

Report of the Cabinet Member for Environment & Transportation

Cabinet - 16 June 2016

COMMISSIONING REVIEW: WASTE MANAGEMENT

Purpose:	This report outlines the background to the Waste Management Commissioning Review and sets out the findings and recommendations from the review.
Policy Framework:	<i>Sustainable Swansea – fit for the future</i>
Reason for Decision:	Approval is sought to proceed with implementation of the recommendations.
Consultation:	Cabinet Members Executive Board Legal, Finance and Access to Services
Recommendation(s):	That: 1) the high level Integrated Approach to Prevention Strategy detailed in Section 4.3 is agreed as a principle. 2) the recommendations 1 to 8 detailed in Section 8.0 as measures to improve performance, make the service more robust , and make savings, are appropriate to take forward to implementation pending relevant consultation.
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Commissioning Review Option Appraisal Report Waste Management Service

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1.0 PURPOSE OF REPORT

- 1.1** This report has been produced following the approval by BPRG at Gateway 2 to proceed onto Stages 3&4 of the Commissioning Review process. Its purpose is to inform and seek support on the approach and recommendations to deliver the most viable future service option.

2.0 THE REVIEW SO FAR

2.1 Scope

The Scope of services to be included within the Waste Management Commissioning review was set out in Stage 2 of the process and consists of:-

- Recycling and residual waste collections.
- Household Waste Recycling Centres (HWRC's).
- Baling Plant operations.
- Waste Disposal (Excluding Tir John Landfill Site).
- Education.
- Enforcement.
- Commercial waste services.

2.2 Outcomes

The outcomes identified at Stage 2 consisted of:-

- A.** The provision of statutory residual waste/recycling collection services and HWRCs.
- B.** Ensure services provide best value for money, taking into account financial impacts of Welsh Government recycling/landfill targets.
- C.** Minimise the tonnage of residual waste being sent to landfill and Energy from Waste.
- D.** Optimise the use of regional working to seek best value for money.

2.3 Emerging Key Issues From Stage 2

The emerging key issues identified at Stage 2 of the review were:-

- Optimising fleet.
- Minimising waste generated.
- Optimising other resources.
- Collaborative change programme.
- Recycling targets.
- Refresh recycling strategies with costs/benefits.

2.4 Towards Zero Waste

Towards Zero Waste (TZW) is an overarching waste strategy document published by Welsh Government which sets out a long term framework for resource efficiency and waste management between now and 2050. TZW is supported by a number of other documents including Waste Sector Plans and a Collections Blueprint which set out how the strategy will be delivered.

Article 3 of the revised Waste Framework Directive, which is the primary legislation governing waste management, sets out a 'Hierarchy' which details the preferred order in which waste should be treated. It broadly states that waste should be:-

1. Reduced
2. Reused/Prepared for Re-Use
3. Recycled
4. Disposed

Waste reduction is a key aim of the Welsh Governments 'Towards Zero Waste' strategy. Whilst waste reduction forms a key element of this review the main focus at the present time is on creating opportunities to engender a stepped change in residents and businesses attitudes to recycling.

3.0 STAGE 3 – SERVICE COMPARSION

As part of the review process a service comparison stage has been completed to compare the current service models, costs, outputs and performance with others. Areas which have been assessed cover:-

1. What other service providers do to deliver outcomes?
2. Identify examples of good practice.
3. What innovation is there is service design and delivery in this area?
4. What evidence from case studies research and user feedback from elsewhere tell us?
5. How does the current service model compare with similar Councils?

Further information can be found in Appendix A.

3.1 Key Findings and Summary

In 2013/14 the City and County of Swansea were the 6th most cost effective Authority in Wales at providing waste management services (Indications for 2014/15 show that the Authority are now 4th most cost effective).

- The Authority is 10th in the league table for Wales for recycling performance. This figure is up from 20th in 2012/13 and 18th in 2013/14. The Authority outperforms most Authorities of a similar size and nature in England with specific comparison made against Barnsley, Calderdale, South Gloucestershire and York. The City and County of Swansea has been one of the most improved authorities in Wales, which is even more remarkable considering the significant dis-benefits of two large universities with their transient student population, high level of flats with communal collection points, and large commercial sector which traditionally has a lower recycling performance.

