

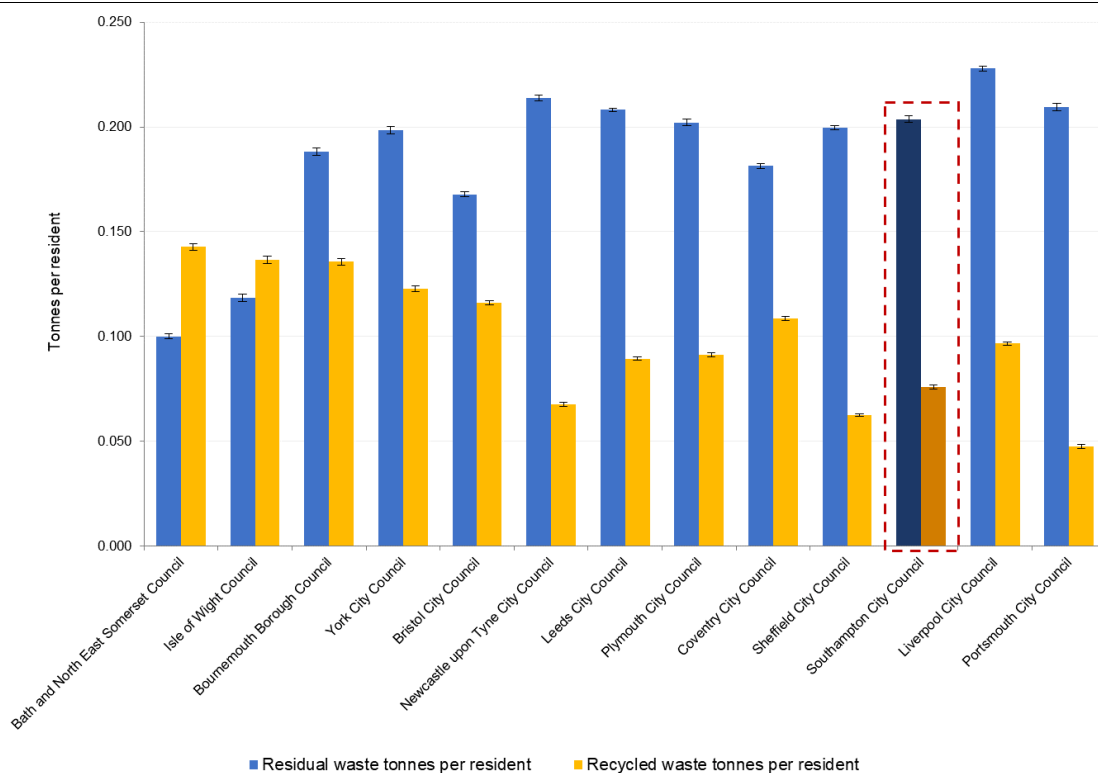
DECISION-MAKER:	CABINET
SUBJECT:	WASTE IMPROVEMENT AND TRANSFORMATION PLAN
DATE OF DECISION:	7 FEBRUARY 2022
REPORT OF:	COUNCILLOR ROB HARWOOD CABINET MEMBER FOR CUSTOMER SERVICE AND TRANSFORMATION

<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY
N/A

BRIEF SUMMARY	
<p>A five-year Waste Improvement and Transformation Plan (“WITP”) has been brought forward for decision. The WITP does not simply seek to maintain a basic level of service, but puts in place significant and ambitious new targets such as 50%+ recycling by 2027; outlines planned improvements to customer service, such as reducing missed bins by 90%; and proposes a citywide taskforce with the aim of eliminating fly-tipping from Southampton by 2030. If approved, the WITP sets a positive course for waste management in Southampton not just for the five-year plan period, but for many years beyond.</p>	
RECOMMENDATIONS:	
(i)	To approve the draft Waste Improvement and Transformation Plan 2022-2027.
(ii)	To delegate authority to implement the Waste Improvement and Transformation Plan 2022-2027 to the relevant Chief Officers having responsibility for plan functions following consultation with the Cabinet Member for Customer Service and Transformation.
(iii)	To delegate authority to the Head of City Services to make minor amendments to the Waste Improvement and Transformation Plan 2022-2027 as required during its implementation (annually as a minimum).
REASONS FOR REPORT RECOMMENDATIONS	
1.	The WITP offers an opportunity to make Southampton City Council a leading waste collection and disposal authority. The WITP will achieve improvements in recycling performance, customer satisfaction and budget efficiency.

