

# **East Herts Council Report**

## **Overview and Scrutiny Committee**

**Date of meeting:** 20 September 2022

**Report by:** Councillor Graham McAndrew, Executive Member for Environmental Sustainability

**Report title:** Future Service Design of Waste, Recycling and Street Cleansing Services

**Ward(s) affected:** All

### **Summary**

- This report seeks the authority to proceed with a Competitive Dialogue procurement for the waste and recycling collection and street cleansing contract due to expire in May 2025. The report is based on outcomes from the Member lead joint working group between East Herts Council (EHC) and North Herts Council (NHC) and identifies key service changes affecting the contract specification drafting. The key drivers for the services changes are set in the context of the pending national Resources and Waste Strategy and the financial challenges authorities are facing which is exacerbated by inflationary pressures. The report covers details of both EHC and NHC changes in order to fully identify the impacts across the shared service.

### **RECOMMENDATIONS FOR OVERVIEW AND SCRUTINY**

- A. **To receive, consider and provide feedback to the Executive on the proposals outline in this report.**

## **1.0    Proposal(s)**

- 1.1 That a Competitive Dialogue procedure be used for the procurement of the joint Waste, Recycling and Street Cleansing contract with NHC.
- 1.2 That a joint project board with NHC be formed to include the Executive Members for Finance as well as the Executive Member for waste, recycling and street cleansing services for both EHC and NHC.
- 1.3 That the contract length be 8 years with the possibility of up to an 8 year extension.
- 1.4 That the customer services and call handling function be provided by the local authority.
- 1.5 That a new weekly separate food waste collection service in 23l caddys for houses and in wheeled bins for flats/communal areas in East Hertfordshire be introduced from 2025.
- 1.6 That residual waste collections occur on a three weekly collection cycle from 2025.
- 1.7 That the standard receptacle for residual waste be 180l in size and that all new and replacement residual waste containers for houses will be 180l as soon as is reasonably practicable and phased in as part of the normal replacement cycle.
- 1.8 That a standard bin colour set across East and North Hertfordshire is introduced and that colours are transitioned over time.
- 1.9 That plastic film be included in the mixed dry recycling collections from 2025.

- 1.10 That bring bank services for paper and textiles are removed by the end of 2023.
- 1.11 That Parish litter picking grants cease and for street litter bins currently maintained under this scheme to be serviced under the waste and recycling contract from 1st April 2023.
- 1.12 That the service policy statements are updated as outlined in **Appendix 3** and for these to be further updated in advance of the contract start in May 2025 and be delegated to Head of Operations/Director of Place in consultation with the Executive Members.
- 1.13 That the garden waste collection charge is aligned with NHC from 2025.
- 1.14 That the service design described in 3.92 to 3.101, be implemented should the outcomes from the Resources and Waste Strategy Consistency consultation mandate the separate collection of fibre.

## **2.0 Background**

- 2.1 East Herts Council (EHC) and North Herts Council (NHC) entered into a Shared Service arrangement in 2017 and a joint contract was let beginning in May 2018.
- 2.2 A Councillor led Joint Partnership Board for waste meets twice per year and monitors the performance of the contract.
- 2.3 The service comprises a 'client' management structure located at the Buntingford Depot and two operational hubs comprising separate management teams and separate workforces for East and North Herts Councils.

- 2.4 The current contract covers the requirements for the collection of waste and recycling from approximately 124,000 households and over 1920 commercial customers as well as street cleansing services across East and North Hertfordshire.
- 2.5 In 2014 the Councils agreed to progress from a Strategic Outline Case to an Outline Business Case for the shared service specifically exploring potential additional savings in joint contracts, savings in client overheads including depot costs, governance and management proposals and jointly agreed policies to form the basis of a joint specification.
- 2.6 Prior to the formation of the shared service client team in December 2017, both Councils made unilateral decisions on the service offering to residents for waste, recycling and street cleansing services which formed the basis of the joint contract with Urbaser.
- 2.7 The independent decision making at each authority led to different decisions being made by North Herts Council and East Herts Council regarding the provision of services to residents, despite an original commitment to joint policies.
- 2.8 At the respective Executive/Cabinet meetings on 19<sup>th</sup> April 2022 and 22<sup>nd</sup> March 2022 a new aim and principles for the shared service were agreed focusing on efficient services which are environmentally and financially sustainable. The aim and principles are attached in **Appendix 4**.
- 2.9 To improve the service opportunities for operational efficiencies have been considered. If the service is aligned across both authorities bidders have an opportunity to fully optimise collection and cleansing operations and keep costs down.

- 2.10 The client would also benefit from these operational efficiencies by freeing up capacity for planning consultations, procurement, marketing and campaign work, tonnage allocation and complaint and performance management.
- 2.11 In addition, further efficiencies would be found if wider administrative functions were aligned in their delivery mechanisms such as customer services and the financial management of services through one Financial Management System (FMS). It is proposed that options for future administrative changes be presented in a separate report in Spring 2023.

### Resources and Waste Strategy

- 2.12 In December 2018 the government released its Resources and Waste Strategy. There have subsequently been a number of government consultations linked to this strategy. The industry is currently waiting for the outcomes of these consultations and any subsequent policy or legislative updates.
- 2.13 It is expected to significantly change the way Council's operate waste collection services. The final strategy launch has been delayed following the pandemic and specific timescales for the implementation are yet to be determined. This creates difficulties in shaping the Council final service specification as there are still a number of unknowns. The two key areas of the strategy that affect collection services are the consistency agenda and the deposit return scheme (DRS).
- 2.14 The consistency agenda is a key topic in the government's resources and waste strategy and has so far been the subject of two government consultations. It is clear that there is a driving desire from central government to see consistency across service provision with the primary aim of ensuring that services provided to the public are simple to use and a core

set of materials are collected at the kerb side. Providing an aligned service across EHC and NHC will ensure a greater consistency over a wider area with both Councils collecting the same consistent set of materials at the kerbside.

- 2.15 The proposals in this report outline a key opportunity for both Councils to make a step change in their delivery of services and making these changes at the point of contract change will be the most financially viable solution. Experience with our own recent mid-contract changes has shown that these can be between 55% and 120% higher costs than at tendering.
- 2.16 At the time of writing this report; the outcomes from the governments consultations on deposit return schemes and the consistency agenda have not been published and it is anticipated that some outcomes will impact on the current services and change the way services will need to be delivered in the future. E.g. the separation of street litter and litter bin waste for the purposes of Extended Producer Responsibility (EPR) funding.
- 2.17 This report is based on changes which are expected to be mandated and seeks to provide a service solution which also meets the long term financial and environmental sustainability aims of the authorities.
- 2.18 Until the final outcomes are announced some risk exists in deciding on changes to service design. The procurement timeline however means that we have no choice but to progress with our procurement of a new contract. It is expected that should the outcomes be published during our procurement exercise (rather than prior) that any outcomes which conflict with our proposals can be discussed and redesigned during the competitive dialogue procedure. Given the anticipated changes in service delivery and changes in

market prices a contract extension would not be appropriate to ensure best value for the Council.

