



**Executive
11 August 2010**

Wards affected:
All

Waste Strategy Review

1.0 Summary

- 1.1 Central to the policy programme of the new administration is an increased focus on sustainability and environmental improvement. That programme includes a number of specific goals relating to waste including increasing the recycling rate to 60% and restoring the free collection of bulky waste items for householders.
- 1.2 This report presents the outcome of a review of the Council's waste strategy undertaken as part of the Council's Improvement & Efficiency Programme which:
- ◆ Offers radical improvements in the waste collection and recycling services provided to all Brent residents
 - ◆ Will deliver a step change in the recycling rate towards the goal of 60%
 - ◆ Will deliver long term efficiency savings in excess of £1 million each year
- 1.3 The report also proposes the elimination of the charges presently made to households for bulky waste collection
- 1.4 Finally, the report proposes a programme of public consultation on the draft waste strategy and the revised collection and recycling arrangements.

2.0 Recommendations

- 2.1 That Members note the detailed outcomes from the Waste Strategy Review as described in this report.
- 2.2 That Members approve consultation on the preferred scenario for waste collection as set out in Sections 4.0 – 5.3 of this report.
- 2.3 That Members approve consultation on the revised Waste Strategy for Brent as set out in Appendices A and B.

- 2.4 That Members note the financial implications of repealing the £25 charge for bulky household waste collections, as set out in paragraph 6.14.
- 2.5 That Members agree to the introduction of a free bulky waste collection service and that this should be introduced from 1st October 2010.
- 2.6 That Members instruct the Director of Environment & Culture to develop proposals for the street cleansing service in discussion with the Council's service provider – Veolia ES (UK) Limited, and that these proposals are reported back to the Executive.

3.0 Detail

- 3.1 A central theme of the policy programme of the new administration is around sustainability and environmental improvement. A key commitment is to the development of a Green Charter and within that to seek to improve recycling rates to 60%, and to eliminate charges for special collections of bulky waste from households.
- 3.2 As part of the Council's Improvement & Efficiency Programme a review has been undertaken of the Council's waste strategy. The Review aimed to promote reuse and recycling, improve resident satisfaction, reduce the carbon footprint of the waste collection service, help reduce the amount of waste in landfill and meet national performance indicators. It was agreed that the best method for delivering this Review, particularly with respect to waste collection, was through a revision of the council's Waste Strategy, consistent with the waste hierarchy (Reduce, Reuse, Recycle).
- 3.3 In addition to this focus on improvement of the service and its outcomes, the review sought to identify and implement options for generating efficiency savings. It was intended the Review should deliver £1.2million savings and that these should be notionally split as follows;

Street Cleansing - £700K, Waste Collection - £500K

- 3.4 This report presents the Review outcomes for waste collection and disposal. The options for street cleansing will be set out in a subsequent report.
- 3.5 The proposed changes to the service will help to address the administration's green commitment to increasing recycling rates across Brent to 60%.
- 3.6 This report also proposes a timeframe for repealing the £25 charge for bulky household waste collections.

4.0 Waste Collection and Disposal – The Review

4.1 Background

The Review's objectives with respect to waste collection were as follows:

Develop a revised waste collection strategy to identify service objectives and new policies to:

- Promote and encourage the production of less waste.
- Increase recycling rate to 40% by 2011, to 45% by 2015 and to 50% by 2020 to ensure future National Indicators for waste are met.
- Reduce reliance on landfill.
- Reduce the carbon footprint of waste collection operations.
- Improve residents' satisfaction with waste collection services.
- Deliver a more inclusive and accessible range of services.

Generate around £500k annual efficiency savings in waste collection and disposal, and;

4.2 Current Situation

The Council offers the following waste collection systems at present:

- Residual (i.e. landfilled) waste – wheeled bin system collected weekly from 80,000 households, and bulk bin collections from around 25,000 flats;
- Organics - wheeled bin for food waste, garden waste and cardboard collected weekly from around 60,000 households.
- Dry Recyclables – weekly kerbside green box system from around 80,000 households, plus bring site collections from some flats.

