

## Cyngor Sir CEREDIGION County Council

<b>REPORT TO:</b>	Thriving Communities Overview and Scrutiny Committee
<b>DATE:</b>	27 July 2022
<b>LOCATION:</b>	
<b>TITLE:</b>	Review of Waste Management Services- consultancy support
<b>PURPOSE OF REPORT:</b>	To seek support for a proposed way forward for the review of CCC's waste service
<b>REASON SCRUTINY HAVE REQUESTED THE INFORMATION:</b>	

### **BACKGROUND:**

The Council's latest Waste Management Strategy covered the period 2014-18 and has underpinned the direction of the waste management service since. The strategy led to:

- A rationalisation of bring bank provision.
- The development of contracts for the treatment rather than disposal of residual waste.
- A review of kerbside collection options, and subsequent implementation of the current model which was subject to democratic approval.
- A review of waste infrastructure, including Household Waste Sites ("HWS") and Waste Transfer Stations ("WTS").
- Improved contract monitoring and management arrangements.
- Increase in recycling performance from 58.4% in 2013/14 to 70.2% in 2020/21.
- A significant reduction in the amount of waste being generated.
- Ceredigion consistently being in the top 4 highest performers in Wales.
- Less than 5% of municipal waste now being sent to landfill.
- Cost-effective services, illustrated from national benchmarking data.

A new strategy is required to set out the future direction of the service, with specific regards to the county's HWS, next kerbside collection model and WTS arrangements.

### **Household Waste Sites**

The HWS at Cardigan, Llanarth and Aberystwyth are owned by CCC and operated under contract to local waste management companies, with the contracts being subject to regular

procurement exercises. A fourth site at Lampeter is owned and operated under contract by a private contractor. All four contracts are due to expire in January 2024.

The three CCC-owned sites are legacy sites. The scale and location of some of these sites limits access and development opportunities for the future. The site in Lampeter has seen some investment in the last 10 years, but its private ownership carries risks and issues.

The service has committed to review the HWS provision in terms of the number and location of the sites, the opening hours, materials accepted, and commissioning/operation options.

Experience has shown that any proposed changes to the HWS to reflect changing financial, legislative and WG strategic direction have been particularly difficult to progress as they are highly valued in their present form.

### **Waste Transfer Stations**

CCC successfully operates a WTS in Aberystwyth, which is used as a bulking facility for waste streams collected in the north of the county. Facilities for waste collected in the south of the county are currently provided by third parties. There is an opportunity to develop a WTS at the Council's Penrhos Depot and this option is currently being explored. In the meantime, access to third party facilities continues to be procured.

### **Contracted out facilities**

There are benefits and disbenefits with both contracted-out and in-house services. With any facilities operated under contract to third parties any changes to the service requirements during the lifetime of the respective contracts (e.g. days or hours of operation, materials accepted) are subject to negotiation with the operators. This can lead to delays in changes being introduced and/or increase in costs. The dynamic and integrated nature of the waste industry means that it can be difficult to take a holistic service-wide approach when there are mix of in-house and contracted services.

### **Kerbside Collection Model**

The principal debate for Local Authorities in Wales has for many years been around whether to collect co-mingled recyclate, or to adopt WG's preferred method of kerbside sort. There has been a shift across Wales towards kerbside sort since WG published its Collections Blueprint in 2012. Currently 13 LAs have adopted the Blueprint, 3 LAs have a 3-stream system, 1 has an alternate weekly service and 5 LAs have a co-mingled service, including CCC. However more LAs have announced plans to move towards the Blueprint.

CCC's current co-mingled kerbside collection model was implemented in 2019 following a lengthy and iterative analysis of options modelling, followed by Member and public

consultation. The current model allows for the co-collection of waste streams from domestic properties and CCC's commercial waste customers, as this is considered to be the most efficient way to provide services in the county. At the last review it was considered that kerbside sort and co-mingled system would deliver a similar recycling performance. Kerbside sort was not considered to be necessary, practicable or deliverable under the current arrangements and without considerable infrastructure improvements, which would have led to unacceptable delays.

While the current co-mingled service has enabled the Council to meet and exceed WG recycling targets to date, a number of risks have been identified:

- WG recycling targets are set to increase, with a view to reaching zero waste by 2050.
- WG is considering options for changing the way performance is measured, with an emphasis on recycling target materials that deliver the greatest carbon reduction potential.
- Proposed changes to legislation with regard to commercial recycling is at odds with the collection service in place in Ceredigion, as it requires the separate collection of commercial recyclate streams.
- The proposed Deposit Return Scheme and Extended Producer Responsibility legislation are likely to have an impact on the volume and composition of recyclate available for collection. These impacts are currently unknown.
- Any changes by WG to legislation that currently allows for co-mingled collections of recyclate could impact CCC's ability to continue with its co-mingled approach to collection.
- As more LAs in Wales switch to kerbside sort the access to sorting facilities for co-mingled recyclate has reduced and this is a considerable risk. CCC's dry mixed recyclate is currently sorted at a facility in Northern Ireland.
- Current dependence on the private sector, which restricts flexibility and ability to respond to external and internal pressures
- Risks associated with the specific demography and geography of Ceredigion. Irrespective of the waste collection model chosen, due the volumes of waste generated and the distance from viable treatment solutions and material markets, it is highly likely that Ceredigion will be an exporter of its waste in the short to mid-term at least.
- The drive to ULEV and the carbon agenda in broader terms

Whilst co-mingled collections appear to perform well and offer an efficient way to collect recyclate in Ceredigion, the continued divergence from the WG preference puts at risk CCC's continued legislative compliance and WG support (being especially true in terms of financial support).