- The Authority is only one of only three in Wales operating a bi-weekly collection of dry recyclates. The other 19 authorities provide weekly collection of recyclables, through comingled, kerbside sort, or twin stream collection systems. Our recycling performance demonstrates that our bi-weekly system is as effective as a weekly system, and is more cost effective.
- The Authority is, in comparison to some high performing Authorities in Wales, sending a smaller percentage of its residual waste to an Energy from Waste (EFW) plant. Some LAs are benefitting from significant amounts of bottom ash generated by the EFW process being recycled. The main reason for the high level of use of landfill as a disposal option relates to the fact that the Authority owns its own landfill site and has contractual/financial obligations to deposit certain tonnages of waste until 2020. After this date the Authority can reconsider its options and utilise a disposal option which offers best value and helps meet its recycling targets.
- A recent waste analysis undertaken of the black bag waste currently being presented for collection showed that 65.3% could be recycled either at the kerbside using existing services, or at the HWRCs. Approximately 25% of the waste in black bags is food. Full details of the waste analysis are available in Appendix B
- Examples of good practice identified have been detailed and evaluated in section 5 of this report

3.2 Conclusion

The Authority provides cost effective, high performing waste services. The review has identified numerous examples of good practice, which if implemented in a structured coordinated manner will enable the Authority to:-

- Accelerate the ongoing improvement in its performance.
- Meet statutory recycling targets.
- Provide efficiency savings.
- Reduce its disposal costs.
- Tackle growing service pressures e.g. life expired vehicles.

4.0 KEY ISSUES GOING FORWARD

4.1 Key factors that need to be considered.

When evaluating the desired outcomes and key factors that need to be addressed as part of the review it became clear that the review needed to take account of:-

Reducing internal budgets

- Indicative 50% reduction across Place Directorate.
- £572K already removed from Waste for 2016/17 in relation to anticipated savings through the Commissioning Review.

Reducing external budgets

- £303K reduction in WG grant for 2016/17. Down from £4.638 Million in 2015/16 to £4.335 Million in 2016/17, a reduction of 6.4%. This is in addition to cut of £150k in 2014/15.
- Similar anticipated year on year reductions.

Budget Pressures

- Fleet renewal £559k as a revenue implication.
- Increasing Landfill Tax. (Currently at £82.60/T)
- Reducing reliance on agency staff.

Additional Unallocated Budget Reductions

- Senior Staff Review.
- Modernising Business Support.
- Income and Charging.
- Third Party Spend.
- Depot Review.

Welsh Government Statutory Recycling Targets

2013/14 – 52%

2015/16 – 58%

2019/20 – 64%

2024/25 – 70%

Failure to hit these targets could result in year on year fines of approximately £250k for each 1% the target is missed by.






Operational Issues

- Increasing recycling targets.
- An ageing collection fleet.
- Uncertainties around Local Government Re-organisation.
- An overreliance on Agency workers.
- Unstable, falling income from the sale of recyclate.
- Rising tonnages of Municipal Waste.

Waste Disposal/Landfill Tax

In 2014/15 the Authority spent over £5.8 Million on waste disposal over £3.78 Million was on landfill tax. This equates to over £14,500 for each working day. Recent analysis of the black bag waste identified that 54.9% of this material could have been recycled using existing kerbside recycling services offered by the Authority. The current rate of landfill tax is £82.60 Per tonne.

4.2 High level outcomes that need to be achieved

- Recycling performance Up 
- Cost of service Down 
- Robustness of service Up 
- Service Delivery 
- Community Engagement Up 

4.3 The Strategy Going Forward - An Integrated Approach to Prevention

Following the introduction of numerous recycling initiatives the residents and businesses of Swansea are recycling more than ever (Over 56% in 2014/15). However large quantities of recyclable materials are still being either placed out for collection at the kerbside or deposited in residual skips at the HWRCs.

After reducing the amount of waste produced in the first place, the key aim is to then divert this recyclable material, currently in the black bags, away from landfill and into the recycling streams thus reducing the amount of Landfill Tax the Authority pays. Reducing this figure would enable the resources to be utilised on the provision of services, resolving operational issues and meeting budgetary pressures. Increasing the recycling performance is becoming more difficult with each percentage point gained being more difficult than the last.

To ensure we continue to meet our statutory targets a significant integrated action plan is required to achieve a step change in behaviour at both the kerbside and the HWRCs. It is essential that any plan developed to meet the desired outcomes needs to ensure that, where practical and appropriate, the key priorities and goals of the Wellbeing of Future Generations (WFG) Act are major considerations in each step of the process.

