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Tuesday, 17 September 2019

Dear Sir/Madam

## **LEISURE, PARKS & WASTE MANAGEMENT (OVERVIEW AND SCRUTINY) COMMITTEE**

A meeting of the Leisure, Parks & Waste Management (Overview and Scrutiny) Committee has been arranged to take place **WEDNESDAY, 25TH SEPTEMBER, 2019 at 6.00 PM IN THE COMMITTEE ROOM** District Council House, Lichfield to consider the following business.

Access to the Committee Room is via the Members' Entrance.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Neil Turner', is written in a cursive style.

Neil Turner BSc (Hons) MSc  
**Director of Transformation & Resources**

**To: Members of Leisure, Parks & Waste Management (Overview and Scrutiny) Committee**

Councillors Matthews (Chairman), Banevicius (Vice-Chair), Silvester-Hall (Vice-Chair), Baker, Barnett, L Ennis, Ray, Salter, Tapper, Warfield, Westwood, M Wilcox and B Yeates



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## AGENDA

1. Apologies for Absence
2. Declarations of Interests
3. Minutes of the Previous Meeting 5 - 8
4. Work Programme 9 - 10
5. Resources and Waste Strategy for England 11 - 18
6. Joint Waste Service Fit For Future Review - Approach 19 - 24



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**LEISURE, PARKS & WASTE MANAGEMENT (OVERVIEW AND SCRUTINY)  
COMMITTEE**

**12 JUNE 2019**

**PRESENT:**

Councillors Matthews (Chairman), Banevicius (Vice-Chair), Silvester-Hall (Vice-Chair), Barnett, L Ennis, Ray, Salter, Tapper, Warfield, Westwood and M Wilcox.

(In accordance with Council Procedure Rule No.17 Councillors E. Little, Pullen, Eadie, Strachan attended the meeting).

**1 APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Baker and B. Yeates.

**2 DECLARATIONS OF INTERESTS**

There were no declarations of interests.

**3 MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting as circulated were signed by the Chairman as a correct record.

**4 TERMS OF REFERENCE**

The terms of reference for the Committee were circulated for noting by members

**RESOLVED:** That the Terms of Reference as taken from the Lichfield District Council Constitution be noted.

**5 WORK PROGRAMME**

The Committee received the work programme for the forthcoming year. It was noted that Members could suggest further items at any time to the Chairman or Overview & Scrutiny Officer.

**RESOLVED:** That the work programme be noted.

**6 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED:** That, as publicity would be prejudicial to public interest by reason of the confidential nature of the business to be transacted the public and press be excluded from the meeting for the following item of business which would involve the likely disclosure of exempt information as defined in **Paragraph 4 of Part 1 of Schedule 12A** of the Local Government Act 1972 as amended.

**IN PRIVATE**

## 7 FRIARY GRANGE LEISURE CENTRE

*This item was originally heard in private however it has been agreed that it is in the public interest to publish the minutes*

The Committee received a report on the challenges regarding the Friary Grange Leisure Centre and to consider options to invest to continue operations over the next 5 years or to close the facility by 30 April 2020.

It was reported that due to the academisation of the Friary School Staffordshire County Council (SCC) had issued Lichfield District Council (LDC) with a 12 month notice to the 1971 Joint User Agreement and in consequence, LDC had issued Freedom Leisure with notice for the same period in order to comply with its contractual requirements. Members noted that it was the intention of the school to have use of the sports hall and all weather pitch from 1 May 2020.

It was then reported that SCC had presented LDC with a draft Heads of Terms for a 10 year full repairs and maintenance lease for the remaining elements of the site including the swimming pool however this was not favourable especially as it removed the lucrative commercial elements of the facility.

It was noted that investment was required imminently to ensure the continued use of the facility. It was noted that the condition survey carried out was only a visual one and it was most likely that estimated costs would increase when work began.

Members focused on a number of areas during their discussion and the first was clarity around the Sports England grant. It was confirmed that the grant was awarded to SCC however they entered into a Passport Agreement that transferred the obligations to LDC. It was reported that it was hoped any clawback would be reduced but if not it had been factored into the financial implications. It was noted that there was no end date to the obligations.

Short term plans if closure was agreed were discussed and it was reported that Officers were already working on potential mitigation plans. It was reported that swimming especially swimming clubs would be the most difficult to organise however neighbouring areas and private facilities could be utilised. There were concerns that there was not the capacity for Burntwood Leisure Centre to take on any more school or child swimming.

