

Title: Review of First Year of 123+ Waste Contract

Lead Officer: Zoë Court, Neighbourhood Services Manager, Tel: 01926 456314

Portfolio Holder: Councillor W Roberts

Wards of the District directly affected: All

<b>Approvals required</b>	<b>Date</b>	<b>Name</b>
<b>Portfolio Holder</b>	19 September 2023	Councillor W Roberts
<b>Finance</b>	19 September 2023	Andrew Rollins
<b>Legal Services</b>		
<b>Chief Executive</b>	19 September 2023	Chris Elliott
<b>Director of Climate Change</b>		Dave Barber
<b>Head of Service(s)</b>	19 September 2023	Steve Partner
<b>Section 151 Officer</b>	19 September 2023	Andrew Rollins
<b>Monitoring Officer</b>	19 September 2023	Graham Leach
<b>Leadership Co-ordination Group</b>	N/A	
<b>Final decision by this Committee or rec to another Cttee / Council?</b>	Yes	
<b>Contrary to Policy / Budget framework?</b>	No	
<b>Does this report contain exempt info/Confidential? If so, which paragraph(s)?</b>	No	
<b>Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?</b>	No	
<b>Accessibility Checked?</b>	Yes	

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## Summary

To provide Overview and Scrutiny Committee with an overview of the first year of operation of the 123+ Waste management Contract.

## Recommendation

That the contents of this report be noted.

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## 1 Background

- 1.1 The joint waste contract with Stratford District Council, known as "123+" (1 for weekly food waste collections, 2 for fortnightly recycling collections, 3 for 3 weekly refuse collections and + for 'optional garden waste collections) started on 1 August 2022. After this date garden waste bins without permits were not emptied. This contract was specified and let during the period of merger talks between the two Councils.
- 1.2 Stratford District Council (SDC) have a Contact Centre and a decision was taken that even though the merger was no longer taking place, they had the required resource to deal with the expected high volume of enquiries. Therefore, SDC currently take all waste related enquiries, including phone calls, emails webforms, and payments for containers, bulky waste collections, garden waste permits for Warwick District Council (WDC) at first point of contact by diverting relevant calls and emails from WDC to the SDC team. Escalations are passed onto the Business Support Team in WDC Contract Services. This is based on an annual recharge to WDC and set out later in this report.
- 1.3 The Business Support Team within WDC Neighbourhood and Assets consists of 1 Team Leader and 3.8FTE Officers. They take all enquiries relating to grounds maintenance, street cleansing, corporate building cleaning and parking (including Penalty Charge Notice appeals). They previously dealt with waste related calls up until the end of the previous waste contract with Suez, that finished at the end of July 2022.
- 1.4 Prior to the 123+ 'go live date', all street level properties needed to be provided with a food bin, a kitchen caddy, and a blue lidded wheeled bin for co-mingled recycling collections. In addition, all households apart from those on communal collections required an information pack on the new collections including a collection calendar, as a one off, for the first year. It should be noted Warwick District Council had stopped distributing calendars several years ago due the cost.
- 1.5 Both WDC and SDC also introduced a new phone app called 'Cloud 9' which allows users to get alerts on which containers to put out for collection, find out what items can be recycled and allows the Councils to send notifications by ward, street etc for any specific disruptions (i.e. collections running behind schedule) and general reminders e.g. 'you can now renew your garden waste permit'. WDC has over 30,000 residents using the app with over 23,500 residents signed up for notifications. Feedback on the app has been good and additional features are now being added.
- 1.6 Unwanted red boxes, white bags and green bins were collected free of charge from November 2022 – January 2023. These were all collected for recycling with the income from these sales, after consultation with the Chairman of the

Council, donated to Myton Hospice. From February 2023 any household wanting to get these items collected has to do so by booking and paying a small fee via the SDC contact centre. There have been various communications to encourage residents to reuse and/or give away to neighbours.

- 1.7 In almost all areas, the new contract has produced the expected levels of service and has increased recyclable materials collected. However, there is a specific issue in a few areas, specifically parts of Leamington Spa town centre which are predominately areas comprising flat and shared accommodation and with concentrations of students in residence. These areas previously had a weekly black bag collection, but the view originally taken was that the 123+ cycle of collections would work in that area. However, it has not, and significant resources are required to clear weekly fly tipping on the street. There have been understandable complaints from residents in these areas with concerns about the health and visual impact. There is a case to review collections in those limited areas with the possibility of a return to weekly collections, albeit at additional cost to the contract. This is being reviewed by officers, with the Portfolio Holder and any proposals will be brought through alongside the 2024/25 budget setting process.

## **2 Biffa performance**

- 2.1 As expected, with a new contract of this size and the changes to collections and vehicles there was some disruption at the start of the contract, particularly with the new food waste collections, communal collections and some households not receiving the new containers before their first or second collections. However, these issues quickly settled down and additional resources were put on to the delivery of containers.
- 2.2 Appendix 1 shows Biffa's performance from August 2022 – 2023 in relation to the number of missed collections by type, missed assisted collections, missed bulky collections, missed clinical waste collections.
- 2.3 Appendix 2 shows Tonnage per waste stream for August 2022 – 2023 this shows that participation in food waste collections has remained consistent, refuse and recycling remains steady, in line with the property growth and seasonal garden waste fluctuations. The Council's recycling rate is now around 60% which is an increase of almost 7% compared to the same period last year. The Council receives 'recycling credits' via the County Council (WCC) so this income will increase.
- 2.4 The assessment overall of the first year is that the contractor is delivering in line with the expected performance standards.