2.	Without a clear plan in place and agreed by Cabinet, it is unlikely that the council's ambitions on waste can be achieved.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	Running more than one waste collection shift a day. Under this proposal there would be 'early' and 'late' collection shifts, with the late shift running into the afternoon and potentially evening. This option offers significant efficiencies in vehicle usage as the number of vehicles required is potentially halved. However, this option is considered to carry considerable risk of traffic disruption and would require contract renegotiation with the Tripartite partners (see paragraph 2.5) and Veolia Environmental Services, and has therefore been rejected.
4.	Merger of the Waste service with a neighbouring authority is possible but is believed not to offer substantial benefits as economies of scale do not apply to an ultra-local service such as bin collection. This option has not been formally considered, but opportunities are being taken to share ideas, to align policy, and to look at options to share depot facilities and procurement of bins and vehicles.
5.	Privatisation or outsourcing of all or part of the Waste service has not been considered in any detail as it is believed that the improvements required can be delivered in-house.
6.	Not to develop a waste improvement and transformation plan. Rejected due to the clear need to overhaul and modernise the service in readiness for the mandatory collection and disposal changes that will be imposed by the Environment Act 2021.
DETAIL (Including consultation carried out)	
7.	<p>1.1 The draft WITP is attached as Appendix 1. It was commissioned in autumn 2021 as a response to recent pressures including the Covid-19 pandemic, a national shortage of drivers and the forthcoming requirements of the Environment Act 2021. It also addresses service pressures that have been building in the Southampton waste system over a longer period. New dwelling growth, low recycling rates, excess disposal costs, under-investment over time, increased fly-tipping, covid-related absence, support service changes and some historic working practices have all contributed to a decline in morale, productivity and customer service.</p> <p>1.2 As can be seen below, Southampton is among the poorer performers in terms of recycling rates across a range of medium to large cities (data from WasteDataFlow 2018/19, compiled by WRAP, the latest comprehensive available set):</p>



1.3 The WITP (a five-year plan for the period 2022-27) has been produced by a cross-service group. Trade unions have been consulted on its principal recommendations. In addition to the normal scrutiny process, an all-councillor briefing was scheduled for 31 January 2022 to provide the opportunity for all Councillors to familiarise themselves with the WITP ahead of it being brought to Cabinet.

1.4 The WITP is brought forward for Cabinet decision for the following reasons:

- The WITP reflects new budget commitments expected to be approved at Council in February 2022 and lays the groundwork for policy changes;
- The WITP affects all wards, Councillors and residents;
- The WITP needs co-operation from residents and will be more successful with maximum transparency and publicity.

1.5 If the WITP is adopted, the council will commit itself to supporting the implementation of a major behavioural change programme for the city and its residents, as outlined in the WITP, which will require radical thought and action. In addition, adoption of the WITP will commit the council to policy changes and the financial investment required to achieve the ambitious targets within a relatively short time-frame. Cabinet is therefore asked to note in particular the following headline goals of the WITP:

1. **Increase our recycling rate above 50% by 2027**, so that the majority of household waste is recycled;
2. **Improve the customer experience** by reducing operational inefficiencies such as missed bins to near zero, adapting the service to make recycling easier, and strengthening our waste communications;

	<p>3. Work with partners to encourage and enforce responsible waste behaviours in all settings across the city, and specifically join forces to eradicate fly-tipping from Southampton by 2030.</p> <p>1.6 Cabinet is also asked to note that the WITP is structured into three phases of delivery:</p> <ol style="list-style-type: none"> 1. Stabilisation by April 2023 – ensuring the Waste service has the staff, equipment and working conditions to carry out its essential functions and put it in a position to improve; 2. Improvement by April 2025 – core improvements within the WITP including a steep increase in recycling, a much-improved customer experience and implementation of the requirements of the Environment Act 2021; 3. Excellence by April 2027 – taking the Waste service to the next level so that Southampton becomes known as a leading waste authority. <p>1.7 The WITP puts the Waste service in a position not just to improve service performance and customer satisfaction, but also to make savings from reduced disposal costs, increased recycling income, more efficient rounds and reduced vehicle damage.</p> <p>1.8 Sources for the WITP include a consultant’s report on the Waste service produced during the summer of 2021. The report included over 100 recommendations. Each recommendation has been analysed, considered and ‘RAG rated’ ie agreed/partially agreed/rejected.</p> <p>1.9 The WITP as published contains high-level actions and targets. More detailed plans that align with the WITP’s objectives will be developed through the implementation project.</p>
8.	<p>2.1 As a precursor to the WITP, several supporting actions have already been taken, detailed below.</p> <p>2.2 Cabinet agreed the Joint Municipal Waste Management Strategy (“JMWMS”) in November 2021. The JMWMS sets a direction of travel for waste collection and disposal after the introduction of a consistent set of materials to be recycled nationally, as mandated by the Environment Act 2021:</p> <ul style="list-style-type: none"> • cardboard; • paper; • aluminium and steel cans; • plastic bottles; • pots, tubs and trays; • cartons; • glass; • plastic film (from 2026/27); • food (mandatory weekly collection).