The main goals include:-

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales

The continued review and improvement of the activities detailed will ensure that the Authority strives to meet the seven goals set out in the Act and ensure that in

providing the services try delivery approaches are in keeping with the WFG governance principles of:

- **Thinking for the long term:** Balancing the pressure to take action in the short term to address current issues with the need to address the long-term needs of Wales.
- **Taking an integrated approach:** Considering the three aspects of well-being (economic, social and environmental) and how the well-being objectives impact upon each other and in turn the objectives of other public bodies.
- **Taking a preventative approach:** Using resources to take action now in order to prevent problems occurring or getting worse.
- **Collaborating:** Working with other public bodies (or parts of the same body) to assist in the achievement of objectives.
- **Involvement:** Involving the people or communities whose well-being is being considered, engaging them in finding sustainable solutions.

An Integrated Approach Towards:

TOWARDS ZERO WASTE FOR SWANSEA

We need Residents and Businesses to:

REDUCE FOR SWANSEA

RE-USE FOR SWANSEA

RECYCLE FOR SWANSEA

COMPOST FOR SWANSEA

SORT FOR SWANSEA

To deliver the high level outcomes that need to be achieved it is essential that the services under scope in the review are looked at in an integrated manner. Whilst waste disposal was identified as a separate area under the scope, it quickly became clear that reducing the amount of waste the Authority send for disposal is key to:-

a) Maximising financial savings.

b) Helping the Authority meet its recycling targets and avoid potential fines.

As such it was decided to group the kerbside collection of residual household waste, the kerbside collection of recycling, the provision of HWRCs and the operations undertaken at the Baling Plant into one cluster for the purpose of the review and when considering the options for who the services are best provided by. This would enable the development of a structured plan to further restrict the amount of residual waste residents can place at the kerbside, whilst also introducing restrictions on the deposit of waste at HWRCs. These actions when taken together should have a significant impact in reducing the amount we spend on disposal and Landfill Tax and also a corresponding increase in our recycling performance.

5.0 SERVICE REVIEWS

Due to the interdependencies required for the proposed service changes to be effective, it was decided that the services be grouped in to clusters for consideration. The clusters comprised of:-

Cluster 1 Waste Strategy, Education and Enforcement

**Cluster 2 Household Waste Recycling Centres (HWRCs)
Kerbside Residual Waste Collections
Kerbside Recycling Collections
Baling Plant Operations**

Cluster 3 Commercial Waste Collections

Cluster 4 Re-Use facilities

Each service was reviewed in terms of:-

- What it currently provides.
- Good practice identified.
- Options evaluated.
- Key findings of the options evaluated.
- Services changes proposed.
- The anticipated impact of the proposed changes.
- Main risks

5.1 CLUSTER 1 - WASTE STRATEGY, EDUCATION AND ENFORCEMENT

The main functions currently undertaken by the team include:-

- Develop and maintain the waste strategy to enable the Authority to comply with various legislative requirements and meet statutory targets.
- Lobbying Welsh Government to introduce further legislative powers and waste prevention initiatives.
- Ensure that the Authority's main priorities are being addressed in services provided.
- Manage and monitor budget.
- Ensure applications, conditions and claims for grant funding submitted are met.
- Provision of statutory statistical returns.
- Ensure value for money is being achieved.
- Provide effective Enforcement in relation to waste legislation, waste collection, and the implementation of new initiatives, particularly around waste prevention.
- Provide effective Education and Communication strategies on all waste related matters, particularly around waste prevention.

5.1.1 Good Practice Identified/ Options Evaluated

- Regional/national working.
- Collaborative working.

- Sharing good practice.
- Effective communication and education campaigns.
- Flexibility.
- Community engagement.

5.1.2 Key Findings of the Options Evaluated

- The Authority is participating in regional working in relation to the procurement of a long term contract to treat food waste and is also involved with other Authorities in looking to procure a long term waste disposal/treatment solution. Further opportunities to work on a regional basis are likely to develop with the proposed further reorganisation of Local Government and the Authority need to be in a position to embrace any opportunities it may offer.
- There are many benefits, both operational and financial, to be gained by working in a collaborative manner both with other local Authorities and outside bodies. The Authority regularly participates in numerous initiatives and should continue to do so and seek further opportunities.
- When implementing and developing change it is essential that resources are directed where required. The Authority has a good record of flexible working within its staff and this should be further developed to ensure the change processes are effectively managed.
- Discussions have taken place with officers from Neath Port Talbot (NPT), and whilst the overall objectives are the same, there are a number of differences in strategy for achieving those objectives. We will continue to share ideas and best practice, work together where beneficial, and ensure that whilst different, the approaches of CCS and NPT will not cause any future problems should the two authorities merge going forward.