There was discussion on the merits of trying to reopen negotiations with SCC and the school to reduce the burden of the cost of investment needed to keep the centre open even if shorter term whilst a longer term plan was being formulated. It was felt that although not a statutory requirement, having leisure facilities was a desire from residents. It was reported that LDC and SCC had already been in discussions and all avenues had been explored but the county council had no intention to invest or contribute to capital works.

Longer term plans were then discussed and it was reported that it was factored into the Local Plan to have provision however this could be private suppliers. It was noted that future work would take place during the coming to determine future leisure provision requirements and how they might be met.

Staffing was discussed and what support there would be and it was confirmed that conversations with Freedom Leisure had taken place and they would manage the process and place staff in other facilities to minimise redundancies and give assistance where required.

There were requests to further negotiation with SCC to create a short term stop gap plan and concerns were raised regarding an increased impact on Burntwood Leisure Centre and residents, the overall view of the Committee was to recommend that Cabinet proceed with the

preferred option. It was agreed that the Overview & Scrutiny Committee be involved in any mitigation and communications planning to aid with a smooth withdrawal.

**RESOLVED:** That the following be recommended to Cabinet:

1. For Lichfield District Council to exit the building by April 2020 because of the unfavourable terms of a new lease being proposed by Staffordshire County Council, the current poor condition of the building and the level of investment that would be required to make good;
2. To work with Freedom Leisure to manage an orderly withdrawal of the leisure service at Friary Grange Leisure Centre by the end of April 2020;
3. To identify any possible alternative provision for leisure centre users and consider how a transition to these could be facilitated; and
4. To develop a proposal within the next 12 months for how current and future leisure needs for the district could be met.

(The Meeting closed at 7.10 pm)

CHAIRMAN

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**LEISURE, PARKS AND WASTE MANAGEMENT (OVERVIEW AND SCRUTINY) COMMITTEE DRAFT WORK PROGRAMME FOR  
2019-2020 (v1)**

Item	12 Jun 2019	25 Sept 2019	16 Jan 2019	26 March 2019	Details/Reasons	Officer	Member Lead
<b>Policy Development</b>							
Terms of reference					Annual review of the terms of reference of the Committee	CL	
Garrick Theatre					Review of CSA	RKK	
Review of Parks Events Portfolio				✓	Overview of the 2019 events portfolio within LOPS		
Friary Grange Leisure Centre	✓				Update	RKK	EL
Freedom performance	✓				By briefing note	JS	EL
Joint Waste Service Fit For Future Review -Approach		✓			To note the approach that has been taken for the fundamental reviews of the Joint Waste Service and Lichfield's trade services	RKK	EL
Resources and Waste Strategy for England		✓			To note the proposals contained in the Government's Resource and Waste Strategy and the potential impact they may have on the Joint Waste Service if adopted		
Delivery of PASS					With particular regard to its relationship to the health and wellbeing strategy; its impact on obesity.	RKK	EL
Opportunities for events at Chasewater					Emphasised that the Council no longer manages the facility however could discuss opportunities with SCC	RKK	EL
Football Pitch Review					By briefing note		
Bowling Clubs Update					By briefing note		
Waste review					Special meeting in November (to be arranged)		

**LEISURE, PARKS AND WASTE MANAGEMENT (OVERVIEW AND SCRUTINY) COMMITTEE DRAFT WORK PROGRAMME FOR  
2019-2020 (v1)**

Item	12 Jun 2019	25 Sept 2019	16 Jan 2019	26 March 2019	Details/Reasons	Officer	Member Lead
Transfer of parks and open spaces					By briefing note		

## Resources and Waste Strategy for England

Cabinet Member for Recycling & Leisure

Date: 25<sup>th</sup> September 2019

Contact Officer: Nigel Harris

Tel Number: 01543 687549

Email: [nigel.harris@lichfielddc.gov.uk](mailto:nigel.harris@lichfielddc.gov.uk)