4.3 Brent has invested heavily in its recycling service in recent years, with the result that the recycling rate has improved from 6% in 2003 to 22% in 2006/07. Progress since then has been slower and now seems to have stalled under the existing system at around 28% in 2009/10.

4.4 Brent has a statutory obligation to achieve a 40% recycling rate by 2011. The current contract was devised to deliver a 30% recycling rate by 2009/10. It is clear that radical change in the current arrangements will be needed to meet the Council's obligations and the administrations ambitions.

4.5 In order to reduce landfill costs further, Brent has made recycling compulsory for those households served by the green box scheme.

4.6 Despite increased diversion rates and significantly improved customer satisfaction, the council's waste collection service is still considered to be high cost. Reducing collection costs per tonne and ensuring further expansion is financially sustainable is, consequently, a significant consideration in developing new service options. It is clear that any one system alone will not achieve the required savings and achieve the improved recycling rate required. A mix of options needs to be considered. Fundamental changes to

the methods currently used to collect waste are required for the new Administration to meet its goal.

- 4.7 As well as the recycling target, the objectives need to be aligned to the requirements of National Waste Strategy 2007, West London Waste Authority's Joint Municipal Waste Management Strategy (JMWMS) and the Mayor of London's MWMS.
- 4.8 Officers researched a full range of options and combinations of options. This work included engagement with partners and stakeholders and the commissioning of consultants to undertake a technical appraisal of shortlisted options, and officers are now able to recommend one preferred option.

5.0 Waste Collection and Disposal Recommendation

- 5.1 As an outcome from this process, officers recommend the following scenario as the most advantageous option for implementation in Brent.

In essence, it is a 3-bin collection system for the majority of households.

It generates no saving in 2011/12 but a £766k saving in Year 2 of implementation and a 53% recycling rate in Year 4.

This saving is based on a comparison with the current method which requires an additional cost of £255k per annum from year 2 onwards for the replacement of 10 organic waste vehicles not provided for in the current contract. The replacement of these vehicles is still required in the proposed method and therefore will be met from the forecast savings.

It comprises the following:

An expanded service to all low-rise properties, collecting a wider range of items including mixed plastics and tetrapaks, and the introduction of a recycling collection service for the first time to some 15,000 high rise properties.

For low rise properties:

Overall a weekly collection will be maintained, however different streams would be collected each week.

These would be;

- **Residual stream:** Alternate weekly collection using existing wheeled bin.' No side waste' policy introduced.
- **Dry recycling:** New bin to collect recyclable materials co-mingled (mixed) on an alternate weekly schedule – to include cardboard.
- **Organic streams:** Green bins retained for 60,000 properties. Extension of the weekly scheme to cover the remaining 28,000 properties. New properties to

receive food waste collection only. All 88,000 households will receive a kitchen caddy. Cardboard removed.

- **Communications:** Increase on communications spend to £120k in year 1 and then down to £60k/pa.

For high rise properties:

- Extension of the scheme to cover all flatted properties. Move to co-mingled collections.
- Delivery of some refuse to dirty MRF
- Organic waste collections from suitable properties only.
- Increase on communications spend to £78k in year 1 and then down to £26k/pa.

Other elements

- Targeted work to remove trade waste from household stream
- Targeted work to maintain high participation and capture rates
- Targeted work to minimise contamination of kerbside containers
- Retention of compulsory recycling.

5.2 A specialist waste model has been used to analyse the likely outcome taking all the factors into account. The model shows that it is still unlikely that Brent will be able to achieve a 60% recycling rate by introducing the above elements alone. However, by working with the West London Waste Authority (WLWA) further progress can be made through the development of alternative treatment facilities.

5.3 A number of variables exist that will impact on recycling rates (e.g. waste arisings, levels of public engagement, the availability of alternative treatment facilities) Further progress may be made if a recycling incentive scheme is introduced. The draft Strategy pledges that officers will investigate suitable systems for future application in Brent.