5.1.3 Service Changes Proposed

- Increased focus on enforcing/educating with regards proposed collections/HWRCs changes.
- Boost targeted enforcement of littering, fly tipping, and dog fouling.
- Continue high level of collaborative working.
- Continue to monitor and evaluate good practice.
- Greater flexibility within staff.
- Greater community engagement.

5.1.4 Estimated Benefits

- Greater flexibility in the ability to target resources where required.
- Greater participation levels in recycling services.
- Reduced disposal costs.
- Reduced levels of misuse of services.
- Increased use of community engagement.

5.2 CLUSTER 2 - HOUSEHOLD WASTE RECYCLING CENTRES (HWRCs)

The service currently broadly consists of:-

- The provision of 5 sites.
- All sites accept residual waste.
- All sites open 7 days a week, 8.30am-5.00pm.
- Over 26,000 tonnes of waste presented last year.
- Recycling rate around 63% (16,000 Tonnes).
- 10,000 tonnes sent for disposal costing £1Million per year.

5.2.1 Good Practice Identified

- Sites that only receive recyclable materials.
- Changing behaviours through only allowing non-recyclable waste to be deposited in residual waste skips.
- Targeting of resources through reviewing opening days and hours.
- Recycling rates of over 80%.
- Provision of re-use facilities on site.

5.2.2 Options Evaluated

- Close all but one site (to meet statutory duty) – Est. £500K saving
- Close sites at Tir John and Penlan. – Est. £125K saving
- Keep all sites with 3 or 4 sites as Recycling Centres only - no residual waste accepted.
- Only allow residents to place non-recyclable waste in remaining residual (black bag) skips.
- Review the number of days/hours the sites open to focus resources as required.
- Work with charities and 3rd sector organisations to increase re-use of materials and boost wider community benefits of the sites.

5.2.3 Key Findings of the Options Evaluated

- Overall recycling rates at the Authority's HWRCs stands at around 63%, best practice sites are achieving rates of around 80%.
- Around 10,000 tonnes of waste were presented for disposal at the sites last year. A recent waste analysis showed that around 70% of this waste is recyclable. This is clearly unacceptable and requires a step change in behaviour to prevent these valuable resources being lost. This 70% equates to 7,000T of recyclable material being landfilled at a cost of £700K per year.
- It is essential that the Authority is able to control the deposit of waste in residual skips at the sites. Following the introduction of the 3 bag limit in 2014 there was a significant reduction in the tonnage of waste householders placed out at the kerbside for collection. However there was also a significant increase in the tonnage of waste deposited in the residual skips at HWRCs. As some residents are using the HWRCs to avoid recycling, it is essential that measures are taken to prevent the waste merely being deposited at HWRCs residual skips rather than in to the recycling streams. This will be even more crucial if further restrictions are to be introduced on the amount of black bag waste householders can place out at the kerbside for collection

- It should be noted that there are a range of materials that can be recycled at HWRCs but not at the kerbside. These include aggregate, timber, electrical goods, textiles, plate glass, hard plastics, carpets, mattresses, metals, batteries etc.
- Closing all but one site, whilst meeting the Authority's statutory duty and maximise savings, would significantly reduce opportunities to recycle, be difficult to manage, could lead to increased fly tipping, and could result in lower recycling rates being achieved.
- Closing the sites at Tir John and Penlan whilst again would produce savings, but would also reduce opportunities for residents to recycle and could lead to reduced recycling and increased fly tipping.
- Maintaining the provision of all 5 sites but restricting 3 or 4 of the sites to receipt of recyclable material only would enable the Authority to target resources and take greater control over the deposit of waste in the remaining residual skips whilst maintaining opportunities for residents to recycle a wide range of material at the sites.
- By **only** allowing residents to place non-recyclable waste in residual skips it will encourage residents to ensure that all recyclable materials are extracted prior to visiting the site and either placed out at the kerbside for collection or placed in the recycling containers at the HWRCs. This approach is in line with the Environment (Wales) Bill which seeks to prohibit valuable recyclable material from landfill and Energy from Waste (EfW)
- A compromise option could be to leave residual skips at more sites, whilst still restricting them to non-recyclable material only, although this would need an increase in resources to challenge residents effectively.
- Any proposed sorting operations would require variations to the existing environmental permits, with the exception of the Baling Plant.
- There are ongoing noise concerns at Clyne HWRC due to the proximity of residential properties which may impact on the agreement of permit variations.
- Reviewing the opening hours of each site can enable the Authority to best meet the needs of residents whilst ensuring maximum use is made of resources.
- Restricting the days particular sites are open can enable sites that may otherwise be permanently closed to be open part of the week to meet the needs of residents.
- Working with Charities/3rd Sector organisations can help maximise the re-use of materials and ensure maximum benefit is gained by the local communities.
- One option, which was evaluated was to do nothing and leave services as they currently are, was rejected for the following reasons. Whilst the Authority is currently on course to meet the 58% recycling target set for 2015/16, it is only projected to do so by a small margin. This target is set to rise to 64% in 2019/20. There are, without the service changes proposed within this review, real risks that the Authority could fail to maintain its current level of 58% recycling. Risks include