Key Decision? **NO**

Local Ward Members All Ward Members



**Leisure, Parks and  
Waste Management  
(Overview and  
Scrutiny) Committee**

### 1. Executive Summary

- 1.1 In December 2018 the Department for Environment Food and Rural Affairs (DEFRA) published the national Resources and Waste Strategy. The document sets out a long term vision for resource management in the UK with particular reference to the Circular Economy Package (CEP), which sets higher material capture targets and also the concept of full net cost recovery, requiring producers to cover the cost of dealing with certain packaging material placed onto the market.
- 1.2 On 18<sup>th</sup> February 2019 the Government released four accompanying consultations on consistency of collection, deposit return schemes, extended producer responsibility and a plastics tax. The first three consultations were issued by DEFRA and the latter by HM Treasury. The consultations were all issued at the same time because they interlink with each other. The deadline for the receipt of responses was 13<sup>th</sup> May 2019.
- 1.3 The Strategy and the consultations contain some significant changes in waste policy across the UK that will have fundamental impacts on local authority operations. The proposals for mandatory food waste collections, the greater separation of dry recyclables and the deposit return scheme are likely to have the biggest impact on operations.
- 1.4 The Government has also developed proposals to improve recycling from businesses that produce municipal waste. These include the segregation of dry recycle from residual waste and the recycling or composting of food waste.
- 1.5 Following extensive research and analysis the Staffordshire Waste Partnership agreed and drafted a collective response on behalf of the member authorities to the first three aforementioned consultations, consisting of approximately 230 individual questions. It was not deemed appropriate to respond to the consultation concerning a proposed plastics tax as many of the questions concerned technical aspects that the Partnership could not add value to.
- 1.6 On 23<sup>rd</sup> July 2019 DEFRA published its first response to the consultations. Further announcements will be made by DEFRA later this year and throughout 2020 so there will be uncertainty regarding the future direction of waste services for some time to come.

### 2. Recommendations

- 2.1 That Committee note the proposals contained in the Government's Resource and Waste Strategy and the potential impact they may have on the Joint Waste Service if adopted.

## 3. Background

3.1 The policy rationale and a summary of the proposals contained in each of the three consultations issued by DEFRA together with the impact they could have on the Joint Waste Service are detailed below:

### **Consistency of Collections**

Since 2001 household recycling rates in England have increased considerably from 11% to 45.2% in 2017. However, despite measures by government and local authorities in recent years, rates have remained at around 44/45%. While many local authorities continue to make improvements and have introduced new services, some have seen a drop in recycling rates or have stopped services such as food waste collection or do not collect the full range of recyclable materials. In addition, apart from Landfill Tax, which incentivised diversion from landfill disposal and has helped to increase recycling rates since it was introduced, there are very few current drivers to encourage local authorities to improve the way they recycle or for businesses to invest in recycling services. This makes it harder to improve the quantity and quality of what is recycled and frustrates householders who want to recycle more but who are increasingly confused over what can and cannot be recycled in their area. Members of the public, industry and other stakeholders have called for greater consistency in the materials collected for recycling as well as, to some extent, how it is collected.

The proposals include:

- to collect the same core set of dry recyclable materials from households
- have separate weekly food waste collections from households

Other measures contained in the consultation paper include:

- whether waste collection authorities should provide a free garden waste collection service for households with gardens.
- how to achieve greater separation of dry materials in collections, especially paper and glass to improve the quality of dry recyclables collected from households.
- whether statutory guidance on minimum service standards for waste and recycling services should be introduced.
- how to develop non-binding performance indicators to support local authorities to deliver high quality and quantity in recycling and waste management.
- how to support joint working between local authorities on waste; alternatives to weight-based targets; and having standardised bin colours for waste and recycling.

The potential implications for the Joint Waste Service are as follows:

- The Government wants every authority to collect plastic bottles and plastic pots, tubs and trays, glass packaging (bottles and jars), paper and card, and metal packaging. The Service currently meets this requirement but the availability of processing infrastructure and markets for the materials are out of the council's direct control. Therefore unless stable markets are developed the service may be faced with a situation where it cannot dispose of some of the materials it collects especially as the total tonnage collected in the country is likely to rise with every authority having to collect the same materials.
- The ambition to achieve higher levels of material quality could result in the Joint Waste Service having to change its collection methodology for dry recyclate. Currently the dry recyclate is collected comingled in the blue bin however this methodology typically results in higher levels of contamination. The Government would prefer local authorities to adopt multi stream or twin stream collections for dry recyclate. This would mean residents having to use additional

containers/bins to store and present their materials which can be particularly problematic for the occupiers of smaller dwellings. In addition the cost of purchasing and delivering the additional containers/bins to every property would be substantial. The service already has a looming disposal issue because the Aldridge MRF facility that it uses can no longer process comingled dry recycle. Biffa Waste who operate the plant had to change their operations in 2017 when China introduced a permanent ban on certain material exports and the company now have to send Lichfield and Tamworth's waste to a MRF in the North East for processing. The current contract expires in 2022 and Biffa Waste have advised both councils that they will not tender again on the current arrangements. Therefore the Joint Waste Service will probably have to change the way it collects dry recycle irrespective of whether there is a formal requirement to do so because there are no other local disposal facilities plus the service does not have a transfer station it can use.