### Climate Change

- 2.19 In July 2019 EHC made a declaration on climate change and amongst a number of things committed to:- Join with other councils in recognising and declaring formally the necessity to do everything within the authority's power to reduce its impact on the climate and moreover do everything we can in supporting the whole of East Herts District to become carbon neutral by 2030 and develop an ambitious sustainability strategy for reducing the council's own emissions, with an objective that the council becomes carbon neutral by 2030.
- 2.20 Both Councils have developed a Climate Change Strategy to ensure that the Councils are doing all that they can to reduce their impacts on our climate. Waste, recycling and street cleansing services are a significant contributor to the Councils own carbon footprints due to the size and configuration of the fleet required to undertake those services.
- 2.21 It should be noted that the next waste and recycling collection and street cleansing contract will be in operation until at least 2033 and therefore decisions made now in relation to this contract will impact on how the council reaches it's objective of becoming carbon neutral by 2030.
- 2.22 The service also has a wider responsibility and role to play in reducing the carbon impact of individuals living in the districts. Reducing waste, in particular food waste, reusing more and recycling more all help to reduce the overall environmental and carbon impact individuals have.
- 2.23 During pre-engagement work we will be looking at all options in relation to reducing the Councils carbon footprints, and

how reductions in carbon emissions can see continuous improvement during the life of the contract. We will also be exploring scenarios around transitioning to zero or ultra low emission vehicles and any necessary infrastructure changes with consultants.

- 2.24 This report seeks to reduce or mitigate its service related carbon impact and enable the shared client team to proactively promote waste minimisation, reuse and recycling solutions.

### Financial Outlook

- 2.25 It is evident that the Government strategy will provide new challenges for the Council to manage operationally and financially. It is unknown what/if any new burdens funds will be available at a local level. Waste is the Council's single largest expenditure. Given the Council's financial position whereby it is required to find £5.054 million over 3 years from 2024/25, the Council will need to make some challenging decisions in order to mitigate the pressures of mandated changes. This comes at a time when we are experiencing inflationary pressures significantly above projections, in the case of the waste contract over double the budgeted figure for 2022/23. Any proposals to reduce services or generate income will not provide savings on the contract budget but mitigate the financial pressure. It is anticipated that cost pressures could be in excess of circa £1.5m.
- 2.26 For amounts contained within the report that relate to items that will be contained within the new contract, these are best estimates from knowledge of pricing of the current contract. The actual impact of these will be determined by bids for the new contract, and it may never be possible to determine the exact impact of any particular decision.

### **3.0 Reason(s)**

#### Procurement Route

- 3.1. A competitive dialogue tendering exercise is recommended due to the technical complexities of the proposed service changes and the impacts that any yet unknown legislative requirements resulting from the outcomes of the Resources and Waste Strategy consultations which are yet to be published.
- 3.2. Both Competitive Dialogue and A Competitive Procedure with Negotiation were considered. Dialogue refers to the discussion between the department and bidder to discuss any aspect of the procurement, e.g. the service requirements or proposed solution. Negotiation is the discussion between the department and bidder with a view to improving the content of tenders e.g. performance issues.
- 3.3. The current availability of technologically suitable fleet to reduce the services impacts on the Councils carbon emissions is also unclear and bidders are likely to propose differing solutions to deliver the services. It is hoped that a Competitive Dialogue will ensure we are fully able to understand the offer from prospective providers and understand the pros and cons of new and emerging technology.

#### Project Board Formation

- 3.4. The formation of a joint Member led project board to oversee the management of the project will ensure a consistent approach for both authorities; and allow an opportunity for discussion at early stages minor changes or decisions are required related to the procurement. It will also provide a conduit for Members on the project board to report back to

the wider elected Membership outside of the committee cycles on the progress of the project.

### Contract Length

- 3.5. Early discussions with our consultants Eunomia and early indications from soft market testing indicate a general preference for a minimum contract length of 8 years, with extension possibilities. Our current contract is 7 years with an extension option and the increase in length is not anticipated to negatively impact on the councils.

### Customer Services

- 3.6. Customer service at each Council is currently delivered under different models, with differing administrative responsibilities, processes and key performance indicators (KPIs). EHC manage contacts related to waste and street cleansing services in-house as part of a corporate customer service team. At NHC contacts for these services are managed by the current collection contractor with a small proportion of contacts also being handled by the corporate team.
- 3.7. At the joint cross party Member workshops, members explored options regarding the provision of customer services. Pros and cons were identified for both a council led customer service solution and an out-sourced customer service solution. In addition, indicative costs were provided for both council led and out-sourced solutions. The preference from the working group was for a joint council led customer service solution as it was felt this fits better with aspirations around an improved customer journey.
- 3.8. The staffing costs for customer services are broadly similar, whether provided in-house or out-sourced. The calculation of on costs for each authority and how on costs are allocated by

any bidder will differ and therefore present differing costs between the two service models. Costs from potential bidders cannot be fully estimated without going out to tender as the variations present too great a difference to reasonably estimate.

- 3.9. Some potential benefits of in-house customer service provision are identified below:
  - a. Knowledge of all Council related processes and can therefore advise on other queries as a single point of contact
  - b. Greater resilience from a larger staff pool
  - c. Call handling procedures can be controlled and adjusted swiftly
  - d. Monthly quality monitoring in line with other in-house customer service provision.
  - e. Training in line and consistent with council core values and objectives
  - f. Increased transparency over contact types and complaint logging
  - g. Direct control over phone lines, IVR and email auto replies.
  - h. Perceived greater level of trust in reporting direct to the Council.
  - i. Service efficiencies (cost savings) can be realised more easily when channel shift is implemented and working effectively.
  - j. Direct control over payments to the Councils.
- 3.10. The customer services and call handling not be included in the specification of the next waste contract and it is therefore recommended that a further report be presented to Executive/Cabinet in due course covering non contractual elements of the management of the services. This will include proposals on governance (as recommended by the report to

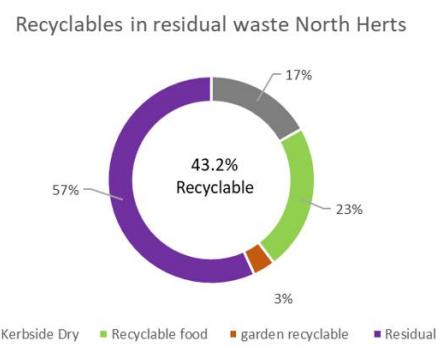
Executive on 19<sup>th</sup> April 2022 and the financial management arrangements as well as proposals for a council led customer service solution.

Weekly food waste collection and 3 weekly Residual waste collection

- 3.11. A waste compositional analysis undertaken in late 2020 provided an insight into the composition of the residual waste bins at each authority.