## **3 Governance**

- 3.1 There is a monthly Contract Operations Meeting chaired by SDC, as the lead authority, with SDC and WDC officers and Biffa in attendance. Monthly KPIs are discussed, including any repeated missed collections, H&S, vehicles, and any other issues including forthcoming communications (for example Christmas).
- 3.2 In addition to the monthly meetings there are quarterly Partnership meetings which includes the relevant SDC and WDC senior officers, Heads of Service and senior Biffa managers to enable more strategic discussions and decision making to take place.

## **4 Finances**

- 4.1 With the previous waste contract with Suez, the Council received income from the sale of the collected recyclate as this was separated at the kerbside.

However, the decision was made by Cabinet to change these arrangements for the new contract to co-mingled recyclable material. The Council also became a shareholder of the new Sherbourne Materials Recycling Facility (MRF) that was being built at the time in Coventry.

- 4.2 As part of the initial project, before the MRF was completed, recyclable waste was to be taken to the Pure Recycling facility at Ettington, Stratford-upon-Avon, but this facility was very badly damaged by fire in July 2021. As an alternative until the Sherbourne facility was completed, recyclable waste from both SDC and WDC was taken to Tom White Waste at Coventry, but this incurred additional cost and loss of income to both Councils. For WDC this impacts on the 2023/24 waste budget and was reported in the Quarter One finance report to Cabinet. Now that the MRF at Sherbourne is effectively open and taking the comingled recyclable waste, this should result in a return to income for 2024/25 as envisaged by the joint project.
- 4.3 WDC agreed to pay circa £240,000 for 2023/24 to SDC as part of a Inter Authority Agreement. This agreement includes the provision of the Contact Centre service and contract management. Officers are requesting reports from SDC to review the call volumes now the contract is established and what resources are required in the future and this will form the basis of discussions on the recharge for 2024/25.
- 4.4 Appendix 3 to the report shows a table of the monthly costs of the Waste Contract, it should be noted that the MRF was not operational until mid-August 2023 so temporary arrangements needed to be made and a contingency budget was agreed. Some income from the sale of the recycling at the MRF will resume, however caution is advised because income depends on contamination levels and income is paid 3 months in arrears.
- 4.5 Appendix 4 to the report shows a table of income related to the Waste Contract; we have almost sold 40K garden waste permits for 2023/24, which equates to £1.6m income, and is in line with the budget as revised in December 2022, following an initial forecast of £1m / 25,000 permits being sold in 2023/24 when the service was initially launched To try to avoid some of the issues around the sale of green waste permits for next year, officers will look at making these available earlier so there is a longer period over which they can be purchased prior to commencement.
- 4.6 Appendix 5 to the report shows the forecast income assumptions from the MRF arrangements. These need to be considered cautiously as this is a new arrangement still in the commissioning phase. Further updated and more confident forecast will be developed for the next financial year.

## **5 Lessons learned**

- 5.1 The delivery of the bins did not run as planned and caused a spike in complaints and customers chasing for updates. For any future similar exercise, deliveries will need to start much earlier (up to 6 months ahead of 'go live') and tape the bins shut with a 'do not use until X date' on it or alternatively to have a phased roll out across the district rather than in one process.
- 5.2 Any major collection changes that required a new calendar would be mailed out directly. Relying on a bin distribution company to deliver the right calendar to the right property was challenging and slowed the delivery crews down considerably.

## **6 Alternative Options**

- 6.1 There are no alternative options proposed as the report is for information only.

## **7 Legal Implications**

7.1 The report is for information only so there are no specific legal consideration.

## **8 Financial Services**

8.1 As contained within the report

## **9 Business Strategy**

9.1 Warwick District Council has adopted a Business Strategy which sets out key areas for service delivery.

9.2 Health, Homes, Communities – Provide waste collection and recycling services to households in the District

9.3 Green, Clean, Safe – the contract promotes increased recycling and also a duty to work with the contractor to reduce waste and carbon emissions

9.4 Infrastructure, Enterprise, Employment – Helps to promote sustainability in the district

9.5 Effective Staff – joint working provides aims to provide benefits in efficiency and effectiveness

9.6 Maintain or Improve Services - Facilitates improvements in waste recycling

9.7 Firm Financial Footing over the Longer Term – gives greater certainty on costs and income

## **10 Environmental/Climate Change Implications**

10.1 The aim of the contract was to increase the amount of recycle within the district and significantly reduce the level of residual black bin waste.

## **11 Analysis of the effects on Equality**

11.1 The report is for information and no Equality Impact Assessment is required.

## **12 Data Protection**

12.1 There are no specific data protection considerations for the report as it is for information only and does not include any personal data.

## **13 Health and Wellbeing**

13.1 The report sets out concerns about the health implications of waste collections in specific locations where concerns have been raised about the frequency and approach to collection. These are being reviewed with a view to bringing proposals forward as part of the budget setting process.

## **14 Risk Assessment**

14.1 None directly as this is a review of first year operations

**Background papers:** None

**Supporting documents:** None