- The cost of providing weekly food collections to all households in Lichfield and Tamworth is estimated to be around £1 million per annum. The Strategy states that the Government will ensure local authorities are resourced to meet any new costs arising from this policy including upfront transition costs and ongoing operational cost but there is no detail on the level of funding. The service will also have some difficulty in housing the additional trucks required to provide the food waste collections as space at the Burntwood Depot is very constrained.
- The Joint Waste Service introduced a charge for garden waste collections in 2018. The income received in the first year exceeded £1.4 million which would be a substantial amount of money to lose if the power to charge were removed. The Resources and Waste Strategy states that the garden waste service should be provided free of charge through the growing season and the Government will ensure that local authorities are resourced to meet new net costs arising from this, including upfront transition costs and ongoing operational costs. However it is highly likely that there would be a significant shortfall between any such payment and the income currently received.

### **Deposit Return Schemes**

A Deposit Return Scheme (DRS) would see a deposit added to the price of in-scope drinks containers at the point of purchase, which would be redeemed when consumers return their empty drinks containers to designated return points. If introduced, the Government anticipate that a DRS will help reduce the amount of littering, boost recycling levels for relevant material, offer the enhanced possibility to collect high quality materials in greater quantities and promote recycling through clear labelling and consumer messaging. The consultation proposes that the materials included in a DRS could be PET and HDPE plastic bottles, steel and aluminium cans, and glass bottles. It is proposed that a broad range of drinks, including water, soft drinks, juices, alcohol, and milk-containing drinks, where they are sold in containers made of these materials, could be included in a DRS. The Government does not propose including milk (or plant-based drinks such as soya) within scope of a DRS as it is considered by many as an essential product which is only widely available in containers.

All producers of drink beverage products that would fall within the scope of a DRS would be mandated to join the DRS and be obliged to meet high collection rates set by government. As all items under consideration for inclusion in a DRS are packaging, government would need to ensure that any reformed packaging producer responsibility system takes this into account. Any DRS would need to have a central body or organisation to manage its operation, which would include overseeing financial and material flows, logistics, infrastructure maintenance, and reporting. The Government envisage this role to be undertaken by a new not-for-profit body, the Deposit Management Organisation (DMO), which would be established for the purpose of running the DRS. The DMO would be funded by fees paid by producers and revenue obtained from collected DRS material sent on for recycling. The Government also sought views in the consultation on whether unredeemed deposits should also be used to part-fund the running of the DRS system. Drinks containers within a DRS could be returned

either via an automated return point using a reverse vending machine (RVM), which could be hosted, for example, by large retailers in supermarkets as well as potentially in areas of high footfall such as transport hubs, or via a manual return point that could be hosted by small retailers and involve containers being returned over-the-counter. Those hosting return points would be paid a handling fee by the DMO to reimburse them for associated costs. Due to the proposed management of financial flows, a monitoring and enforcement body would be needed to monitor and audit DMO operations to ensure the system is operating fairly and transparently.

Local authorities are important stakeholders for a DRS due to its interaction with their waste collection duties. A DRS may move higher-value recyclable materials away from local authority collections, which will reduce their income from the sale of these materials. The Joint Waste Service currently receives around £350k per annum from the sale of its dry recyclate via the disposal contract it has with Biffa Waste Services Ltd and £1 million per annum from recycling credits paid by Staffordshire County Council. No attempt has been made to try and estimate how much income the Joint Waste Service is likely to lose because there is currently insufficient detail on how any scheme would work. It has also been difficult to evaluate whether the DRS will reduce the cost of dealing with litter. The Strategy does state that the UK government will ensure that local authorities in England are resourced to meet new net costs arising from the policies that flow from the Strategy, including upfront transition costs and ongoing operational costs but again there is no detail.

### **Extended Producer Responsibility**

The UK has had a system of producer responsibility for packaging in place since 1997. This has helped to drive recycling of packaging waste from 25%, 20 years ago to 64.7% in 2016. Over this period the UK has met all national and EU packaging waste recycling targets, and the cost of compliance to business has been kept low when compared to other Member States. However, like any system that is over 20 years old, it is in need of reform. Stakeholders have expressed concerns over the transparency of the system including; how income from the sale of evidence has supported packaging waste recycling, that local authorities receive limited direct financial support for managing packaging waste and that there is not a level playing field for domestic reprocessing. It has been estimated that packaging producers only pay for 10% of the cost of packaging disposal and recycling, leaving taxpayers to foot the bill for the remaining 90%.