5.4 Factors to be considered.

In considering this Waste Collection and Disposal recommendation, it is important that Members are mindful of the following:

- All households will see an increase in the range of materials collected which will provide an improved and expanded service that will improve the council's recycling rates overall and make savings.
- Residents will receive a weekly waste collection with refuse and dry recycling collections scheduled on an 'alternate weekly' basis. It is clear this policy must be embraced if recycling rates are to be improved.
- Organic waste collections will remain weekly.

- Weekly collections of both waste streams are not feasible if we are to reduce the amount of waste going to landfill. Weekly collections of both streams would double the collection resource and would not incentivise residents to make maximum use of the dry recycling bin. This would increase collection costs, stall recycling performance and may subject the council to increased disposal costs, whilst running against the waste hierarchy.
- A limit on side waste is also needed. This means that only waste that fits into the bin will be collected. This is a policy that has been proved to work in authorities achieving high recycling rates.
- A 3-bin system is an increase on the current container provision. The existing green box offers inadequate capacity and is unsuitable if progress is to be made. Additional capacity is to be welcomed. The only households that will need to accommodate 3 bins are those currently served by the organic waste service, i.e. those properties already deemed to be of a suitable size and to have large gardens. Smaller and more tightly packed properties will simply need to accommodate a new dry recycling bin to replace the box (similar footprint) and a food waste container, and variations in arrangements may be needed in special circumstances.
- Cardboard transfers from the organic service to the dry recycling service and thus coverage increases to include 80,000 properties. This will be welcomed by residents as a service enhancement.
- Implementation will require the procurement and distribution of a large number of containers, a process which must underpinned by a sustained period of promotional activity. This will be a complex and lengthy operation.
- The timetable for the procurement and distribution of bins is dependent on waiting times and 'slots'. These are influenced by levels of demand and may lead to delay.
- The timetable is also dependent on the procurement of new vehicles. This may similarly be affected by levels of demand.
- Increasing the amount of organic waste that is composted is dependent on officers procuring additional reprocessing capacity.
- Collecting dry recycling waste co-mingled (mixed) is dependent on officers procuring the appropriate reprocessing capacity.
- Delivering refuse to a dirty MRF is dependent on officers securing that sorting capacity.
- Maintaining high levels of participation and material capture will require a reprioritisation of the work of the council's StreetCare Officers and the StreetCare Waste Policy Team.

- Monitoring and eliminating contamination of recycling containers will similarly require a reprioritisation of work.
- Removing trade waste from the household stream will require a reprioritisation of the work of StreetCare's enforcement team.
- In essence, the ongoing work of StreetCare's waste management function will be to support the development and implementation of the new Waste Strategy.

5.5 Other Policies

The recommended option will be incorporated into the Draft Waste Strategy. This document is available in full at Appendix A and should be read in conjunction with this report. The Draft Waste Strategy and its constituent policies will be consulted upon as part of the Review process.

6.0 Bulky Waste Charges

- 6.1 At the time the Waste Services Contract was tendered and approved by Full Council (2005/06), the Bulky Waste Service was not a chargeable service.
- 6.2 After the change in the Council's political administration at the 2006 Local Elections, a £25 charge was introduced alongside a concession scheme for vulnerable residents.
- 6.3 The implementation of the charge coincided with a reduction in demand for the Bulky Waste Service. The reduction in demand has resulted in the budget income target not being achieved, year on year.
- 6.4 Waste collected under the Bulky Waste Service is separated and sorted for reuse and recycling. The anticipated increase in the volume of bulky waste collected is expected to see greater volumes of waste reused and recycled.

Implications for the Waste Services Contract

- 6.5 When charging was introduced, the demand for the service reduced and a Contract Variation was negotiated with Veolia that resulted in an annual reduction of contract payments of £191,534 (at 2007/08 prices). This significant variation demonstrated the flexibility of the Waste Services Contract in enabling service changes to be introduced during its term.
- 6.6 The re-introduction of a free service essentially returns the service to that which was originally tendered for. If the Executive approves the decision to repeal the £25 charge, the Contract Variation referred to at paragraph 6.5 above would need to be reversed.
- 6.7 Whilst the contractor payments are able to be estimated with some certainty, this is not the case for the disposal costs.