2.3 The Environment Act 2021 takes formal effect from 2023 but there are criteria for staggered implementation that will apply to Hampshire. The date of implementation depends on the detail of government regulations, yet to be published at the time of writing, and on the delivery of new recycling facilities in Hampshire (see 2.5 below), but for planning purposes the assumed implementation date is mid-2024. As noted below, at this point the implementation is assumed to be cost-neutral.

2.4 An important change from this date, which has been agreed across all Hampshire authorities, will be the introduction of 'twin-stream' kerbside collections. This will require residents to separate recycling materials into two different bins or containers at source, containing:

- Cardboard and paper;
- Glass, cartons, plastics, tin cans and aerosols.

2.5 These materials will be sent for disposal to a planned new recycling facility at Chickenhall Lane, Eastleigh. This facility is being developed by Hampshire County Council. As a member of the Tripartite Waste Disposal Partnership (with Hampshire County Council and Portsmouth City Council), Southampton City Council will be expected to contribute its proportional share of the capital costs of this facility. A further report will be brought forward when more details are available.

2.6 In addition, food waste will be collected and disposed of separately from the above materials, starting when disposal facilities are available. An independent study, which will operate during the first quarter of 2022, is being undertaken by the Waste Resources Action Programme (WRAP) on food waste in the city. The results from the study will provide valuable data of the amount and nature of food waste that is present in household waste bins. This will then enable the Waste service to:

- Plan suitable arrangements for the collection of food waste from 2024;
- Estimate the impact of separating food from residual waste.

2.7 The potential for trialling food waste collections will be assessed when the WRAP data is available; when detailed government regulations underlying the Environment Act 2021 have been published; and when discussions with the current waste disposal contractor in Hampshire (Veolia) have established a contractual basis for processing food waste. This is expected to be by summer 2022 at the earliest.

2.8 Subject to the detailed regulations, the Environment Act 2021 also includes proposals to make producers of plastic packaging pay for disposal, to add a deposit (potentially 20p) to the price of drinks containers made from plastic and glass that can be reclaimed by consumers, and mandate free collection of garden waste during the growing season. All these measures would have potentially far-reaching effects on the council, for example because some income-earning materials such as garden waste would be collected free, and some valuable recyclables such as fizzy drinks cans would be diverted away from the municipal waste stream.

2.9 The changes in collections and other measures outlined above will have the following benefits:

	<ul style="list-style-type: none"> • Reduced disposal costs as food waste is diverted from energy recovery and landfill; • Increased income as more recyclables are collected uncontaminated; • Reduced household bin weights and potentially bin sizes, benefitting both residents and waste collection staff; • Potential to organise waste collection routes more efficiently as the distribution of waste changes; • Reduced attraction of household bins to vermin and foxes as food waste is separated into secure containers; • Reduced litter as consumers of drinks are incentivised to return the containers to redeem deposits; • Environmental and health benefits as side-waste and noxious odours are reduced. <p>2.10 Public consultation on new waste collection arrangements will be brought forward as part of the WITP in addition to any consultation organised nationally by the Government.</p> <p>2.11 The Waste service has been consulted on a service restructure that addresses the pressures faced by the service over recent years. The staff consultation was due to close in late January 2022. Key proposals included:</p> <ul style="list-style-type: none"> • Creating more driver posts; • Strengthening of the Development team to support greater emphasis on recycling education and community engagement; • Reviewing the current ‘task and finish’ working arrangements and regularising some casual/historic practices; • A new Waste Disposal and Development Manager post to strengthen our participation in the contractual Tripartite Waste Disposal Partnership. <p>The revised structure is expected to be operational by April 2022 for front-line staff, with detailed management structures confirmed subsequently.</p> <p>2.12 The council’s Strategic Asset Management Plan (SAMP) has been in development for some time. The SAMP will look at depot arrangements in 2022-23 and make proposals for the future. The requirements of the Waste service will be a crucial factor in this exercise given that (for example) an early estimate is that food waste collection may require an additional 13 vehicles, which the council’s depot at Dock Gate 20 cannot accommodate. Additional vehicles will also require additional capacity in the workshop and fleet management team.</p>
	RESOURCE IMPLICATIONS
	<u>Capital/Revenue</u>
9.	The funding required to support the WITP is built into the budget proposals that will come to council later in February 2022. The proposals envisage a temporary injection of funding to support the transformation process, with savings starting to flow from Year 3. Projected savings are derived from higher recycling rates resulting in lower

disposal costs and higher income, greater efficiency in collection rounds and lower sickness, accident and damage rates. Pressures arising during the period include catering for the waste needs of new dwellings in the city and absorbing likely adverse movements in prices secured for recycled materials.