current proposals to reclassify the type of wood that can be claimed as recycled, a poor summer resulting in decreased green waste tonnages and the need to further utilise the more expensive option of Energy from Waste to maintain recycling performance. Failure to take any action could result in:

- a) Failure to meet the savings detailed within the report.
- b) The risk of failing to continue to meet the 58% target up to 2018/19.
- c) The risk of failing to meet the 64% target set for 2019/20.

Should the Authority fail to meet the statutory recycling targets set for any given year could result in fines in the region of 250k each year for each 1% the target is missed by. Therefore if the recycling performance were to remain at 58% then a fine in the region of £1.5 Million could be levied in 2019/20 and for each subsequent year the Authority fail to meet the target.

5.2.4 Service Changes Proposed

- Keep all 5 sites but convert Tir John, Penlan, Garngoch, and possibly Clyne, depending upon the impact of the first 3, to Recycling Centres only and reconfigure the sites at Clyne and Llansamlet (Baling Plant) to accept only non-recyclable materials in the residual skips. It is considered that these are the most appropriate sites for residual waste to remain as the 2 largest, busiest, and with best transport links, although any permit issues would need to be resolved.
- Require residents to ensure that recyclables are removed before accepting their residual waste at Llansamlet and Clyne, if not converted to a Recycling Centre only.
- Review the days and hours some sites are open.
- Work with charities and 3rd sector organisations to increase re-use of materials and boost wider community benefits of the sites.

5.2.5 Estimated Benefits

- A 20% or 2,000 tonne reduction in residual waste would result in a landfill saving of £200k and increase our overall recycling rate by around 1.25%.
- A 30% or 3000tonne reduction in residual waste would result in a landfill saving of £300k and increase our overall recycling rate by around 2%.
- A 50% or 5,000 tonne reduction in residual waste would result in a landfill saving of £500k and increase our overall recycling rate by around 3% and reach the target for the sites of 80% recycling.
- Restricting 2 sites to 3 or 4 days opening would save around £50k per annum.
- Working with charities and 3rd sector organisations would boost re-use, contribute to the Poverty Agenda and support our Single Revenue Grant application (See 5.7.3 for potential financial benefits).

5.2.6 Main Risks

- Needed for an integrated approach
- Delays would impact on performance and savings
- Noise and permit issue at Clyne HWRC
- Permit variations if sorting operation required (excl. Baling Plant)
- Limited space at Penlan and Garngoch HWRCs
- Possibly unpopular with residents who bring significant amounts of black bag waste instead of, or in addition to, using the kerbside collection service.

5.3 CLUSTER 2 - KERBSIDE RESIDUAL WASTE COLLECTIONS

The service currently broadly consists of:-

- Collects residual waste (For non-recyclable materials) from over 111,000 properties every 2 weeks with a limit of 3 bags per collection.
- Utilises black bags (Provided by the householder) as a collection medium.
- Operates Monday-Friday.
- Collected over 25,000 tonnes of residual waste last year.

5.3.1 Good Practice Identified

- Restriction on the quantity of residual waste residents can place out at the kerbside.
- Less frequent collection service.
- Effective comprehensive communications package prior to implementing changes.
- Use of Route Optimisation technology.
- Effective education and enforcement as an integrated package

5.3.2 Options Evaluated

- Reduce collection to 4 weekly. (This option would require the provision of wheeled bins).
- Reduce collection to 3 weekly with a limit of 3 bags per collection. (This option may require wheeled bins)
- Keep frequency of collection at 2 weekly but limit the number of bags for collection to 2.