6.8 Any waste that is not reused, recycled or composted will need to be disposed of and thus incur a payment under the s52(9) payment mechanism, currently around £89 per tonne.

Financial Implications – Bulky Waste repeal of charges

6.9 The costs of introducing a free service are made up by the following components:

- a. Additional collection capacity;
- b. Paying for the disposal of the additional waste expected to be collected;
- c. Adjusting the revenue budget to remove the current income target.

6.10 In terms of components a. to c. above, the estimated costs have been calculated and are shown in the table at paragraph 6.14 below.

6.11 The methods of calculating these costs are as follows:

- a. A simple reversal of the contract variation that was negotiated when the bulky waste charge was introduced;
- b. An assumption of the additional tonnage likely to be generated and the costs of this using the current disposal cost per tonne;
- c. Adjusting the current £81,300 income target to zero.

6.12 With regards to 6.11b above, the bulky waste tonnages are not separately recorded and thus there is no definitive data to base an estimate of additional tonnages on.

6.13 It is proposed that ground rules for the new 'free' service are similar to those that existed prior to charging being introduced. These include that:

- We will only collect items that are classified as household waste. For example we will not collect fixtures and fittings (from house and grounds refurbishment waste), soil and rubble, and clinical and hazardous waste. We will collect items that can be safely carried on a trolley, or safely by two people (up to around 40kg in weight)
- Up to three collections per financial year will be provided without charge
- There will be a concession scheme, as with the existing scheme, for those on certain benefits etc., should a fourth collection be required within the financial year

6.14 The estimated costs of repealing the £25 charge for bulky waste collections are itemised in the following table:

ITEM	DESCRIPTION	COST
Reversal of previous contract variation, re-calculated at 2010-11 prices	This returns the resource levels to those tendered, before charging was introduced	£205,004
Disposal costs for additional waste collected	An estimated 1,200 tonnes per annum at the current rate of £89 per tonne	£106,800
Current income target	This will need to revert to 'zero' as the repeal of charges will mean that no income is generated	£81,300
TOTAL COST		£393,104

6.15 The total cost of repealing the £25 Bulky Waste Charge, therefore, in a full year (at 2010-11 prices) is estimated at £393,104 (£196,552 in 2010-11).

6.16 A decision to repeal the charge on 1st October 2010 will incur additional costs in the financial year 2010-11. Early indications on waste tonnage arisings suggest that there will be some capacity to fund these costs from reduced tonnages through s52(9) waste disposal budgets and composting credits (estimated at £90,000), although waste tonnages can be volatile. Whilst every effort will be made to contain the remaining costs of around £100k within other existing budgets, there is a risk associated with this.

7.0 Conclusions

7.1 In conclusion, the Waste Strategy Review is potentially able to deliver the required Waste Collection and Disposal savings fully in Year 2 of implementation, to a value of £1.02m compared with the overall waste / cleansing savings target of £1.2m.

7.2 The cost of repealing the £25 Bulky Waste Collection Charge is estimated at £393k in a full year, and can be implemented from 1st October 2010.

8.0 Next steps

8.1 The following actions must now be undertaken:

ACTION	TIMEFRAME
Development of street cleansing savings options in discussion with Veolia and full and open consideration of the conclusions of the "independent" Veolia Contract Review commissioned by PRU	July & August 2010
Executive approval to consult on the Council's revised Waste Strategy and changes to the waste collection systems	Executive – August 2010

ACTION	TIMEFRAME
Waste Collection Implementation Plan devised	August 2010
Consultation programme delivered	August 2010 – October 2010
Approval to procure bins, vehicles and treatment capacity	Executive - November 2010
Procurement and delivery period	August 2010 – June 2011
Implementation of waste collection changes	August 2010 – July 2011
Bulky Waste Collection Charge repealed from	1st October 2010
New Waste Collection Services commence	July 2011

