



Service Delivery Committee	Tuesday, 10 October 2017	Matter for Information
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Title: **Review of Waste, Recycling and Green Waste Services**

Author(s): **Anne Court (Interim Chief Executive)**

1. Introduction

This report informs Members of the current position with the review of the refuse, recycling and green waste services. The review being part of the budget options for the £700,000 revenue savings the Council needs to make by 2019/2020 as set out in the Council's Medium Term Financial Strategy (MTFS).

2. Recommendation(s)

That Members note the information in this report.

3. Information

- 3.1. At the Extraordinary Council meeting on 6 July 2017, as part of the budget savings options for 2018-2020 the reports on the overall waste services set out the current position and the challenges faced for the service. In particular, in relation to the Materials Recycling Centre (MRF), the Direction Notice had not been received, confirming Leicestershire County Council's decision to cease paying all district councils recycling credits as well as redirecting where the councils dispose of the recycling they collect. This was subsequently received on 8 September.
- 3.2. Members unanimously resolved that an options appraisal with the assistance of external specialist support be brought to a future Council meeting for consideration as soon as possible, outlining the future possibilities for services currently undertaken at the depot site.
- 3.3. At the Change Management committee on 26 July, Members agreed to the appointment of suitably qualified consultants to assist in the review of refuse, recycling and green waste. Through a procurement process under the Eastern Shires Purchasing Organisation (ESPO) framework, SLR Consulting Limited have been appointed. SLR have started the project to bring all available options to a Member workshop session and thereafter to report to the Council meeting on 5 December in accordance with the timetable set at the Policy, Finance and Development committee on 25 July. The interim Director of Services, Martin Hone, will provide Members with a verbal update of the work of the consultants to date at the meeting of this committee on 10 October.
- 3.4. In the Refuse and Recycling report to Council on 6 July, it set out Leicestershire County Council's decision not to pay to the district councils recycling credits for every tonne of waste they recycle as from 1 April 2018. Instead the County Council under its legal powers, can direct district councils to which location they should deliver recyclables they collect. This will prevent the district councils from selling their recycling and making any income from it which in future the County Council will do and receive the income itself.

- 3.5. At the time of the report, the issue of formal Notices were pending the outcome of the contract award by the County Council as to where the districts recycling will be taken to. On 8 September Notices of Objection and Direction were issued to the districts pursuant to the relevant sections of the Environmental Protection Act 1990.
- 3.6. The Notice of Objection sets out that the County Council has made alternative arrangements for the recycling of waste from 1 April 2018 and objects to this Council's retention of the waste and its current arrangements for the recycling of the waste, having decided to procure the recycling of waste itself.
- 3.7. Waste that is covered is defined within the notices, which in summary is all of the "major" household material types collected at the kerbside and through bring banks. However it does not include textiles which at present, residents can include in the recycling bags. Alternative arrangements will now be looked at for the collection of textiles and communicated to residents as soon as possible.
- 3.8. After having served the Notice of Objection, the County Council then issued its Notice of Direction directing where this Council is to deliver the defined recycling waste. This will be to Casepak at Enderby, the successful tenderer for the contract.
- 3.9. Within Leicestershire there is only this Council and North West Leicestershire District Council (NWL) who operate their own MRF's. NWL with its purpose built operation in recent years wished to retain its current methods of recycling through its MRF and the income generated (approx £500k per annum) and therefore as part of the County's procurement process, bid for its own materials back. This was subject to a rigorous evaluation of the capability of the site and processes in place. This does mean NWL are totally reliant on the market fluctuations however it has greater economies of scale than this Council.
- 3.10. In comparison this Council's MRF does not have the economies of scale to take the financial risk of being subject to the market nor the infrastructure to retain its operation and it was for this reason a bid was not submitted. An unrealistic financial investment would have been needed to put forward a bid in the first instance with no guarantee of the bid being a success.
- 3.11. Now that the Notices have been issued, work is underway to assess the financial and practical issues on the future of the Council's MRF and a policy decision will be sought from the Policy Finance and Development committee on 31 October 2017.

Background Documents:

Extraordinary Council report of 6 July 2017 and letter of Leicestershire County Council dated 8 September 2017 with attached Notices.

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Implications Review of Waste, Recycling and Green Waste Services	
Finance	There are no direct financial implications arising from this paper. Due diligence with respect to any financial considerations or impacts upon the authority is being undertaken, and these will be outlined in an options report to the Policy, Finance and Development Committee on 31st October 2017, and these outcomes will be built into the medium term financial strategy.
Stephen Hinds (Director of Finance and Transformation)	
Legal	The legal implications are as set out in the report.
Dave Gill (Deputy Monitoring Officer)	
Corporate Risk(s) (CR)	<input checked="" type="checkbox"/> Decreasing Financial Resources (CR1) <input checked="" type="checkbox"/> Key Supplier/Partnership Failure (CR2) <input checked="" type="checkbox"/> Reputation Damage (CR4) <input checked="" type="checkbox"/> Effective Utilisation of Assets/Buildings (CR5) <input checked="" type="checkbox"/> Organisational/Transformational Change (CR8)
Anne Court (Interim Chief Executive)	
Corporate Priorities (CP)	
Anne Court (Interim Chief Executive)	
Vision & Values (V)	<input checked="" type="checkbox"/> Teamwork (V3) <input checked="" type="checkbox"/> Innovation (V4) <input checked="" type="checkbox"/> Customer Focus (V5)
Anne Court (Interim Chief Executive)	
Equalities & Equality Assessment(s) (EA)	There are no significant equalities implications.
Anne Court (Interim Chief Executive)	<input checked="" type="checkbox"/> Not Applicable (EA)