

Dual Stream Recycling: Procurement of Receptacles & Associated Financial Matters



CLlr Ashley Yeates , Cabinet Member for Climate Change and Recycling

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CABINET

Key Decision? YES
Local Ward Full Council
Members

1. Executive Summary

- 1.1 On 7th September 2021 Cabinet approved the introduction of Dual Stream Recycling in Lichfield from April 2022.
- 1.2 Cabinet also recommended to Council to update the Medium Term Financial Strategy for the financial implications associated in delivering the project. This included a capital sum of £229k for the purchase of bins and bags for both Lichfield and Tamworth residents.
- 1.3 Since Cabinet approval, work has started on procuring the bags and bins but unfortunately the market conditions have changed unfavourably in the last few weeks and as a consequence the cost of supply has risen significantly especially for the bags. As a consequence it is estimated that the capital programme will need to be increased by a further £100k with Lichfield's share being £59k.
- 1.4 Lichfield will fund the required additional allocation from its share of the Joint Waste Service's Property Growth Reserve.

2. Recommendations

- 2.1 That Cabinet recommend to Council to increase the Capital Programme in the Medium Term Financial Strategy for the purchase of bags/bins in 2021/22 to £329k. This will be funded by a contribution of £41,000 from Tamworth and the Council's share of £59,000, both from the Joint Waste Service's Property Growth Reserve.
- 2.2 That Cabinet delegate the awarding of the contract for the provision of kerbside recycling bags to the Cabinet Member for Climate Change and Recycling and the Head of Service for Operational Services.

3. Background

- 3.1 The introduction of Dual Stream Recycling in April 2022 will require the majority of Lichfield's residents to present their card and paper for recycling in a bag rather than the existing blue bin. This approach is also being taken by three other Staffordshire authorities who are making this change in 2022. For operational reasons, a small number of rural properties in Lichfield will be given an additional bin for the paper and card rather than a bag.

- 3.2 Until quite recently the cost of purchasing both bags and bins had been stable. The Staffordshire authorities modelled financial costs earlier this year, based on purchasing these items for prices in line with those paid by Newcastle-under-Lyme and Stafford Borough Councils when they both introduced Dual Stream collections last year. However all the potential suppliers have recently raised their prices significantly in a response to a tightening of international market conditions. Pre-procurement market engagement has indicated a £71k increase in the cost of the number bags required by the Joint Waste Service.
- 3.3 Similar and continuing price rises are being seen across a range of commodities. This is especially the case where there is a reliance on imports; the reusable recycling bags under consideration are not produced domestically. For this reason, it is proposed to increase the capital allocation for the purchase of the bags by £100k to provide some additional headroom beyond the cost increase indicated by the pre-procurement market engagement.
- 3.4 The current disruption to import markets also presents a risk to getting the bags supplied in time for a transition to dual stream collections in April 2022. Officers across the Staffordshire Waste Partnership will continue to engage with providers to encourage compliance with the detailed procurement timeline that has been proposed. Contingency options for bags not being delivered in time will also be explored.
- 3.5 The Council is proposing to purchase the bags in partnership with three other Staffordshire Authorities that are also introducing Dual Stream collections next year. Following an assessment of procurement options, officers from the five authorities (Lichfield, Tamworth and three other Staffordshire authorities) have agreed that the most appropriate procurement route is a mini competition using the YPO public sector framework. This option should deliver good value and help mitigate the risk of late delivery; YPO's suppliers can also provide bags to the required quality.
- 3.6 The bins will also be purchased using a framework however Lichfield and Tamworth are the only authorities providing an additional bin to its rural properties.
- 3.7 A detailed timetable has been built into the procurement programme for the potential suppliers to comply with in order to mitigate the risk of late delivery.

Alternative Options	<ol style="list-style-type: none"> 1. There are no viable alternative options as the introduction of Dual Stream collections requires residents to be provided with an additional receptacle for paper and card. 2. Other procurement approaches will substantially increase the risk of cost increases and delays to supply.
Consultation	<ol style="list-style-type: none"> 1. Tamworth Borough Council as our partners in the Joint Waste Service. 2. Staffordshire Waste Partnership
Financial Implications	A £100k increase to the Capital Programme in the Medium Term Financial Strategy for the purchase of bags/bins in 2021/22 (to a revised total of £329k) will be required. This will be funded from the Joint Waste Service's Property Growth Reserve.
Approved by Section 151 Officer	Yes
Legal Implications	Due to the potential value of the contract, a procurement process complaint with the Public Contract Regulations 2015 is required.

Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	The provision of the Joint Waste Service a plays a key role in assuring we have a clean, green and welcoming place
Equality, Diversity and Human Rights Implications	There are no equality, diversity and human right implications associated with implementing the recommendation. An Equality Impact Assessment has been completed and confirms that that vulnerable residents can use this system safely – the existing system of assisted collections will continue and be expanded to encompass the revised collection system.
Crime & Safety Issues	There are no crime and safety issues associated with implementing the recommendation.
Environmental Impact	Of the available options, dual-stream collection and disposal is considered likely to deliver the best recycling rates
GDPR/Privacy Impact Assessment	There are no GDPR or privacy impact issues associated with this report as it contains no personal data or reference to personal data.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Further increase in costs	Likelihood : Yellow Impact : Red Severity of Risk : Red	Purchasing the bags in partnership with other Staffordshire Authorities and running a mini competition using the YPO framework.	Likelihood : Green Impact : Red Severity of Risk : Yellow
B	Delays in delivery of the bags and bins	Likelihood: Yellow Impact: Red Severity of Risk: Red	A detailed timetable has been built into the procurement programme for the potential suppliers to comply with. Contingency options are being explored with the other Staffordshire authorities in the procurement process.	Likelihood: Green Impact: Red Severity of Risk: Yellow

Background documents

September Cabinet – Introduction of Dual Stream Recycling in 2022 & Associated Financial Matters <https://democracy.lichfielddc.gov.uk/documents/s11108/Item%20-%20Introduction%20of%20Dual%20Stream%20Recycling%20in%202022%20and%20Associated%20Financial%20Matters.pdf>

Relevant web links