The graphs below show details of the recyclable proportions of the residual waste bin



- 3.12. The proportion of food waste in EHC residual waste bins is significant at 29.9%. Food production, according to an article in the professional magazine 'New Scientist' contributes 37% of global greenhouse gases and a report by the UN's Environment Programme estimates that between 8% to 10% of greenhouse gas emissions are from food which is wasted. Campaign work to encourage behaviour change in EHC and

NHC over recent years and ongoing is only part of the solution to managing food waste.

- 3.13. According to a report by WRAP, (The impact of food waste collections on household food waste arisings); separate food waste collection schemes are significantly associated with lower total food waste arisings amongst householders.
- 3.14. In our public consultation 69% of respondents in EHC said that they were likely or quite likely to use a weekly food waste service.
- 3.15. This coupled with a government mandate for the weekly collection of separated food waste for 2025 leads to the recommendation that they be included for EHC in the new waste collection specification for implementation in 2025, despite confirmation of the mandated start date not being clear from central government.
- 3.16. The implementation costs for the food waste service change are anticipated to be in the region of circa £150k for one-off revenue implementation costs. Circa £400k for initial capital costs and circa £1.5m ongoing revenue costs associated with the collection. As with the mid-contract change for the introduction of chargeable garden waste services in East Herts it is anticipated that the introduction of a separate weekly food collection service later than the start of the contract (should the Government push back the date further) will significantly increase the price of the service putting further pressure on the EHC Medium Term Financial Plan (MTFP). From the experience of the garden waste service this has resulted in costs which are over 54% higher for East Herts than the original tender price. It is therefore recommended to provide a separate weekly food collection service early in the contract alongside a 3 weekly residual bin collection service.

- 3.17. There is an inevitable negative carbon impact from the introduction of food waste recycling in terms of the EHC fleet emissions. The current North Herts service produces approximately 94 tonnes of CO<sub>2</sub> per year. At this stage we are not clear on the methodology a new contractor would use for the collection of food waste and this would impact on the carbon emissions. However, based on the NHC service and extrapolating for higher property numbers it is likely additional fleet will be required. The carbon impact could therefore be in the region of 130 tonnes of additional CO<sub>2</sub> per year.
- 3.18. Removing food waste from the residual waste stream will however have a positive carbon impact. It is estimated using the governments conversion factors that treatment by EfW (Energy from Waste) results in 21.3kg CO<sub>2e</sub> per tonne or 626.9kg CO<sub>2e</sub> when landfilled. Whereas treatment by anaerobic digestion or composting produces 8.9 kg CO<sub>2e</sub> and therefore can result in a minimum net saving of 12.3kg CO<sub>2e</sub> per tonne. Based on 79 kg per household (based on capture rates from 21/22 NHC data) this could see a district wide carbon saving linked to disposal of approximately 65 tonnes of CO<sub>2e</sub>. Mitigating in part the negative fleet impact.
- 3.19. The waste hierarchy requires a consideration of waste minimisation before recycling however it is clear that residents still have a significant proportion (around 43% of the residual waste bin) of recycling which could be recycling at the kerbside.
- 3.20. In addition the waste compositional analysis showed a significant proportion of food waste in the residual waste bin nearly 30% in EHC and 23% in NHC despite the provision of a weekly separate food waste collection service in a 23L caddy.

- 3.21. In our public consultation, 45% of residents in EHC and 49% of NHC residents said their residual waste bin was  $\frac{1}{2}$  full or less at the time of the fortnightly collection.
- 3.22. In order to reduce the amount of residual waste collected by both authorities it is proposed to extend the emptying cycle from fortnightly to three weekly for houses. This change has already been implemented by a number of authorities across the United Kingdom. A summary of local authorities known to have undertaken a change to a three weekly collection cycle are shown in **Appendix 6**.
- 3.23. The demographics of both the EHC and NHC districts mean that with the proposed change and a reinvigorated communications campaign that an increase in recycling rate could be seen. However, based on the results of the public consultation where a high proportion residents stated that their residual waste bin was  $\frac{1}{2}$  full or less. It is also possible that a significant proportion of residents will cope with the residual waste change without a need to change either their buying or recycling behaviour.
- 3.24. In addition we asked a number of questions around extending the frequency of collections and the ability for resident to cope with an extended frequency. 75% of resident did not think that reducing the frequency of collections would reduce waste. However, when Daventry District Council adopted a three-weekly residual waste service in 2018 they had the highest fall in residual waste of any local authority in the country at a drop of 13%.
- 3.25. The table below shows an example of three Welsh Councils performance over a number of years following extended frequency collections and a change to three-weekly residual waste collections. These are not direct comparator Councils as they offer slightly different services and have a different

demographic however demonstrate that total waste arisings are likely to fall as a result of a change to three weekly residual waste collections.

Residual Waste Service Frequency	Authority	Year	Recycling rate (%)	Waste Arisings per person (kgs)	Percentage Drop in Per Person Waste Arisings (kgs)	Residual Waste Per Person (kgs)	% decrease Residual Waste
4 weekly	Conway	20/21	70	452	18.12%	135	43.98%
3 weekly in 2016 and 4 weekly in Jan 18		13/14	56	552		241	
3 weekly	Gwynedd	20/21	65	494	21.71%	117	59.65%
		13/14	54	631		290	
3 weekly	Pembrokeshire	20/21	73	455	17.12%	112	48.62%
		13/14	60	549		218	

- 3.26. When asked whether residents agreed or disagreed with the statement; '*I would be able to manage my waste effectively with three weekly residual waste (refuse) collections by recycling more and squashing items.*' The majority of residents disagreed. However, 24% agreed or strongly agreed.
- 3.27. Data from other local authorities is mixed but data does indicate that some level of recycling rate improvement can be expected. In particular in EHC where there would be the addition of food waste recycling options to support a positive behaviour change in recycling habits.
- 3.28. Reducing the emptying cycle as well as encouraging residents to recycle more and participate fully in services such as weekly food waste collections, will also help to mitigate the costs of service provision during the next 8 years of the contract. It is anticipated that a three weekly cycle would enable a reduction

of approximately three vehicles from the fleet across both EHC and NHC. The estimated direct cost of this is anticipated to mitigate contract cost increases by circa £550k annually.

- 3.29. The associated reduction in fuel consumption (based on current housing densities) is anticipated to be circa 40k litres which has a direct positive carbon saving of approximately 122k tonnes carbon annually based on our current diesel fleet.
- 3.30. There are alternative ways the councils could consider reducing their carbon footprint through this contract procurement, such as the use of HVO (hydrotreated vegetable oil) as fuel, however the current cost is approximately 20p per litre more than diesel and consequently could see annual contract cost rises in the region of circa £130k based on 2021 fuel usage data.
- 3.31. In the public consultation 82% of respondents described themselves as either a proactive environmentalist or caring about the environment and doing their bit. With a further 16% describing themselves as residents who recycle and don't drop litter but not much else in support of the environment. 84% of respondents also said that the Council should do more to make people recycle more and reduce waste, with 74% of people agreeing the council should invest or change services to reduce their carbon footprint. These outcomes all support the proposals in this report.
- 3.32. Comparison with other local authorities introducing three weekly residual waste collections is difficult as many will have introduced other changes at the same time. For example changes to what can be recycled at the kerbside or moves from box collections to bin collections. Many Councils undertaking this change are also lower performing Councils at the point of change and so behaviour change is more prominent.

