modelling for chargeable garden waste collections.

**Appendix 1.**

**Advantages & Disadvantages of Twin Stream Recycling Collections**

<b>Advantages</b>	<b>Disadvantages</b>
Easier for the householder to use	Householder will still need to separate paper / card
Provides more consistency with some Staffordshire and other neighbouring authorities collection systems	Difficult to integrate separate food waste collection
Maintains the 'high' value high quantity materials separately. This takes some of the volatility risk out of the operation	Contamination levels will increase, which will lead to increased costs if not effectively managed.
Increased productivity in collections.	Glass in the comingled element remains a problem. Difficult from a TEEP issue.
Easier to recover following bad weather / other incidents	Twin pack vehicles not as reliable as standard RCV's

**Advantages & Disadvantages of Comingled Recycling Collections**

<b>Advantages</b>	<b>Disadvantages</b>
Very easy for the householder to use	System will generate high levels of contamination, which could lead to increased costs, and will need to be managed effectively.
Requires a standard RCV for collections, therefore more flexibility in the fleet	Volatile markets for materials will increase gate fees
Provides more consistency with some Staffordshire and other neighbouring authorities collection systems	Materials likely to be exported following sorting process
Fast collection process similar to collecting residual waste	Will require rigorous TEEP assessment
Very easy to recover from bad weather / other incidents	Industry does not like materials from comingled collections. As they will be paying for collections under EPR, they will want more say in how it is collected / processed.
	Difficult to integrate separate food waste collection



**Appendix 2**

**Detail costs for service options of twin stream and comingled collections**

**Capital Costs**

Vehicles

Type	Number required	Vehicle purchase cost	Total
<b>Twin stream with food separate</b>			
Twin Pack 26t RCV	7	£190,000	£1,330,000
<b>Twin stream with food</b>			
Twin Pack 26t RCV with Food Pod	9	£200,000	£1,800,000
<b>Comingled with food separate</b>			
Standard 26t RCV	6	£165,000	£990,000
<b>Separate Food waste Vehicles</b>			
7.5 tonne food waste collection vehicle	7	£65,000	£455,000

**Revenue Costs**

Operational Costs

	Number of staff required for collection operation per vehicle	cost of staff, vehicle + supervision and support services
<b>vehicles</b>		
RCV with or without food	3	120,000 note - no recharges included
Food waste vehicle	2	96,660 note - no recharges included

**Transfer station**

Transfer station operation requires 5 staff, two JCB Loadalls, and two JCB teletrucks	5	365,000
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driver grade 6 - opratives grade 5.

**Appendix 3 - Detailed cost modelling for Chargeable Garden Waste Collections.**

Total cost  
2017/18  
£545,184

Charging Option - 20% uptake in first Year  
5% increase thereafter

Year	Tonnage - based on 2017/18 actual	Number of HH (bins)	Processing Gate Fee per tonne	Operational Cost per h/h - excluding recharges 2017/18	Administration Cost per h/h	Total Cost	Recycling Credit per Tonne per SCC letter	Total Recycling credit Income	Charging cost per H/H	Total income from H/H charging	Total income	Net Cost/(Income)	% uptake	Revenue Saving/ (cost)
1	10,600.00	50,000.00		10.90	0	797,888.00	£51.58	546,748.00	0	-	546,748.00	251,140.00	N/a	0.00
2	2,120.00	10,000.00		54.52	2.6	621,724.80	£45.08	95,569.60	36	360,000.00	455,569.60	166,155.20	20%	84,984.80
3	2,650.00	12,500.00		43.61	2.6	640,860.00	£38.58	102,237.00	36	450,000.00	552,237.00	88,623.00	25%	162,517.00
4	3,180.00	15,000.00		35.35	2.6	644,995.20	£32.08	102,014.40	36	540,000.00	642,014.40	2,980.80	30%	248,159.20
5	3,710.00	17,500.00		30.15	2.6	661,630.40	£25.58	94,901.80	36	630,000.00	724,901.80	(63,271.40)	35%	314,411.40

Do nothing option

Year	Tonnage - based on 2017/18 actual	Number of HH (bins)	Processing Gate Fee per tonne	Operational Cost per h/h - excluding recharges 2017/18	Administration Cost per h/h	Total Cost	Recycling Credit per Tonne per SCC letter	Total Recycling credit Income	Charging cost per H/H	Total income from H/H charging	Total income	Net Cost/(Income)	% uptake	Revenue Saving/ (cost)
1	10,600.00	50,000.00		10.90	0	797,888.00	£51.58	546,748.00	0	-	546,748.00	251,140.00	N/a	0.00
2	10,600.00	50,000.00		10.90	0	797,888.00	£45.08	477,848.00	0	-	477,848.00	320,040.00	N/a	(68,900.00)
3	10,600.00	50,000.00		10.90	0	797,888.00	£38.58	408,948.00	0	-	408,948.00	388,940.00	N/a	(137,800.00)
4	10,600.00	50,000.00		10.90	0	797,888.00	£32.08	340,048.00	0	-	340,048.00	457,840.00	N/a	(206,700.00)
5	10,600.00	50,000.00		10.90	0	797,888.00	£25.58	271,148.00	0	-	271,148.00	526,740.00	N/a	(275,600.00)