Additionally the government is committed to maximising value from the country's resources and minimising waste through the circular use of materials. In a number of policy documents, commitments have been made to exploring ways to better incentivise producers to manage resources more efficiently. This includes placing responsibility on businesses for the environmental impact of their products and for the full net costs of managing products at end of life.

The Governments ambitions have increased too and recent months have seen a rise in the public consciousness when it comes to the need to tackle packaging waste. There is a desire for unnecessary and difficult to recycle packaging to be reduced substantially, more packaging designed to be recyclable and made from recycled material and more packaging waste to be recycled. Stakeholders also want fewer packaging items to be littered and for it to be easier for people and businesses to recycle their packaging waste. Reforming the packaging waste system fits with these ambitions and the commitments made by all national governments in the UK.

The management of packaging waste costs local authorities in the region of £820m per year. The proposals in the consultation mean that the funding to meet these costs will transfer from central government and local taxpayers to businesses; local authorities will be paid by producers for collecting and managing packaging that arises in household waste. Local authorities will have to collect all recyclable packaging that is identified for collection through household collection services. Collection services will have to meet with any minimum collection standards that are required. This will lead to more consistent service provision across the country.

The Government is proposing that there will be three components to producer payments to local authorities for managing packaging waste as detailed below:

- Payment for the cost of providing a recycling collection service
- Recycling payment for the amount of packaging waste collected and recycled.
- Residual waste payment related to the cost of managing household packaging waste in residual waste; that is packaging that cannot be recycled and packaging that can be recycled but has not been captured for recycling.

The consultation proposes that unitary authorities would receive all three payments. For authorities in two-tier local authority areas in England which includes Lichfield and Tamworth the Government has said that it would need to consider how payments could be made between collection and disposal authorities. Therefore it is too early to make an assessment of the funding that the Joint Waste Service is likely to receive from extended producer responsibility.

3.2 DEFRA's first response to the consultations that it received from stakeholders was issued on 23<sup>rd</sup> July and contained the following:

#### **Consistency of collections**

- The government will seek to amend legislation to require all English local authorities to collect at least the following dry materials from 2023:
  - glass bottles and containers – including drinks bottles, condiment bottles, jars.
  - paper and card – including newspaper, cardboard packaging, writing paper.
  - plastic bottles – including clear drinks containers, HDPE (milk containers), detergent, shampoo and cleaning products.
  - plastic pots tubs and trays.
  - steel and aluminium tins and cans.
- Mandatory weekly food waste collection by the end of 2023 (subject to existing local authority contract conditions) and they will consider whether a minimum service standard of alternative weekly collection for residual waste is required.
- The Jury is out on free garden waste collection and this is subject to further consultation.
- Consultation on minimum service standards guidance would take place later in 2019 or early 2020.
- There is support for mandatory collections of commercial (trade) food and recyclable wastes.

#### **Deposit Return Scheme:**

- Defra's next steps will be:
  - to seek primary powers to implement deposit return schemes in the Environment Bill.
  - to hold a second consultation in 2020 on the regulatory framework for introducing a DRS through secondary legislation.
  - following the second consultation, the introduction of a DRS from 2023.
- Defra anticipate the DRS could be drinks containers up to 3L in volume, but the final upper limit will be subject to the outcome of additional evidence and further stakeholder engagement. The specific details of a DRS, including the material and drinks to be included in scope, will be developed further and presented in the second consultation.

#### **Extended Producer Responsibility**

- It is proposed to introduce Extended Producer Responsibility in 2023. HM Government will seek primary powers in the Environment Bill to enable the introduction.
- Kitchen foil, cling film, jiffy bags, disposable cups and sandwich bags to be included within a packaging EPR system.
- A majority of respondents (74%) agreed with the proposal for producers to fund the costs of collecting and managing household and household-like packaging waste.
- A majority of respondents (60%) agreed that packaging for commercial / industrial applications should be out of scope for full net cost recovery given that business already incurs the cost of managing this waste.
- Further work is required to determine the scale and associated costs of managing packaging waste that is generated 'on-the-go' and is littered.
- There was strong support for the three elements proposed for producer payments to local authorities for managing packaging waste:
  - Payment for the cost of providing a recycling collection service (77% agreed).
  - Recycling payment for the amount of packaging waste collected and recycled (91% agreed).
  - Residual waste payment related to the cost of managing household packaging waste in residual waste (81% agreed).
- The majority agreed that payments to local authorities for collecting and managing household packaging waste should be based on provision of collection services that meet any minimum requirements and the collection of a common set of packaging materials. Further work will be taken forward to consider how funding will be allocated to local authorities.
- Respondents showed very strong support for using producer fees for communications campaigns at both national (90%) and local level (88%).
- There was very strong support (90%) for a mandatory obligation on producers to label their packaging as recyclable or not recyclable.