OPTION 1	Reduce frequency of collections to 4 weekly and provide 240 Litre wheeled bins to suitable properties.
OPTION 2a	Reduce frequency of collections to 3 weekly with a limit of 3 bags per collection
OPTION 2b	Reduce frequency of collections to 3 weekly and provide 240 Litre wheeled bins to suitable properties
OPTION 3	Maintain the frequency of collection at 2 weekly but with a limit of 2 bags per collection

- The use of Route Optimisation software to improve efficiency and customer response was also considered.

Estimated Savings:

	Consideration	Option1 (4 weekly) Bin collection	Option2a (3 weekly) 3 Bag collection	Option2b (3 weekly) Bin collection	Option 3 (2 weekly) 2 Bag collection
1	Residual Waste Capacity per property per week. (Current capacity is 107 litres per week)	60 Litres	70 Litres	80 Litres	70 Litres
2	Frequency of collection	4 weeks	3 weeks	3 weeks	2 weeks
3	Capital cost of bins (Inc delivery) Annual repayment cost over 6 years	£1.71Million £342k	nil	£1.71Million £342k	nil
4	One Off Delivery/Set up Costs	£150k	nil	£150k	nil
5	Reduced tonnage to landfill(Annual)	-4,000 tonnes	-2,800 tonnes	-2,500 tonnes	-2,500 tonnes
6	Potential annual disposal savings	£360k	£252k	£225k	£225k
7	Potential annual residual waste collection savings	£225k	£225k	£125k	£75k
8	Additional recycling income	nil	nil	nil	nil
9	Impact on overall statutory recycling/composting target	+2.0% to +3.3% increase	+1.6% to +2.3% Increase	+1.2 to +2.0% increase	+1.2 to +2.0% increase
10	Other LA's with similar arrangements	Fife are piloting, Conwy in process of small scale trial.		Gwynedd, Blaenau Gwent, Falkirk, Bury, Conway adopting	Monmouth (with bags) Denbighshire, Cardiff, Neath Port Talbot, Torfaen, Merthyr Tydfil,
11	Potential Total Net Savings (Annual)	£243K	£477K	£8K	£300k

5.3.3 Key Findings of the Options Evaluated

Given that over half of the black bag waste currently being presented for collection at the kerbside is recyclable using the current kerbside services there is clearly a need to address this issue. Surveys have shown that :-

- The greater the restriction on residual waste, the greater the impact it has on:
 - a) The amount of waste recycled (Particularly food waste)
 - b) The potential savings to be achieved
- Whilst moving to a 4 weekly collection would result in the greatest increase in the tonnage of materials being diverted into the recycling stream, it would also require significant capital outlay by the Authority to implement. In the interests of public health the introduction of a 4 weekly collection service would require all suitable households to be issued with wheeled bins. It is estimated that this would cost in the order of £1.8 million. It is also estimated that a significant proportion of households would not be suitable for the use of wheeled bins due to steep gradients, no front gardens or rear entrances, stepped entrances etc.
- Moving to a 3 bag 3 weekly collection service would provide a higher capture rate for recyclates (particularly food) and provide potential savings to collection costs. However it would affect every resident in Swansea even those who have embraced the recycling philosophy and recycle all they can. Surveys have shown that fewer than 25% of properties within Swansea currently place out more than 2 bags for collection each fortnight; however a 3 weekly collection would also impact on the large percentage of residents who are already fully recycling. A decision would also have to be made whether the provision of bins would be needed, with the associated reduction in saving.
- Keeping the frequency of collections on a two weekly cycle but reducing the number of bags householders can place out to 2 would have several benefits. It would:-
 - Mainly impact of households who either do not recycle or recycle very little.
 - It would have little impact on those householders who have embraced recycling.
 - It would reduce disposal/Landfill Tax costs and boost recycling rates.
 - It would not require the introduction of wheeled bins.
- Whilst moving to a 2 bag limit would assist in reducing residual waste, thereby achieving savings and increasing recycling, it would be important that the Authority has further options available should the anticipated levels or recycling improvements/savings not be achieved. As previously stated moving to a 3 or 4 weekly collection could provide greater improvements in recycling performance and generate higher levels of savings.
- One option which was evaluated was to do nothing and leave services as they currently are. Whilst the Authority is currently on course to meet the 58% recycling target set for 2015/16, it is only projected to do so by a small margin. This target is set to rise to 64% in 2019/20. There are, without the service changes proposed within this review, real risks that the Authority could fail to maintain its current level of 58% recycling. Risks include current proposals to reclassify the type of wood that can be claimed as recycled, a poor summer resulting in decreased green waste

tonnages and the need to further utilise the more expensive option of Energy from Waste to maintain recycling performance. Failure to take any action could result in:

- a) Failure to meet the savings detailed within the report.
- b) The risk of failing to continue to meet the 58% target up to 2018/19.
- c) The risk of failing to meet the 64% target set for 2019/20.