Notes:

- 5.5 vehicles based on 50,000 households
- 4.5 vehicles = 1 driver plus 2 loaders
- 1 vehicle = 1 driver plus 1 loader

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Code	Description	Budget	Actual
		£	£
1101	Salaries - General	327,524	274,734
1102	Salaries - Overtime	0	15,621
1110	Salaries - Scheduled Work	5,000	5,067
1220	Employee Allowances	500	0
1298	Accum Abs Acct - Employee Benefits Accru	0	(271)
1301	National Insurance	23,980	27,404
1302	NI on Car Lease/Loan	350	490
1401	Superannuation	50,380	47,406
1493	Supn Lump Sum Apportionment	36,670	36,670
1499	Notional Superannuation Costs	2,500	(6,019)
1532	In Service Training CPD	1,000	0
1630	Insurance Premiums - Employers Liability	2,810	1,266
1631	Insurance Premiums - Fidelity Guarantee	270	270
1638	Insurance Premiums - Employees Personal	180	178
1660	Childcare Vouchers Administration Fees	50	8
1670	Drivers Licences	100	0
2851	Accommodation Recharges - Central Depot	43,570	47,724
3110	Repairs to Vehicles and Plant	10,000	143
3140	Fuel	55,000	55,154
3145	Tyres - Damaged	0	812
3146	Tyres	4,500	324
3147	Vehicle Licences	1,500	213
3149	M.O.T. Tests	500	0
3210	Vehicle Recharges	52,270	837
3211	Vehicle Recharges - Non-Scheduled Labour	0	360
3212	Vehicle Recharges - Scheduled Labour	0	3,296
3213	Vehicle Recharges - Non-Scheduled Parts	0	109
3214	Vehicle Recharges - Scheduled Parts	0	974
3315	Short Term Hire of Vehicles/Plant	0	680
3430	Recharge Leased Cars Hldg A/c	2,200	2,200
4350	Clothing, Uniforms & Laundry	4,000	4,320
4517	Telephones - Direct Costs	2,000	148
4561	Computer Software - Licences/Purchase	400	0
4581	Recharges - MFD Prints and Copies	610	342
4841	Insurance Premiums - Public Liability	60	1,522
5203	Contractor Recycling (External)	240,000	236,377
6401	Recharges from Accountancy	3,740	4,124
6402	Recharges from Audit	910	1,019
6403	Recharges from Resources & Supp Serv Mgm	40	44
6411	Recharges from ICT Services	250	331
6422	Recharges from Operational Services Admi	15,170	14,989
6430	Recharges from Development Control	4,410	0
6437	Recharges from Performance Section	550	662
6441	Recharges from Customer Services	42,090	47,774
6442	Recharges from Waste Strategy Staff Cost	108,550	96,398
6443	Recharges from Human Resources	7,550	8,271
6444	Recharges from Communications	4,830	5,765
6453	Recharges from General Admin Exp (HR)	4,630	2,578

6455 Recharges from Corporate Health & Safety	4,820	4,040
6456 Recharges from Corporate Equalities	460	550
6457 Recharges from Corporate Information Sec	1,610	1,811
6458 Recharges from Insurance Services Accoun	4,090	3,952
6459 Recharges from Union Duties	1,100	574
6912 Depreciation	81,220	0
9260 Sales General - Non Vatable	(25,000)	(37,847)
9342 Recycling Credits	(515,000)	(546,753)
<b>Totals</b>	<b>613,944</b>	<b>366,639</b>

<b>Costs excluding recharges</b>	<b>545,184</b>	<b>443,874</b>
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Variance

£

52,790

(15,621)

(67)

500

271

(3,424)

(140)

2,974

0

8,519

1,000

1,544

(0)

2

43

100

(4,154)

9,857

(154)

(812)

4,176

1,288

500

51,433

(360)

(3,296)

(109)

(974)

(680)

0

(320)

1,852

400

268

(1,462)

3,623

(384)

(109)

(4)

(81)

181

4,410

(112)

(5,684)

12,152

(721)

(935)

2,052

780
(90)
(201)
138
526
81,220
12,847
31,753
<hr/> <b>247,305</b> <hr/>