	22/23	23/24	24/25	25/26	26/27
	£000	£000	£000	£000	£000
Restructure changes	546	546	546	503	461
Transformation costs	549	350	150	100	0
Savings and other budget changes	-252	-522	-782	-802	-782
Net budget changes	843	374	-86	-199	-321

Savings are expected to be achieved over the period in a number of different ways. The expected increase in recycling, and associated decrease in contamination, will lead to a reduction in disposal costs as loads that would otherwise have been sent for energy recovery can be recycled. At the same time, to varying degrees the materials recycled have a resale value and can be sold, increasing income. The focus on increasing productivity – a significant decrease in missed bins for example – will mean fewer collection journeys are required to collect the same tonnage, with consequent lower fuel consumption and emissions. There will also be an increasingly commercial focus on our trade waste business to ensure that income is maximised and costs are fully recovered.

The savings proposals in the budget are seen by Waste managers as eminently achievable once the effects of higher recycling, lower contamination, reduced vehicle damage, optimised routes etc have been achieved during the 'Improvement' phase up to 2025. However, some of them are estimates at this stage, not derived from empirical trials or evidence. Part of the regular review process will be to improve the underlying evidence for savings potential, testing them through benchmarking and access to specialist expertise as well as on-the-ground trials, and to update the WITP accordingly.

The budget proposals include a per-dwelling annual uplift to reflect new dwellings and therefore increased demand for waste services. This uplift will be deferred if new dwellings are not delivered. Part of the budget process will be to test this growth assumption.

The additional staff and infrastructure required to implement the requirements of the Environment Act 2021 are assumed at this stage to be cost-neutral and covered by New Burdens funding from the government. This may not turn out to be the case; if the cost of introducing new services exceeds new funding, the service specification will have to be adjusted to meet the available funding, or additional local funding sought.

Options for the development of the new recycling facility in Eastleigh are being considered with partners, and if agreed will be put forward as part of the capital proposals in the 22-23 Budget report to Council.

<u>Property/Other</u>	
10.	The WITP includes participation in a depot review as specified in 2.12 above. This is led by Property Services.
11.	The WITP will require the implementation of a new waste collection policy (currently contained within the 'Managing the Local Environment Policy'), corresponding to changes to household container contents required to implement twin-streaming. The detailed plans implementing the WITP will take into account the council's Net Zero objectives.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
12.	The council's primary waste and recycling duties and powers are set out in the Environmental Protection Act 1990 ('EPA') as amended by the Deregulation Act 2015 and subordinate Regulations made under that Act, including but not limited to the Controlled Waste Regulations and a variety of Waste Directives including the Waste Framework Directive 2008 (implemented through the Waste (England & Wales) Regulations 2011 which sets current recycling targets and enforcement provisions.
13.	The Environment Act 2021 came into force in November 2021. A range of new targets, duties and powers are introduced under the Act including new recycling and re-use requirements relating to waste. The Regulations which will set out the detailed requirements and targets under the Act are yet to be made and are expected to be published and come into force in spring 2022 with target dates for compliance extending into 2024.
<u>Other Legal Implications:</u>	
14.	<p>A range of additional waste-specific legal powers will apply to aspects of the WITP and these will be addressed during the normal operational roll-out of the WITP. In addition, all policies, processes and services will be subject to compliance with s.149 Equalities Act 2010 (the public sector equalities duty or 'PSED') which requires all functions to be developed and delivered having regard to the need to reduce or eliminate discrimination on the grounds of protected characteristics. In practical terms this means that all policies and processes will need to be developed having regard to the needs of those with disabilities, age-related impediments to how they dispose of, recycle and reuse waste and other practical considerations affecting those with protected characteristics and how reasonable adjustments to normal processes will be developed to assist them. This will be built into ESIA's supporting all policy development and operational / implementation processes as the detailed plans supporting the WITP are developed.</p> <p>An ESIA for the overall WITP has been completed and is attached as Appendix 2.</p>
RISK MANAGEMENT IMPLICATIONS	
15.	A full risk management framework will be developed as part of the project structure envisaged in the WITP.
POLICY FRAMEWORK IMPLICATIONS	
16.	In implementing the WITP, the council will consider and act fully and wholly in accordance with relevant Policy Framework Plans, in particular the Local

	Development Framework and Local Area Action Plans, the Sustainable Community Strategy and the Local Transport Plan.
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KEY DECISION?	Yes
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WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Draft Waste Improvement and Transformation Plan 2022-27
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Documents In Members' Rooms

1.	Equality and Safety Impact Assessment
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
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Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	Consultant's report on Waste service September 2021	
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