9.0 Financial Implications

- 9.1 The financial implications of implementing the recommended waste collection options have been developed through discussion with Veolia but can only be considered as indicative at this time. An officer from Finance and Corporate Resources was a member of the project team and verified that the Veolia cost model was a reasonable estimation of the likely costs of each option. The final costs will be the subject of further negotiations with Veolia or retendering of the contract as outlined in the legal comments below.
- 9.2 The cost of new vehicles is based on Veolia making this investment and depreciating the value of these vehicles over 7 years. The vehicles would transfer to either Brent or any incoming contractor at the end of the current contract. However, this may not be the best option and Brent Finance will consider options for funding the estimated £1.4m capital cost of new vehicles and the estimated financing costs of these vehicles have been built into the cost model.
- 9.3 The cost of new containers has also been calculated . It is possible that these should be financed through a leasing arrangement over 7 years to avoid a significant ‘up front’ capital outlay. Again, however Brent Finance will consider options for funding the estimated £1.7m capital cost of new containers and the estimated financing costs of these containers have been built into the cost model.
- 9.4 Whilst the costs have been developed through discussion with Veolia they remain indicative only. A number of issues remain unresolved and will need to be explored further as the project progresses and the operational requirements become better understood.
- 9.5 There will be minimal other costs in 2010-11 (printing, publicity, etc), and these will be contained within existing budgets.
- 9.6 The summary of comparative costs between the existing service (i.e. no change) and the preferred scenario is as follows:

	Year 0 2010	Year 1 2011	Year 2 2012	Year 3 2013	Year 4 2014	Year 5 2015	Year 6 2016	Year 7 2017	Year 8 2018
No change									
% Diversion		28.0%	28.1%	28.1%	28.1%	28.1%	28.1%	28.1%	28.1%
Collection K£ PA		5,870	5,870	5,870	5,870	5,870	5,870	5,870	5,870
Other Costs K£ PA		80	335	335	335	335	335	335	335
Treatment K£ PA		7,963	8,567	9,184	9,800	10,416	11,033	11,649	12,266
Total k£ PA		13,913	14,773	15,390	16,006	16,622	17,239	17,855	18,472
Proposed Change									
% Diversion	28.0%	43.2%	50.9%	52.0%	53.0%	53.0%	53.0%	53.0%	53.0%
Collection K£ PA	0	5,694	5,694	5,694	5,694	5,694	5,694	5,694	5,694
Other Costs K£ PA	0	906	800	800	800	800	824	800	471
Treatment K£ PA	7,861	7,301	7,256	7,593	7,915	8,306	8,698	9,090	9,481
Total k£ PA	7,861	13,901	13,750	14,087	14,409	14,800	15,217	15,584	15,646
Saving		12	1,022	1,302	1,596	1,821	2,022	2,270	2,826

NB There may be one-off costs associated with the disposal of obsolete vehicles, but these are not possible to estimate at this stage. It is not expected that there will be any redundancy costs.

10.0 Legal Implications

10.1 Section 357 of the Greater London Authority Act 1999 ('the Act') requires the Council to notify the Mayor of London when it proposes to make amendments to an existing waste contract. Officers will need to ensure that they comply with the requirements of the Act when undertaking consultation on proposals for the waste collection.

10.2 Further legal implications are contained in Appendix C of this report.

11.0 Staffing/Accommodation Implications

11.1 Maintaining high levels of participation and material capture will require a reprioritisation of the work of the Council's StreetCare Officers.

11.2 Monitoring and eliminating contamination of recycling containers will similarly require a reprioritisation of work.

11.3 Removing trade waste from the household stream will require a reprioritisation of the work of StreetCare's Enforcement Team.

Appendices

Appendix A
Appendix B
Appendix C [not for publication]]

Draft Brent Waste Strategy 2010 – 2015
Draft Waste Strategy Consultation Plan
Legal Implications – 'Below the Line' Appendix

Background Papers

1. SLR Consulting Report
2. Draft Waste Strategy – Policy Summary
3. Waste Collection – Options Development

Contact Officers

Keith Balmer
Head of Service (StreetCare) x 5066

David Pietropaoli
Waste Policy Manager x5291

Chris Whyte
Head of Environmental Management
x5342.

Richard Saunders
Director of Environment & Culture
x5006

RICHARD SAUNDERS
Director of Environment and Culture