- 3.33. Gwynedd Council predicted that its recycling rate would increase by 5.2 percentage points. In 2013/14, Gwynedd's recycling rate (calculated in line with Welsh Government targets) was 54.0%. By 2015/16, when the switch to three weekly collections had been fully rolled out, the reported recycling rate had risen to 58.7%, and in 2016/17 it increased further to 61.1%. The total increase has therefore been 7.1 percentage points, significantly more than expected.
- 3.34. Bracknell Forest's recycling rate has increased by 13% to 56%. This is a monumental achievement, in comparison, in 2020 to 2021 the largest increase recorded by a local authority in England was 5.2% however this was coupled with other changes like the introduction of food waste and chargeable garden waste collections.
- 3.35. Rochdale, predicted the increase in recycling that was anticipated from going three-weekly (39% in 2015/16, 45% in 2016/17), but did not set out the underlying waste flows. In practice, they achieved 42% in 2015/16 and 47% in 2016/17, exceeding expectations. With a further increase to 53.7% in 2017/18.
- 3.36. Based on the information we have been able find from other Councils improvements in performance are both a step change and improvements over an extended period. The step change occurs with an immediate behaviour change, e.g. residents recycling more with new recycling services. The extended improvement in recycling rates could be attributed to more lasting changes in behaviour such as buying habits with services having a greater focus on recycling than residual waste services. Residents learn over time that the vast majority of waste is recyclable so use these services rather than continuing to use the residual waste bin because items still fit in it.

- 3.37. Our Contract Officers (including the mobilisation Contract Officers) and proposed Waste Awareness Officer will have a suite of tools to guide and support residents and help them identify items which they perhaps did not realise were not recyclable to help prevent any increases in contamination of recycling. Officers will also be able to support residents in understanding items which can be recycled at the kerbside but are sometimes forgotten.
- 3.38. It is likely that at the start of the service change we will see a slight uplift in the number of fly tips. However, this is expected not to be significant as those residents who would consider fly tipping are a very small minority. We will work with the enforcement teams at both authorities to ensure we have a planned approach to the management of fly tipping of household waste expected to be as a result of the service change.
- 3.39. Following the NHC transition to 180L wheeled bins there was no attributable long-term impact on fly tipping. Fly tipping numbers in the first year of the service actually reduced when compared with the previous year and longer terms trends are consistent with the wider Hertfordshire districts. Therefore, a significant uplift in instances of fly tipping is not expected. Those residents who may initially struggle with a change to a three weekly collection cycle will be supported with advice on how to manage their waste and where appropriate will be supported by other policies. For example, the provision of extra capacity for larger households or households with two or more children in nappies and households producing healthcare waste such as incontinence wear. The proposal being for these households to continue to receive fortnightly collection services.

- 3.40. At the Members workshops an option for four-weekly residual waste collections was considered. There are a handful of Councils in the UK who have adopted this model, but Members felt this was too large a service change at the current time. Members were keen to ensure that a transitional option to four-weekly residual waste collections be drafted for the contract.
- 3.41. There is a risk that central government will mandate a requirement for fortnightly residual waste collections as a minimum. It is hoped that our need for fortnightly residual waste collections can be mitigated by supporting policies which can effectively manage the additional needs of some residents. This includes additional frequency collections of residual waste for those residents who require additional capacity for waste such as incontinence waste or nappy waste. The practicalities of this policy decision will be discussed as part of pre-market engagement with bidders.
- 3.42. Should the government mandate fortnightly residual waste collections and we are unable to mitigate this requirement with supporting policies for those who need additional waste collection support, we will have no alternative but to defer to our current residual waste collection model and provide collections fortnightly.
- 3.43. The provision of residual waste collections at flats will remain largely unchanged. Capacity provision at flats is based on per person calculations and as a consequence flats already have less capacity over six weeks of collection cycles than houses. Each flat block will be re audited and where flats participation in recycling services has been difficult, with high levels of contamination, advice and guidance will be given in liaison with the managing agents, to ensure that all flat blocks have access to recycling.

- 3.44. All flats will receive a review of residual waste collections alongside this audit, however it is not anticipated that flats will receive three weekly residual waste collections. It is possible that some flats currently receiving weekly collections may be able to receive fortnightly collections, as a result of a refocus on recycling. This is most likely in East Herts where flats will receive weekly food waste collections in wheeled bins alongside the service for houses.

#### Bin Colours and Size

- 3.45. Both authorities combined spent £377k on new bins and bin replacements in 21/22. The currently global shortage of plastic polymer and continued impacts of Brexit and the pandemic have also significantly increased the cost of bins and the availability and lead times. Our depot facilities have extremely limited storage space for wheeled bins, meaning stock has to be delivered in small quantities and we are housing multiple colours and sizes of bins to maintain stock levels.
- 3.46. The proposal is for all future bin replacements to have the standard 'grey/black' body with a coloured lid to depict the material type. This will provide a greater resilience in bin stock levels and reduce necessary storage space at both depots.
- 3.47. The standard 'grey/black' bin body is cheaper to procure and can often contain a higher proportion of recycled plastic polymer supporting our aspirations for a circular economy solution for broken and redundant plastic wheeled bins.
- 3.48. It is also proposed that in EHC the standard residual waste bin size be changed from 240L to 180L. This will apply to all new build houses and any replacement bins.
- 3.49. Reducing the residual waste bin size supports waste minimisation principles and is known to impact on the waste

produced with NHC seeing a drop of 4,600 tonnes of residual waste when making a wholesale change to 180L residual waste bins. This being a gradual change; it will not impact as significantly on recycling rates until a larger proportion of residual waste bins are 180L. It is expected that the majority of bins will have been replaced over a 15 year life through wear and tear and damage.

- 3.50. It is not expected that new build properties will find the change problematic as services are generally accepted and managed well by new home owners. Individual households who struggle to manage on a smaller bin size will be supported in their waste management and where appropriate our policy on additional capacity will be applied.
- 3.51. It is recommended that replacement recycling bins have a blue lid, replacement residual waste bins have a purple lid and replacement garden waste bins have a brown lid. Details of the proposed bin colours are shown in **Appendix 5**.
- 3.52. The additional benefit of aligning bin colours across the contract is consistency in the long term over a wider area and more effective joint communications. It is already the case that residents moving from EHC to NHC are contaminating the recycling bin which is currently the 'grey/black' bin in North Herts but in EHC this bin colour is used for residual waste.
- 3.53. Collection staff will also find less confusion working across the boundary if bin colours are consistent.
- 3.54. The estimated cost saving annually for a coloured lid only bin purchasing model is circa £9,000 annually.

