

# Dual Stream Recycling Financial Matters update

CLlr Ashley Yeates , Cabinet Member for Climate Change and Recycling

Date: 14 December 2021

Agenda Item: 10(b)

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Key Decision? YES

Local Ward Full Council

Members



**COUNCIL**

## 1. Executive Summary

- 1.1 Dual Stream recycling will be introduced in spring 2022 in both Lichfield and Tamworth. Cabinet and Council have agreed both the policy and the financial implications of this service change.
- 1.2 Subsequent to the update of the MTFs agreed by Council 12 October 2021, the procurement process for the kerbside recycling bags has been completed. This has identified that the costs of the bags will be higher than initially projected – reflecting the tightening of international market conditions.
- 1.3 Given the need to act expediently to deliver the service change in spring 2022, a transfer of resources from the Joint Waste Service’s reserve to the capital allocation for the dual-stream project was agreed by Cabinet 9 November 2021.

## 2. Recommendations

- 2.1 That Council update the Medium Term Financial Strategy based on the additional financial implications of Dual Stream Recycling, specifically:
  - to increase the Capital Programme in the Medium Term Financial Strategy for the purchase of bags/bins in 2021/22 by £100k from £229k 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.

## 3. Background

- 3.1 The introduction of Dual Stream Recycling in 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. Initial pre-procurement market engagement suggested a £71k increase in the cost of the number bags required by the Joint

Waste Service. The actual procurement process has identified the actual cost increase to be just under £25k.

- 3.3 Similar and continuing price rises are being seen across a range of commodities, especially where there is a reliance on imports. For this reason, it is proposed to increase the capital allocation for the dual-stream transition by £100k to provide some additional headroom to ensure that the project can be delivered in spring 2022.

Alternative Options	<ol style="list-style-type: none"> <li>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.</li> <li>2. Other procurement approaches will substantially increase the risk of cost increases and delays to supply.</li> </ol>
Consultation	<ol style="list-style-type: none"> <li>1. Tamworth Borough Council as our partners in the Joint Waste Service.</li> <li>2. Staffordshire Council as the WDA.</li> </ol>
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) should provide adequate capacity to deliver this project. This will be funded from the Joint Waste Service's Property Growth Reserve. In the event the budget is not fully allocated, any remaining budget will be returned to the Joint Waste Service's property growth reserve.
Approved by Section 151 Officer	Yes
Legal Implications	There are no legal implications associated with this proposal.
Approved by Monitoring Officer	
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	<p>There are no equality, diversity and human right implications associated with implementing the recommendations on the Future of the Dry Recycling Service.</p> <p>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.</p>
Crime & Safety Issues	There are no crime and safety issues associated with implementing the recommendations.
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.
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	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 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

October Cabinet – Dual Stream Recycling: Procurement of Receptacles & Associated Financial Matters

Relevant web links