Although the kerbside collection fleet is not due for replacement for another 3 - 4 years, the options appraisals for kerbside collection models have in the past taken considerable time to consider. In addition, the lead-in time for vehicles is currently in the order of 18 months from the point of order. This is further complicated as we consider the approach to ULEV transition which all Local Authorities are expected to complete by 2030.

There are potential opportunities and benefits from considering the kerbside model and HWS infrastructure as an integrated system. These potential opportunities extend to infrastructure/HWS design and management of materials. It would therefore be appropriate to commence a review of the two services during 2022, with the timing being dominated by the expiry of the HWS contracts in early 2024.

A review of the WTS provision would be undertaken in-house and the outcome would feed into the larger service review. This review would consider the development and in-house operation of a WTS at the Council's Penrhos Depot compared to the outcome of the WTS procurement exercise that has recently been undertaken.

## **PROPOSAL**

It is proposed to appoint external consultants to undertake the service review, who would work closely with the waste management service.

In order to avoid a lengthy options appraisal process, it is proposed that the service review would consider a rationalized number of options. The proposed scope of the consultancy work is set out below.

### Kerbside collection

- The number of options to be modelled will be restricted to:
  - Business as Usual
  - Kerbside-sort
  - With and without a residual waste volume restriction
- Consideration will also need to be given to:
  - Options for alternative fuels
  - Non-domestic waste collection service
  - Specific locations, such as hard to access properties, and areas of particularly high population density
- Explore opportunities for on-street litter, town centre recycling hubs and recycling bins.

### Household Waste Sites

- How changing the number, location, hours of opening and materials accepted at its Household Waste Sites would affect cost, performance and to understand the impact to service users
- Consideration will need to be given to the requirement for the development of modern fit for purpose, accessible and efficient sites

#### WTS

- CCC is currently undertaking a review of its WTS facilities, and the outcome of this will need to be considered
- Explore the opportunities for co-location of facilities, such as kerbside bulking facilities and HWS

#### Approach to service delivery

- Currently, the service is provided by a mixture of in-house and externally provided services. CCC wishes to understand the merits and risks associated with this approach, and to understand the relative costs and benefits of alternative approaches.

#### General

- CCC needs to understand the infrastructure investment required to deliver its future waste service. All analyses should include the full capital and revenue cost of additional infrastructure as appropriate

### **Proposed political engagement process**

The waste service is seen as being one of the most important Council services to many stakeholders, and any changes have the potential to be challenging and contentious. It is considered important therefore to agree at the outset how the service review would be managed and communicated within the organisation, so as to ensure a smooth decision-making process.

To help with the decision-making process, it is proposed that the waste service works closely with the Thriving Communities Overview and Scrutiny Committee throughout the service review process, and to seek political approval from this Committee on a regular basis as the project progresses.

### **RECOMMENDATIONS**

It is recommended that the Committee:

- Notes the current situation, identified risks and need for a service review
- Agrees to the appointment of an independent consultancy service to undertake the service review, in close liaison with the waste service
- Agrees that the service review will be limited, in broad terms, to the scope set out in this report

<ul style="list-style-type: none"> <li>Agrees that the Committee takes an active role in the project, and a leading role in the political engagement and approvals process</li> </ul>															
<b>WELLBEING OF FUTURE GENERATIONS:</b>	<table border="1"> <tr> <td><b>Has an Integrated Impact Assessment been completed? If not, please state why</b></td> <td>No The report does not propose a change to policy or services</td> </tr> <tr> <td colspan="2"><b>Summary:</b></td> </tr> <tr> <td><b>Long term:</b></td> <td></td> </tr> <tr> <td><b>Integration:</b></td> <td></td> </tr> <tr> <td><b>Collaboration:</b></td> <td></td> </tr> <tr> <td><b>Involvement:</b></td> <td></td> </tr> <tr> <td><b>Prevention:</b></td> <td></td> </tr> </table>	<b>Has an Integrated Impact Assessment been completed? If not, please state why</b>	No The report does not propose a change to policy or services	<b>Summary:</b>		<b>Long term:</b>		<b>Integration:</b>		<b>Collaboration:</b>		<b>Involvement:</b>		<b>Prevention:</b>	
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<b>REASON FOR RECOMMENDATION (S):</b>															
<p>To ensure that the waste management service:</p> <ol style="list-style-type: none"> <li>Continues to comply with relevant legislation</li> <li>Meets WG statutory recycling targets</li> <li>Is cost effective and efficient</li> <li>Provides fit for purpose services and facilities which meet the reasonable expectations of customers</li> </ol>															
<b>Contact Name:</b>	Gerwyn Jones														
<b>Designation:</b>	Corporate Manager, Environmental Services														
<b>Date of Report:</b>															
<b>Acronyms:</b>	HWS = Household Waste Site WTS = Waste Transfer Station ULEV = Ultra Low Emission Vehicles														

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