

## **REGENERATION, COMMUNITY AND CULTURE OVERVIEW AND SCRUTINY COMMITTEE**

**28 JUNE 2012**

### **DCLG WEEKLY COLLECTION SUPPORT FUND – MEDWAY'S BID**

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#### **Summary**

In February 2012, the Secretary of State launched a challenge fund of £250 million aimed at encouraging local authorities to retain or reinstate weekly rubbish collections – a service Medway residents continue to receive. Having already satisfied the main criteria, Waste Services have investigated other ways in which a valid claim can be made to fund improvements to its services. As a result, a non-committal outline bid was recently submitted proposing that the council increase both recycling and organics collections to weekly in line with other refuse. This report describes the rationale underpinning that claim and the continued work towards the submission of a final bid in August.

#### **1. Budget and Policy Framework**

- 1.1 The following proposals rely on being awarded all funds necessary to make them possible. If implemented, it is anticipated that black sack waste will decrease as residents better utilise the recycling and organics collection services, which benefit from far cheaper disposal methods. Tonnage modelling commissioned by Waste Services predicts a potential £1.2 million saving over the guaranteed duration of the scheme due to this shift in behaviour.
- 1.2 Medway's overall recycling rate for 2010/11 (which includes data from all kerbside collection, household waste & recycling centres, bring sites and bulky waste service) was 36%. Modelling predicts that with recycling and organics collections being weekly, the council will comfortably push the overall rate towards 45%. This will mean Medway will be on the way to meeting the EU Waste Framework Directive target of 50% recycling of household waste by 2020.

1.2 Officers anticipate that weekly recycling and organics collections will be well received by residents.

## **2. Background**

2.1 The Department for Communities and Local Government (DCLG) has made up to £250 million available to support English councils who want to ensure residual and 'smelly' waste is collected weekly from their residents. Councils that already meet these criteria can bid for a share of this money by proposing 'additionality' to such services, e.g. upgrading other services to weekly collections. Bids can be for capital and/or revenue costs.

2.2 The funding period is over 2 ½ years ending March 2015. There will be a 5 year commitment to retain any service changes supported by the fund.

2.3 The main aim of this fund is to help:

- introduce, retain or reinstate a weekly collection of residual household waste. In addition, these collections must be supplemented by a separate recyclables collection at least once a fortnight; or
- propose improvements to an existing waste service which is already centred around a weekly residual collection, for example by improving environmental performance, increasing the affordability or sustainability of that service.

Within these aims, a proposal must:

- deliver a weekly collection of residual household waste to residents and in addition recyclables;
- deliver value for money (in terms of cost effectiveness); and,
- deliver an environmental benefit over current performance.

The hierarchal preference for collection frequencies is:

- a weekly residual collection alongside a weekly recyclables collection;
- a weekly residual collection with fortnightly recyclables collection.

2.4 Medway will not be able to bid solely for costs incurred through retaining the weekly residual collection, as this would show no additional benefits as required by the bidding process.

2.5 On 11 May, Waste Services submitted an outline bid that satisfies all of the above criteria. Officers anticipate detailed feedback on or before 22 June.

2.6 Any final bid must be signed-off by the Section 151 Officer and submitted to DCLG by 17 August 2012.

### **3. Bid proposal**

- 3.1 To increase the frequency of both dry recycling and mixed organics to weekly collections in line with current weekly residual service.
- 3.2 To enable this increase in frequency, the recycling and organics fleet will need to be significantly increased and maintained from commencement in April 2013 until contract expiry in September 2019.
- 3.3 The overall cost of the scheme is currently estimated at £17 million.
- 3.4 The final bid will seek funding for:
- All vehicles required for all three kerbside services (~44 vehicles),
  - 5 litre kitchen caddies and liners to complete a borough-wide delivery to all kerbside-collected households,
  - a communications campaign,
  - a project officer post,
  - the revenue cost of running all three kerbside services for two years.
- 3.5 Savings made from capitalising the new fleets - therefore extracting their cost from the contract's revenue cost - and not having to pay the revenue costs of all three services for two years, will be used to subsidise the increased service for the duration of the current collection contract. Please see the exempt appendix, paragraph 7.1.2 for further details on the financial model.
- 3.6 The bid has received support in principle from the Portfolio Holder for Front Line Services, the Chief Finance Officer and Regeneration, Community and Culture Departmental Management Team.

### **4 Advice and analysis**

- 4.1 Using free consultancy support from the Waste & Resource Action Programme (WRAP) - a government-funded advisory group co-ordinating sustainable waste solutions - a number of service scenarios were modelled. This work was commissioned prior to knowledge of the DCLG funding scheme but is being used to underpin the feasibility for weekly collections. WRAP will be part of the technical advisory group to DCLG.
- 4.2 Other than frequency, there will be no change in the way waste and recycling is collected and therefore no additional Diversity Impact Assessment considerations.

### **5. Risk management**

- 5.1 Although un-ringfenced, DCLG expect any funding to be returned if the council cannot demonstrate it has been used to deliver the improvements proposed.

5.2 The project risk register is attached in the exempt appendix attached to this agenda.

## **6. Consultation**

6.1 A letter of support has been received from the Medway Waste Forum, a local residents' think tank that focuses on waste issues.

6.2 A questionnaire has been circulated amongst the Council's Citizen Panel. Respondents, to date, demonstrate a desire for weekly collections of recycling and organics.

6.3 For the purposes of the bid criteria, the council can already evidence enough support from residents for its proposals.

## **7. Financial and legal implications**

### **7.1 Financial**

This section is contained within the exempt appendix and informs the Committee of the financial modelling for weekly collections.

### **7.2 Legal**

If the council is successful in its bid to DCLG, a report will be taken to the Procurement Board and Cabinet detailing the changes required in contract and procurement needs. At that stage the requirements of the Public Contracts Regulations 2006 will be taken in to account in determining the procurement of the additional services.

## **8. Timetable**

8.1 The final bid will be submitted to the DCLG by the Director of Regeneration, Community and Culture and the Chief Finance Officer in consultation with the Portfolio Holder for Front Line Services.

8.2 The timetable within which to progress the bid is extremely tight. Due to the complexities of the bid, it is unlikely a final draft will be ready for sign-off until the week before submission. It is proposed to progress the bid as follows:

28 June	Regeneration, Community and Culture Overview and Scrutiny Committee: high level principles-based report
10 August	Section 151 Officer sign-off
17 August	Submission to DCLG.

## **9. Recommendation**

9.1 The Committee's views are sought on the proposals set out in the report.

### **Lead officers:**

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### **Background papers:**

Supporting Weekly Collections: prospectus and bidding form for applicants –  
Department of Communities and Local Government

High-level Options Review for Medway –written by SKM Enviros, prepared by  
WRAP