## Plastic Film

- 3.55. The summary response to the consultation on Extender Producer Responsibility stated the following:- 'With plastic film and flexible packaging comprising around a third of the plastic packaging placed on the UK market each year, we proposed that these materials should be added to kerbside recycling collections across the UK by 31 March 2025 for businesses and 31 March 2027 for households'.
- 3.56. Given our contract start in May 2025 we propose the introduction of plastic film to our commingled recycling bin at the start of our major service changes. This will not only help transition residents to a three weekly collection service by removing a material from the residual bin, but it will also ensure we have secured processing capacity when the current processing capacity in the UK is not sufficient to support all proposed local authority collections.
- 3.57. It can also be anticipated that with mandated changes around extended producer responsibility some manufacturers will shift their packaging to lighter weight materials such as plastic film.
- 3.58. Early discussions with our existing Material Recovery Facility supplier (MRF) supplier post decision. This is a separate contract to our waste and recycling collection and street cleansing contract and officers will determine the steps in relation to this contract following this report.

## Bring Banks and Textiles Collections

- 3.59. NHC has not operated bring bank collections since the introduction of commingled recycling and a roll out of recycling at flats. An audit of services in EHC demonstrated that all flat blocks located near to the existing bring bank

network have recycling collections and therefore there is no longer a need for paper bring sites, with all residents having access to this service at the kerbside. The public consultation indicated that 2.7% of residents still use the bring banks however any residents who do not currently have a box can request one via our online forms.

- 3.60. We have in recent months experienced a number of issues associated with our bring banks, this includes fly tipping, significant levels of contamination meaning paper loads had to be disposed of as residual waste and we have also had a fire at one of the sites.
- 3.61. The collection costs associated with the paper bring bank service are currently circa £22,000 and are provided by Welwyn Hatfield Council. We anticipate that we will still capture paper currently entering the bring bank scheme via the kerbside services and therefore anticipate this being a whole cost saving for EHC.
- 3.62. In addition to paper bring sites there is also a network of textiles bring sites in EHC. These sites suffer from similar issues to those identified in 3.60 above.
- 3.63. In our public consultation over four times the number of people using our textiles banks donate their textiles to charity in East Herts with over 92% of respondents saying that had used either charity doorstep collections or charity shops.
- 3.64. The cleansing of bring sites currently has a core contract cost of £27k and additional ad hoc costs associated with the clearance of larger fly tips. There is therefore a direct saving from the removal of bring sites although careful management will be required as material will be dumped at the sites once the bins are removed. It is therefore proposed to remove the bring banks as soon as is reasonably practicable and before

the end of 2023 but maintain the cleansing requirements to the end of the current contract.

- 3.65. In North Herts 42% of residents indicated they were not aware of the textiles service despite recent promotion of the service on social media and in Outlook magazine. Over six times the number of residents indicated they donate textiles to charity rather than use our kerbside service. with 82.5% saying they had recycled their textiles via charity doorstep collections or charity shops.
- 3.66. Under the Extended Producer Responsibility changes it is expected that textiles producers will face requirements to make their products more sustainable. A number of brands are now offering reuse options and some stores are offering take back solutions too.
- 3.67. The recommendation therefore is to remove the textile bring bank and kerbside collection service in favour of more proactive support for charity textile banks and promotion of specific local charity shops which accept textiles and which will also accept textiles of poor quality for rags.
- 3.68. With additional promotional work it is expected that we can ensure that textiles are kept to a minimum in our residual waste stream and also ensure that a greater proportion of textiles in East and North Hertfordshire heads for reuse rather than industrial recycling.
- 3.69. NHC also operate kerbside battery collections where residents can place batteries out in a plastic bag on top of their recycling bin lid for collection. These material must be collected separately, both from a legislative point of view and also a health and safety point of view.

- 3.70. A small quantity of batteries end up in the mixed dry recycling as contamination. If struck or cracked open during collection or transfer station operations these can present a fire risk. Additional fire risks are associated with batteries exploding in extreme heat, such as we have experienced this year.
- 3.71. The quantity of batteries collected at the kerbside has been extremely low with only 0.9 tonnes being collected since the start of the contract in 2018. Sellers of batteries are required to provide collection locations and therefore every supermarket will have the facility to take batteries for recycling. It is therefore proposed to removed the kerbside collection of batteries from the NHC service at the same time a removing the textile collection service and promote alternative recycling points across the district.

#### Parish Litter Picking Grants

- 3.72. The EHC street cleansing service currently operates with a historical parish grants scheme which provides 25 parishes with a regular payment for either litter picking and/or litter bin emptying over and above the existing street cleansing contract. This grant does not operate in NHC.
- 3.73. In May 2021 EHC introduced a new grants policy and the current parish grants scheme falls outside of the requirements of this policy in a number of areas. A wholescale review was therefore required.
- 3.74. All streets covered by the litter picking grants are also included in the waste and street cleansing contract with all complaints coming direct to the Council for investigation and rectification. In essence this means that some parishes are benefiting from an enhanced standard of cleansing paid for by EHC where other parishes are not.

- 3.75. Some parishes empty litter bins under the parish grant and it is proposed to bring all litter bins situated on the street into the waste, recycling and street cleansing contract to ensure a consistency of approach across the districts. The client team will utilise WRAPs 'Right bin right place' guidance to determine the most appropriate location of litter bins across the district and will include existing street parish bins in plans for enhanced online reporting for residents. The net position for EHC is a saving of circa £36,900.
  - 3.76. Once the grant ceases and from 1<sup>st</sup> April 2023 Contract officers will be inspecting the streets currently in parishes in the receipt of the grant to ensure that the standards of litter picking are achieved in accordance with the current contract.
  - 3.77. The joint cross-party Members working group explored the current perceived strengths and weakness of the existing street cleansing service which predominantly operates on need based scheduling. Elements such as town centre cleansing and high-speed road cleansing were discussed.
  - 3.78. The working group were clear that there should be a continuation of the continuous presence in town centres and expansion of the use of recycling litter bins with support for WRAPs 'right bin, right place' approach to the siting of litter bins. There was also a keenness for contract wording to be strengthened around liaison around grass cutting schedules.
  - 3.79. The working group also endorsed the continuation of the 'Adopt An Area' scheme introduced in 2021 as a way for the local community to be supported in enhancing the streetscape and other non-council maintained areas of the district.
- Mobilisation, Communication and Policy
- 3.80. During the Members workshops there was a clear steer to ensure that there is a simple customer journey for all

residents who wish to report street cleansing issues. Further work will be completed over the next year to work with the grounds teams from both authorities to ensure we can accurately provide an online reporting solution facilitated by the use of QR codes on bins.