Alternative Options	1. None as the report is for information only.
Consultation	1. Tamworth Borough Council have been consulted on the content of the report.
Financial Implications	1. There are no financial impacts associated with the Resource and Waste Strategy at this stage because it only contains a set of proposals on the future direction of waste management in the country. However the consultations commenced a programme of wholesale review regarding local authority waste and recycling service provision and funding and the results pertaining to the consultations will impact upon Council finances in the medium to long term.
Contribution to the Delivery of the Strategic Plan	1. The provision of the Joint Waste Service plays a key role in assuring we have a clean, green and welcoming place.
Equality, Diversity and Human Rights Implications	1. These will be assessed when the proposals are known.



Crime & Safety Issues	1. These will be assessed when the proposals are known.
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GDPR/Privacy Impact Assessment	1. These will be assessed when the proposals are known.
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	If the Governments proposals become law there is a risk that the full cost of their implementation will not be covered.	Keep monitoring the Governments proposals.	Red

Background documents
DEFRA Resource and Waste Strategy for England

Relevant web links
<p>Consultation on Consistency in Household and Business Recycling Collections in England, available at:  <a href="https://consult.defra.gov.uk/environmental-quality/consultation-on-consistency-in-household-and-busin/">https://consult.defra.gov.uk/environmental-quality/consultation-on-consistency-in-household-and-busin/</a></p> <p>Consultation on Introducing a Deposit Return Scheme (DRS) in England, Wales and Northern Ireland, available at:  <a href="https://consult.defra.gov.uk/environment/introducing-a-deposit-return-scheme/">https://consult.defra.gov.uk/environment/introducing-a-deposit-return-scheme/</a></p> <p>Consultation on Reforming the UK Packaging Producer Responsibility System, available at:  <a href="https://consult.defra.gov.uk/environmental-quality/consultation-on-reforming-the-uk-packaging-produce/">https://consult.defra.gov.uk/environmental-quality/consultation-on-reforming-the-uk-packaging-produce/</a></p>

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## Joint Waste Service Fit For Future Review - Approach

Cabinet Member for Recycling & Leisure

Date: 25<sup>th</sup> September 2019

Contact Officer: Nigel Harris

Tel Number: 01543 687549

Email: nigel.harris@lichfielddc.gov.uk

Key Decision? **NO**

Local Ward Members All Ward Members affected



**Leisure, Parks and Waste Management (Overview and Scrutiny) Committee**

### 1. Executive Summary

- 1.1 A fundamental review of the Joint Waste Service which the authority delivers in partnership with Tamworth Borough Council commenced in April 2019 as part of the Fit for the Future Programme. This follows a fast service review which was completed in October 2018.
- 1.2 A brief was prepared and proposals sought from suitably qualified organisations to help inform the future approach of the councils towards delivering better and more cost efficient waste collection services.
- 1.3 The key elements of the review included Service Delivery Benchmarking, SWOT Analysis, Service Delivery Options Assessment and Service Change Options. The consultants have also undertaken an assessment/observation of bin collection operations to assess productivity and compliance with health and safety standards.
- 1.4 The councils identified four Service Delivery Options to be considered by the review including: In-house, Local Authority Trading Company, Local Authority Trading Company Joint Venture and Outsourcing.
- 1.5 The Service Change Options included the introduction of food waste collections, reductions in residual bin capacity and twin stream recycling (mixed dry and paper/cardboard).
- 1.6 The Councils also identified a number of issues which needed to be considered by the review including the impact of the proposals contained in the Governments Resource and Waste Strategy which was published before Christmas last year.
- 1.7 Three tenders were received and following their evaluation a contract was awarded to Frith Resource Management.
- 1.8 A Project Board with terms of reference was established and it meets every two months. A representative from Tamworth Borough Council sits on the Project Board and the Consultants attend the meetings.
- 1.9 Key milestones and deadlines have been drawn up for the review which is due for completion by December 2019.
- 1.10 A workshop which involved elected members was held in June to review the collection observations and benchmarking, identify and agree service options for modelling and identify and agree the evaluation criteria for options.

- 1.11 The project has subsequently been expanded to include a review of Lichfield's trade waste services. The purpose of this review is to ascertain whether there are opportunities for the trade services to expand by competing directly with private operators in order to increase market share and deliver a surplus.
- 1.12 The consultants are due to complete their assessment work in early October.
- 1.13 A report that considers the consultants findings will be presented to a special meeting of the Overview and Scrutiny Committee on 18th November. Cabinet will then be presented with the final version of the report and recommendations in December. Tamworth Borough Council will adopt a similar approach.