Should the Authority fail to meet the statutory recycling targets set for any given year could result in fines in the region of 250k each year for each 1% the target is missed by. Therefore if the recycling performance were to remain at 58% then a fine in the region of £1.5 Million could be levied in 2019/20 and for each subsequent year the Authority fail to meet the target.

- Whilst analysis already takes place around the most efficient collection rounds, a Route Optimisation system would also allow the Authority to be able to develop and implement changes to its collection rounds to meet the ever changing demands of the service. It would also allow greater communication between the collection teams and supervisors/Call Centre to enable greater customer care and for any issues/complaints, such as missed collections, to be dealt with far more effectively and deliver potential savings.
- Discussions have taken place with officers from NPT, and whilst the overall objectives are the same, there are a number of differences in strategy for achieving those objectives. We will continue to share ideas and best practice, work together where beneficial, and ensure that whilst different, the approaches of CCS and NPT will not cause any future problems should the two authorities merge going forward.

5.3.4 Service Changes Proposed

- Further review the capacity and frequency of residual waste collections at the kerbside once the full impact of the recommended changes to the Household Waste Recycling Centres on recycling performance and budgets has been assessed.
- Develop a comprehensive communications campaign to seek behavioural change.
- Purchase and utilise Route Optimisation system.
- Evaluate the benefits of alternative working patterns after the implementation of the residual waste restrictions. E.g. Limited shift working

5.3.5 Estimated Benefits

- The impact of a change to the capacity and frequency of residual waste collections is difficult to predict, however a 10% or 2,500T reduction in residual would save £225K per year and increase overall recycling performance by 1.75%
- Use of Route Optimisation software could save up to £50k per year and improve customer response, once the implementation costs have been covered in the first 2 years.

5.3.6 Main Risks if Restricting Residual Waste Collections

- Potential for increased fly tipping
- Increased take up of exemptions
- Unpopular with residents who place out more
(Although popular with those who only put out 2 bags now)

5.4 CLUSTER 2 – KERBSIDE RECYCLING COLLECTIONS

The service currently broadly consists of:-

- Collects recycling from over 111,000 properties.
- Frequency of collections and materials collected are:-
 1. Week 1 Food Waste and Plastics
 2. Week 2 Paper/Glass/Card /Cans
 3. Week 2 Food Waste and Garden Waste
- Operates Monday-Friday.
- Collected over 36,000tonnes in 2014/15.
- Food waste collected using 23 litre caddy with free compostable liners.
- Garden waste collected (Free of charge) using reusable polypropylene sacks.
- Plastics collected using single use pink plastic bags. (Reusable bags on trial)
- Glass, cans, paper and card collected using single use green plastic bags.

5.4.1 Good Practice Identified

Before developing a strategy which could help the Authority meet the increasing recycling targets within ever decreasing budgets a comprehensive programme of research was undertaken to identify good practice. The research included looking at high performing Authorities not only in Wales and the UK but also looked at how waste is managed in other countries across the world. The research covered services provided in-house by local authorities and also services provided to local authorities by private waste contractors. The research aimed not merely to compare with other service providers as a whole but also to identify good practice in providing individual elements of the service. Good practice identified included:

- High quality, high quantity of recyclables through materials collected separately.
- Welsh Government Collection Blueprint promotes kerbside sort.
- Promotion of home composting of garden waste.
- Charge for collection of garden waste.
- Contribute to the goals set out in the Well-being of Future Generations (Wales) Act 2015.
- Effective communication and enforcement package.

5.4.2 Options Evaluated

- Change the frequency of collection of recyclates at the kerbside.
- Use of kerbside sort as a collection system.
- Promotion of home composting of garden waste.
- Liaise with 3rd Sector and community groups.
- Charge for the collection of garden waste. This could generate a surplus in the region of £300k (Depending on the level of take up and the charge levied.)
- Use of re-useable collection containers. This could save in the region of £100K, although £50k has already been removed from the waste budget.
- Increased targeted communication and enforcement.