- 3.81. Service change of this magnitude and type will require sufficient time and mobilisation resource to ensure a smooth transition to new services for residents. An extensive communications campaign will therefore be planned and residents currently in receipt of additional special services will be reviewed and informed of the change and impacts of the service changes. In particular, residents in receipt of additional capacity residual waste on medical grounds will continue to receive additional capacity suitable for their individual needs.
- 3.82. In order to support residents through the transition it is proposed to recruit, 2 FTE additional Contract Officers for a period of 6 months. The cost of additional officer resource is estimated to be £29,200 based on appointing at the bottom of the pay scale.
- 3.83. In the public consultation residents ranked an increase in communications more favourably than service changes like more recycling bins or extended residual waste frequency. This; coupled with the proposals for a major service change for both authorities means we are recommending the addition of a new 'Waste Awareness Officer' post to the client team from April 2024 to ensure adequate communication resource is available for the mobilisation and promotion of the service changes on an ongoing basis supporting waste minimisation, promotion at schools and face to face events. The annual cost of this additional post is circa £33,500 based on appointment at the bottom of the pay scale.

- 3.84. This post will have direct responsibility for providing content for web pages and social media channels. As well as providing service related content they will be responsible for running specific campaigns around waste minimisation and proactively undertaking targeted campaigns to increase the participation in our recycling services. This officer will also be expected to deliver school talks and attend events including events outside of normal office hours to promote waste minimisation and our services.
- 3.85. The policy statements surrounding the existing service have not been updated since prior to the start of the contract in 2018. These policies were reviewed as part of the work undertaken by the Joint Cross-Party Members Working Group and an updated version to support the current services in operation is proposed and provided in **Appendix 3**. This seeks to align some of the minor differences in policy and/or service operations now, prior to the contract change in 2025. This will facilitate the streamlining of processes in the back office.
- 3.86. A new proposed set of policies to support services in 2025 will be drafted following completion of our pre-engagement exercise. This will ensure that our policy proposals are considered practicable by providers and operational considerations have been taken into account when drafting the specification.

### Garden Waste

- 3.87. It is expected that a new contract will mean that both Councils will have the same contract costs for the servicing of garden waste collections. During the joint cross-party Member working groups options for aligning the garden waste service were explored. Members agreed that we should seek to therefore have an aligned price for garden waste as we

currently do for bulky waste and commercial waste collections which have the same contract costs.

- 3.88. There is some difference between the authorities pricing at the current time and a future report will outline the options and the core benefits of an aligned charge. These include the potential for realigning the start date of the service to 1<sup>st</sup> April, which in turn would also introduce the possibility of operating the service with one online portal rather than two, which would have an overall cost saving to the service.
- 3.89. It is therefore recommended that the principle of aligning the charge for the two authorities is approved.
- 3.90. As previously mentioned, we are still waiting for the outcomes of the Resources and Waste Strategy consultation on consistency. One area where we may see a possible change is in relation to the ability for Councils to charge for garden waste.
- 3.91. Under the principles of 'New Burdens' it is anticipated that the government would face significant costs if they were to change the ability for local government to charge for this service. It is therefore recommended that we continue with our current chargeable garden waste service. Should the ability to charge be removed we will manage the implications of this at the time of announcement and bring forward recommendations in accordance with our constitutional requirements.

#### Mandate on Separate Fibre

- 3.92. The consultation outcomes on consistency may also require the separation of additional materials at the kerbside. Currently, councils are already required to separately collect paper/card, plastic, glass and metals when separate collection

is deemed necessary to ensure that the waste is recovered or recycled. This is subject to the separate collections being Technically, Environmentally and Economically Practicable (TEEP).

- 3.93. Our new service design will be subject to a TEEP assessment however based on previous TEEP assessments and a recent review of our separate paper collection service we do not consider it to be economically practicable to design our services with additional separation of material.
- 3.94. If however we are mandated to separately collect all 'fibre' materials (paper and cardboard), then it will be necessary to change our service design during our procurement exercise. We therefore propose to ensure bidders are clear on our plans in the event that this is mandated.
- 3.95. Options regarding the separate collection of fibre were discussed with Members at the join cross-party Members working groups and the outcomes can be found in **Appendix 1**.
- 3.96. At the current time officers consider it unlikely that we will be able to capture all paper and cardboard for recycling in the existing 'paper' box which has 45-55l capacity. Data from our waste compositional analysis, our existing tonnage capture and data from the waste compositional analysis of Hertfordshire authorities who collect paper and cardboard in a box shows that our 'bin and box' collection currently captures significantly more tonnage than 'box' only collections for paper and card. Providing an additional bin may therefore be necessary for the majority of households.
- 3.97. The provision of an additional bin would significantly increase the capacity at each household and therefore, this, combined with the knowledge that there are plans for a Deposit Return

Scheme to be introduced; which will remove material from the kerbside stream, mean the current recommendation if separate fibre is mandated, would be for a three-weekly collection of a ‘fibre’ (paper and cardboard) bin and a three weekly collection of a ‘containers’ (cans/tins, glass, plastic bottles pots tubs and trays) bin, alongside the three-weekly collection of residual waste.

- 3.98. An expansion of a three-weekly cycle for all bins (except food and garden) will help to mitigate the costs of an additional service as well as minimising the additional carbon impacts of the introduction of a new service.
- 3.99. A more detailed summary of this proposal is provided in **Appendix 7**. In the event of a mandate for separated fibre, further work will be undertaken with bidders to determine whether a hybrid approach to receptacles can be considered for paper and cardboard. For example, this might mean that smaller terraced houses with less storage space continue with collections using a box, but that larger semi-detached or detached houses with more storage space are provided with bins, with the expectation that smaller houses will also often produce less waste than larger houses, which may have higher occupancy.
- 3.100. The introduction of an additional bin would enable EHC to make a whole scale change to 180L residual waste bins. In EHC a new purple lidded residual waste bin would be provided. The existing grey/black bin would become the ‘containers’ bin and the blue lidded bin in EHC would become the fibre bin. For NHC a new blue lidded fibre bin would be procured. **Appendix 5** shows details of the proposed bin colours.
- 3.101. Any further decision regarding necessary service design changes will be presented to project board for agreement and subject to any further constitutional requirements. At this

stage it is recommended that Executive/Cabinet agree to the principle of a three- weekly cycle for a ‘fibre’ bin and ‘containers’ bins to provide an early indication to bidders of what an alternative plan may look like.

- 3.102. The new legislation resulting from the Resources and Waste Strategy on consistency is expected to require providers of commercial waste collection services to offer recycling solutions consistent with those offered to residents. It is therefore proposed to expand food and garden waste services to the business community, in particular offering services to rural SMEs where the private sector often make waste and recycling collections more costly.
- 3.103. The existing client team currently administers commercial waste and recycling on behalf of each authority but does not have the resources necessary to expand the services and market to new businesses. It is therefore proposed to recruit a new 0.5 FTE Commercial Waste Officer who will be directly responsible for increasing the commercial waste customer based and delivering new customers for new commercial food and garden waste collection services. It is also expected that this resource will provide sufficient capacity within the team to increase the customer base of other commercial waste and recycling services. The cost of this resource is anticipated to be £14,600 based on appointing at the bottom of the pay scale.
- 3.104. It is also proposed to introduce commercial clinical waste customers to the North Herts area. These services are predominantly provided to beauty salons or tattoo shops.
- 3.105. A cost benefit analysis has been undertaken which demonstrates this post should be fully self-funding with an estimated net surplus being generated circa £14k for each authority.