## 2. Recommendations

- 2.1 That Committee note the approach that has been taken for the fundamental reviews of the Joint Waste Service and Lichfield's trade services.

## 3. Background

- 3.1 The Fit for the Future programme has created two distinct but related reviews that it uses as part of its approach for delivering transformational change across Lichfield District Council. The first of these is a fundamental service review, where the entire service area will be considered at a strategic level to determine how best to deliver the service in the medium to long term. The review will take several weeks to undertake and may take much longer to implement, as it will ask fundamental questions how the service is currently being delivered and how best to deliver it in the future. The second is a fast service review which is more focused on quickly delivering improvements to processes, systems or structures.
- 3.2 The waste service has been delivered in partnership with Tamworth Borough Council since 2010 and therefore it was only right and proper to invite our partners to participate in the review. A detailed brief for the review was prepared on the basis that both councils want to understand more clearly what we do, why we do it, the experience and expectation of our customers and whether we could achieve our required outcomes in a more cost effective and customer friendly manner.
- 3.3 Specifically, the councils want to understand the current performance of the service, in terms of operational and financial performance compared with similar councils that operate using a similar or alternative operating models. There is an expectation that the review would deliver a clear and reasoned recommendation as to the most advantageous operating model for the service in the future. In particular the councils were seeking insight into the following questions:
- How does the current operational and financial performance of the service compare when measured against similar sized Authorities using a similar delivery model?
  - How does the current operational and financial performance of the service compare when measured against similar sized Councils using alternative delivery models.
  - What are the main explanations for any differences between the Council's existing performance and the benchmarking findings?
  - Based on an assessment of options what is the optimal delivery option for the Council?
  - What are the key steps and timescales in adopting the optimal delivery model?
  - What are the estimated financial implications in adopting the recommended delivery model?
  - What is the likely impact on the customer experience of the recommended delivery model?

3.4 Details for the key elements of the review are as follows:

**Service Delivery Benchmarking**

The benchmarking of the councils’ waste collection services against other authorities for delivery and performance was undertaken prior to any modelling. This was done by identifying local authorities in England which provide joint waste services through three alternative delivery models: in – house, Local Authority Trading Company (LATC) (Teckal-exempt) and outsourced. The following factors were benchmarked:

- Waste arisings
- Recycling rate
- Collection performance
- Missed collections
- Resources – Vehicles, staffing
- Service cost

**SWOT Analysis**

The consultants undertook a strengths weaknesses, opportunities and threats (SWOT) analysis which was presented at the June 2019 workshop. The SWOT analysis sought to identify items and then allocate them to *more important, important and less important* categories for the evaluation of the four service delivery options. The SWOT analysis then sought to rank and evaluate the service delivery options excluding costs.

Table 1: SWOT analysis item categorisation

<b>More Important</b>
• Direct control
• Flexibility for service/legislative change
• Cost control
• Opportunities for service change cost savings/income
• All risks, including financial and service risks with councils
• Competitive costing
• Funding for recruitment and career development, driver pay rates
<b>Important</b>
• Trust of the public
• Direct line management
• Procurement time and cost
• Costs transparent to the Council
• No exit limitations and costs
• Flexibility for property growth
• Lower cost for borrowing capital
• Commercial waste services development
• Opportunity to integrate other services e.g. street cleansing
• Recruitment and retention of staff, LGV 2 driver pay rates
• Buying power for service change and new infrastructure
• LGPS requirements for labour
• Provision of staff for service management
• Knowledge to innovate
• Funding for public awareness and education
• Funding for new depot and transfer station
• Potential for service provision with other authorities
• Mobilisation for service change

- Provision of maintenance of plant and equipment

Less Important
• Risk of company bankruptcy
• Responsiveness to public
• Union management
• Lack of direct service expertise
• Lack of service health & safety experience and resources
• Member (political) influence and control
• Potential profit margin

**Service Delivery Options Assessment**

The four service delivery options (In-house, Local Authority Trading Company, Local Authority Trading Company Joint Venture and Outsourcing) have been evaluated according to the following criteria:

- Cost (50%)
- Flexibility to change (25%)
- Service control (25%)

The flexibility and control criteria were split into sub criteria and weighted according to their relative level of importance.