3.106. The mobilisation of a new contract is a critical period for securing the ongoing success of a contract. It is an opportunity to communicate with residents on a mass scale provide support and reassurance and it's an opportunity to ensure the systems, processes and data are all accurate set up and tested for a seamless transition.

3.107. The reality of mobilisation is that there will be some inevitable service disruption. Our priority is therefore to keep this disruption to a minimum by ensuring a sufficient lead time into the new contract. This is particularly important for vehicle purchasing, with many vehicles required for our services having lead times of over 12 months.

3.108. **Appendix 8** shows our current planned timeline and anticipates contract award in advance of May 2024.

3.109. Summary of estimated budgetary impacts for EHC:

	2023/24*	2024/25*	2025/26*	2026/27*
	£'000	£'000	£'000	£'000
Mobilisation costs	0	0	15	0
Communications Campaign	-10	20	20	-10
Separate Food Waste Collections	0	0	1,581	1,447
Three Weekly Residual Waste	0	0	-277	-277
Alignment of bin colours	-5	-5	-5	-5
Inclusion of plastic film -TBC	0	0	0	0
Removal of Bring Banks/ Paper/ Textiles	0	-40	-43	-43
Cessation of Parish Grants	-37	-37	-37	-37
Expansion of Commercial Waste Services	0	5	-14	-14
Waste Awareness Officer	0	10	20	20
<b>Net budget impact</b>	<b>-51</b>	<b>-47</b>	<b>1,260</b>	<b>1,081</b>

Notes -

\*- Does not include inflationary pressures.

EHC - one off costs for bin delivery and mobilisation included in 2025/26 - total £178k

EHC - bin cost for expansion of commercial waste included in Revenue budget £4.9k

EHC - cost of purchasing Bins £400k - Not included in figures above

EHC - contract costs at current prices no inflation applied

EHC - removal of bring banks cost of £3k in 2024/25

## **4.0 Alternative Options**

- 4.1. A contract extension for a further seven years was considered, however given the Council's aspirations for environmentally and financially sustainable services and the anticipated changes required by the government's Resources and Waste Strategy this was not considered appropriate.
- 4.2. A procurement in line with the existing service specification was considered, however given the Council's aspirations for environmentally and financially sustainable services and the anticipated changes required by the government's Resources and Waste Strategy this was not considered appropriate. The current service with the adoption of mandated pressures (without implementation of three weekly collections) will place a further burden on budgets of circa £270k.

## **5.0 Risks**

- 5.1 There is a risk that the outcomes from the government's Resources and Waste Strategy are not in line with our service design. We anticipate that these risks can be mitigated through a competitive dialogue process and subject to any

constitutional requirements will be considered by the joint project board if required.

- 5.2 There is a risk that central government will mandate a requirement for fortnightly residual waste collections as a minimum. It is hoped that any need for fortnightly residual waste collections can be mitigated by supporting policies which can effectively manage the additional needs of some residents. This includes additional frequency collections of residual waste for those residents who require additional capacity for waste such as incontinence waste or nappy waste. The practicalities of this policy decision will be discussed as part of pre-market engagement with bidders.
- 5.3 There is a risk that the government will mandate the separation of more material at the kerbside. It is our expectation that the most likely material would be fibre (paper and cardboard) and therefore we have explored options around the full separation of this material with members at the joint cross-party working group. The provisional recommendation in this instance being described in 3.92 to 3.101.
- 5.4 There is a risk that if services are not aligned that the contract is not considered favourable by the market. This is mitigated by proposing service changes which bring the most alignment for both authorities.
- 5.5 There is a risk that the contract costs are significantly higher than anticipated at tendering because of providers being exposed to more operation risks over recent years and high inflation.
- 5.6 There is a risk that carbon savings and cost mitigation are not considered sufficiently reasonable reasons by the public for a major service change and that this creates a negative public

reaction. This is mitigated for by the creation of a new Waste Awareness role, and extensive communications plan and temporary additional Contract Officers who will support the transition for residents.

- 5.7 There is a risk that a minority of residents choose to fly tip or use illegal waste disposal options when struggling to manage their waste collections. This will be mitigated with supportive policies for those with genuine additional needs.
- 5.7 There is a risk that the proposed services do not adequately mitigate the carbon impacts of the Council's operations and that additional carbon saving initiatives are required. This is being mitigated by early pre-engagement conversations with the market to consider all carbon saving options for the contract.

## **6.0 Implications/Consultations**

- 6.1. In some areas, legislation (or statutory guidance) expressly imposes a duty on a public authority to engage in some form of consultation before taking a particular decision or exercising a particular function. Statutory provisions exist in the areas of:
  - a. Health
  - b. Environment
  - c. Equality
- 6.2. Even where there is no express duty to consult, the courts may imply a duty to consult as part of a public authority's general duty to act fairly, for example if nature and impact of the decision may mean that fairness requires it.
- 6.3. The doctrine of legitimate expectation (common law) is rapidly becoming the most important aspect of the law of

consultation. It is now seen as common law, whereby the courts recognise consultees' rights to expect a fair process which incorporates guidance and management promises.

- 6.4. A public consultation was carried out between 22<sup>nd</sup> July 2022 and 22<sup>nd</sup> August 2022. The results of the consultation can be found in **Appendix 2**.
- 6.5. A joint cross-party working group was established under the recommendations of a report presented to Cabinet/Executive on 22<sup>nd</sup> March 2022 and 19<sup>th</sup> April respectively. The terms of reference for the working group can be found in **Appendix 1**. Elected Members attended a series of workshops over two months looking at all aspects of the service design.
- 6.6. The working group supported the recommendations for transitioning EHC to 180L residual waste bins and supported a three weekly collection cycle for residual waste for houses. The outcomes and full details of the recommendations from the working group can be found in **Appendix 1**.
- 6.7. A series of walk abouts were held in the major towns and ward councillors were invited to meet officers and contractor staff to discuss the current needs and/or improvements in relation to street cleansing. Only minor contractual non-conformities were identified and no major changes to existing working practices were identified.
- 6.8. Invitations were sent to all Parish Councils to attend online meetings with officers from the shared waste service. A summary of comments from Parish Councils will be presented in **Appendix 9** to Executive/Cabinet.
- 6.9. Officers from the Hertfordshire Waste Partnership were informed of our proposed service changes and a specific request was made to Hertfordshire County Council, we await

their comments and anticipate a response in time for Executive and Cabinet meetings.

## **Community Safety**

No

## **Data Protection**

No

## **Equalities**

Yes – See attached Equalities Impact Assessment in **Appendix 11**

## **Environmental Sustainability**

Yes – This report contains both positive and negative environmental impacts.

There is a negative carbon impact from the introduction of separate weekly food waste collections however this is a mandated change and therefore we can only attempt to mitigate the carbon impact. Work will be undertaken during the procurement process with bidders to determine options around carbon mitigation. It is possible however that this may increase the carbon footprint by 130 tonnes per annum.

The extended frequency residual waste collection change will however mitigate this impact. The expected carbon saving from this change is 60 tonnes per annum.

Removing food waste from the residual waste stream will however have a positive carbon impact. It is estimated using the governments conversion factors that treatment by EfW (Energy from Waste) results in 21.3kg CO<sub>2</sub>e per tonne or 626.9kg CO<sub>2</sub>e when landfilled. Whereas treatment by anaerobic digestion or composting produces 8.9 kg CO<sub>2</sub>e and therefore can result in a minimum net saving of 12.3kg CO<sub>2</sub>e per tonne. Based on 79 kg per household (based on capture rates from 21/22 NHC data) this could see a district wide

carbon saving linked to disposal of approximately 65 tonnes of CO<sub>2</sub>e. Mitigating in part the negative fleet impact. There are a number of differing sources for conversion factors. Utilising the WRAP conversion factors indicates district wide carbon savings could be 216 tonnes of CO<sub>2</sub>e based on disposal by anaerobic digestion and a net saving of 41kg CO<sub>2</sub>e per tonne of food waste.

Furthermore, the extended frequency residual waste collections will shift the behaviour of some residents resulting in increased capture rates for recycling and composting in general which will in turn have a positive impact on the councils sustainability objectives.

## **Financial**

Yes – When the Council set its budget it assumed contract inflation of 4% in 2022/23 and 2.5% in the years after that. Actual contract inflation in 2022/23 will be £294k more than budget and with an estimated contract inflation of 18% next year will be a further spending pressure of £568k. These figures will add immediately to the savings totals the council has to make to balance its budget. Additionally, if council employee pay is settled at the national employer's offer to staff then this will add a further £312k corporate budget pressure in 2022/23 and in future years.

In the council's medium term financial plan a £1million increase is factored in to the waste budget from 2024/25 but inflation will erode this by at least £862k before new requirements of the government's mandated waste strategy are delivered. The proposed design of waste services is anticipated to lead to new pressures of circa £1.3 million as the amount set aside for the new contract will have been eroded by inflation.

The net effect of inflationary pressures on the total amount of savings the council will need to find over the next 5 years is to increase the target figure to find from £1.6 million to £3.1 million. This is in addition to the £5.054 million in savings already

built into the budget. This means that Members will face further hard decisions in order to balance the budget.

Section 3 provides indications of the financial impact of the decisions that Cabinet/ Executive are being asked to make. For amounts that relate to items that will be contained within the new contract, these are best estimates from knowledge of pricing of the current contract. The actual impact of these will be determined by bids for the new contract, and it may never be possible to determine the exact impact of any particular decision. The amounts quoted do give an indication as to whether a decision will lead to an increase or decrease in cost, and the expected scale of that change.

Some of the costs mentioned will be a split between revenue and capital costs. Savings from moving to three-weekly residual collections could be a combination of revenue and capital costs, although the majority will be revenue savings. This is dependant on how the Council treats the vehicles that are used to deliver the waste contract and whether they are considered the Council's capital assets as a result of Capital purchasing.

The Medium-Term Financial Plan sets out the financial outlook for the Council, and the likely actions that will need to be taken to achieve a balanced budget. This highlights the significant financial uncertainty in relation to a new waste contract, the Government's upcoming waste strategy and any potential new burdens funding that may be attached to mandated service change. For the future financial sustainability of the Council it is important that available actions are taken to keep down the costs of the new contract.

## **Health and Safety**

No

## **Human Resources**

Yes – additional pressure will be put on the joint client team to manage the current services whilst procuring then mobilising a new

contract. The procurement exercise is being supported by Procurement Officers at NHC and Stevenage Borough Council who operate a shared service with EHC.

A part time project management resource is being employed to assist in the management of project documents and to facilitate internal conversations between the two authorities surrounding the procurement.

A specialist waste consultant will support on our pre-engagement exercise and provide due diligence throughout the procurement process.

Legal support will be provided by an external legal consultant. During mobilisation it is proposed to employ 2 x additional customer service advisors for 4 months at a cost of £16,900 and 2 x Contract officers for 6 months at a cost of £29,200 to support residents through the transition to new services.

A permanent full-time 'Waste Awareness' resource is proposed at a cost of £33,500 to support a robust communications campaign for the service and continue to provide proactive engagement with residents across the districts on waste minimisation and recycling.

A permanent 0.5 FTE resource is proposed at a cost of £14,600 to deliver new commercial waste services for food and garden waste to businesses across the districts and increase take up of commercial waste services in particular recycling services.

All costs are based on current staff costs at the bottom of the pay band.

## **Human Rights**

No

## **Legal**

Yes – The Executive has authority to decide to proceed with a Competitive Dialogue procurement for the waste and recycling collection and street cleansing contract.

As highlighted in the report, there are several aspects of the proposals that are dependent on the outcome of the government's consultations on its Resources and Waste Strategy, and any subsequent policy or legislative updates that may be forthcoming thereafter. This is particularly pertinent with regards three-weekly collections, the separate collection of fibre and the ability to charge for garden waste. Should the government mandate something that is contrary to the current recommendations then it will be necessary for the Councils to adhere to those requirements at that time.

The current contract allows for an extension of seven years; however, it is likely that the variations that would be required as a result of the government's Resources and Waste Strategy as well as the Councils' commitment to reaching Carbon net zero by 2030 would fall outside the remit of permissible modifications under The Public Contracts Regulations 2015, it is therefore not recommended that an extension be sought under the terms of the current deal.

## **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

**Appendix 1** – Terms of Reference and Recommendations from joint cross-party working group

**Appendix 2** – Outcomes from the public consultation

**Appendix 3** – Proposed Current Service Policy Statements

**Appendix 4** – Aims and Principles of the Shared Service.

**Appendix 5** – Proposed Bin Colours

**Appendix 6** – List of Councils operating 3 or 4 weekly residual waste collection cycles

**Appendix 7** – Summary of separate fibre collection service

**Appendix 8** – Procurement Timeline

**Appendix 9** – EHC Parish Council comments - TBC

**Appendix 10** – Hertfordshire County Council comments

**Appendix 11** – Equalities Impact Assessment

**Appendix 12** – Recommendations and Comments from Overview and Scrutiny Committee

[Food production emissions make up more than a third of global total | New Scientist](#)

[UNEP Food Waste Index Report 2021 | UNEP - UN Environment Programme](#)

[The impact of food waste collections on household food waste arisings | WRAP](#)

[UK and England's carbon footprint to 2019 - GOV.UK \(www.gov.uk\)](#)

[Technical report templates \(wrap.org.uk\)](#) – Carbon conversion factors

[WRAP-Right bin in the Right Place Final.pdf](#)

[Extended Frequency Residual Waste Collections \(ricardo.com\)](#)

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