Table 2: Flexibility and Control sub criteria

Flexibility	Control
• Service Change	• Service control
• Legislative change	• Cost control
• Personnel recruitment	• Personnel management
• Personnel employment	• Transparency
• Capital investment	• Financial risks
• Competitive pricing	• Service provision risks
• Property growth	• Commercial services control
• Commercial services development	
• Other service integration	
• Authority partnership	

**Service Change Options**

Four service change options were modelled and assessments made of comparative costs and anticipated performance. The four options were:

- Option 1 – Existing service plus improvements
- Option 2 – Existing service plus food waste collections
- Option 3 – Reduced residual bin capacity plus food waste collections
- Option 4 – Twin stream recycling plus reduced residual bin capacity and food waste collections

3.5 The following issues were identified for inclusion in the review:

- The Government's Resources and Waste Strategy for England could have a significant impact on the future delivery of the service. In particular its proposals include mandatory food waste collections, deposit return schemes for drinks containers, standardisation of recycling collections and the removal of the power to charge for garden waste collections.
- There is a lack of local reprocessing infrastructure to serve the current method of collecting dry recycle (single stream comingled). The current disposal contractor is now having to bulk up and

send all our material to a MRF in the North East of England for processing because their local facility does not have the capability to sort materials to the specification required by the markets. In addition the service does not have the benefit of a transfer station under its control so there is a real risk the costs for the processing of dry recyclate will significantly increase when the contract expires in 2022.

- The Chinese ban on waste exports has increased the pressure on local councils to improve the quality of dry recyclate collected from the kerbside which is a difficult task bearing in mind the service is provided to 77,000 properties.
- The service experienced a drop in bin collection productivity when the task and finish working methodology was replaced by fixed hour working in 2013.
- There is a national shortage of qualified LGV Category 2 drivers and the service is struggling to recruit and retain staff for this role.
- The current job grading structure is a barrier to recruiting Team Leaders for the waste crews. There is no pay differential between the Team Leader post and an LGV driver. The absence of Team Leaders does have a negative impact on supervising the crews.
- The service is currently having to rely very heavily on agency support. This is because of difficulties in recruiting staff and a high sickness level. The over reliance on agency staff can cause service delivery problems.
- The location of the Burntwood Depot is not ideal. It is closer to Cannock than it is to the main population centres located in Tamworth and Lichfield. The depot is operating near to capacity with no options to expand on the existing site.
- There are a lot of new housing developments either under construction or with the benefit of planning approval in both boroughs. This is putting pressure on the collection infrastructure.

3.6 The additional brief for the review of Lichfield’s Trade Waste Services seeks to establish:

- Whether there is an opportunity for the service to compete directly with private sector providers in order to increase market share and deliver a surplus. This should include any opportunities that may arise from the proposals contained within the Government's Resources and Waste Strategy for England.
- The current performance of the service, in terms of operational and financial performance and what steps would need to be taken to enable the service to compete with other providers including any requirements for investment.

The key output of the review will be the preparation of a business case for consideration by the relevant committees should the study identify a viable opportunity to commercialise the Trade Waste Services.

Alternative Options	1. The review is being carried out in accordance with Lichfield’s Fit for the Future Programme therefore no alternative options were considered.
Consultation	1. Tamworth Borough Council. Members of Lichfield’s Overview and Scrutiny Committee attended the June workshop.
Financial Implications	1. The cost of employing the consultants for the review of the Joint Waste Service is £24,925 and this is being funded from the Fit for Future programme budget. The cost of the consultants undertaking the review of Lichfield’s waste services is £14,575 and this is being funded from savings in the Joint Waste Services budget.
Contribution to the Delivery of the	1. The provision of the Joint Waste Service plays a key role in assuring we have a clean, green and welcoming place.

Strategic Plan	
Equality, Diversity and Human Rights Implications	1. There are no equality, diversity and human right implications associated with the review.
Crime & Safety Issues	1. The review will not have an impact on any crime and safety issues.
GDPR/Privacy Impact Assessment	1. A Privacy Impact Assessment has not been undertaken because the review has not involved the handling of any personal data.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	The modelling and assumptions used in the review are inaccurate and lead to the wrong conclusions being drawn.	Employing professional consultants with experience of undertaking waste reviews. Use of Project Board to oversee the review.	Green.
B	Delays to the review.	Establish programme and milestones. Monitoring of progress by the Project Board.	Green
C	The two councils have different views on the outcome of the review and the recommendations.	Identify potential issues at an early stage. Political engagement at both Councils. Representation of both Councils on the Project Board.	Yellow
D	There is unlikely to be any further direction from the Government regarding the proposals contained in its Waste Strategy until early 2020 which could make it difficult for the Council to make a decision on the future direction of the service.	Keep monitoring the Governments proposals.	Yellow
E			

Background documents

Relevant web links