5.4.3 Key Findings of the Options Evaluated

- As previously stated the City and County of Swansea are one of only 3 Authorities in Wales to undertake alternate weekly collections of dry recyclates. The performance being achieved is comparable to, and in many cases better than, Authorities undertaking a weekly collection. Alternate weekly collections are more cost effective than a weekly collection service.
- The current twin streamed collection service is effective and meets legislative requirements in producing a high quantity of high quality materials.
- The recommendation to promote and support home composting for the treatment of garden waste is included within the 'Collections Blueprint'. Whilst the home composting of garden waste is the most environmentally friendly and cost effective way to treat garden waste, it is not suitable for a large proportion of Swansea residents. Garden waste collected at the kerbside currently accounts for around 6,700 tonnes of the Authority's recycling figures contributing around 6% to our overall performance. If this tonnage were to be significantly reduced it would have a detrimental effect on performance and increase the risk of fines. Unless a decision was taken to cease the kerbside collection of garden waste completely there would be little financial gain to be made from increasing the promotion of home composting at this time. Other than reduced repossessing costs, little would be saved as the Authority would still have to arrange for the collection of garden waste from residents who chose not to home compost and would risk fines for failing to meet its statutory targets.
- The recommendation to charge for the collection of garden waste is also included within the 'Collections Blueprint'. It is an option that several Authorities have introduced. It has the benefit of generating income, but as described above it can have a significant effect on the tonnages collected. Authorities that have introduced such a charging scheme have seen uptake from households varying from as little as 4% up to 38%. Should the decision be made to charge for collection in Swansea this could mean, even allowing for an element of the material being taken to HWRCs for disposal, a loss of around 3,000 tonnes of garden waste being captured and recycled. This would impact on our overall recycling performance by around 2.5% placing the Authority at risk of significant fines for failure to meet its targets. The fines (£625K for missing target by 2.5%) could potentially more than wipe out any income the introduction of charging could generate. It is an option that should be reviewed on a regular basis and reconsidered when the Authority is confident that it can be introduced without risking its ability to meet the statutory recycling targets.
- Over recent months the Authority, in conjunction with the Waste and Resources Action Programme (WRAP), as part of the Collaborative Change Programme, have undertaken an exercise to model the effect moving to a kerbside sort system for the collection of recyclates at the kerbside would have. The findings have assumed that the Authority would require 32 vehicles each manned with a driver and 1 loader to complete the rounds on a weekly basis.

The advantages and disadvantages of the kerbside sort system can be summarised as:-

Kerbside Sort Recycling Collections

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Weekly collection of recyclables. • Meets the WG Collections Blueprint in terms of collections. • Possible reduction in collection costs. • New vehicle fleet. 	<ul style="list-style-type: none"> • Limited capacity of containers used for collection. • Potential problems at peak times e.g. Christmas/New Year. • Still require separate garden waste collections. • Collections governed by size of compartments on vehicle. • Potential problems with loading at sides of collection vehicle. • Operational difficulties at the Baling Plant, when offloading vehicles. • Increased need for depot facilities to park vehicles overnight. • Need to change the materials allowed to be mixed at the kerbside. • Question marks over reliability of collection vehicles. • Potential significant increase in collection and depot costs.

The findings presented by WRAP concluded that the net result could be an annual saving less than £50k on the cost of collections with the introduction of a further residual restriction. However it should be noted that:-

- This figure does not include any additional depot costs that would arise with the large increase in the number of operational vehicles. It could mean that the Authority has to provide an additional/alternative depot facilities, the cost of which has not been calculated.
- There is doubt as to whether 1 loader per vehicle would suffice to complete collections. Officers have spoken with Neath Port Talbot (Who has recently introduced the system) and they are currently utilising 2 loaders per vehicle to ensure the work is completed on a weekly basis. If this were to be the case for Swansea it could add an additional £200k to the annual collection costs.
- When planning for any change it is essential that an effective communication programme is put in place. It will help ensure that all stakeholders and particularly the public are fully aware of the changes being made and the reasons for them. There also needs to be an effective enforcement plan in place to ensure the changes are managed in an appropriate way.

- The existing collection vehicles are owned and need revenue funding to replace as a matter of urgency.
- Discussions have taken place with officers from NPT, and whilst the collection methodology is different, this will not cause any future problems should the two authorities merge going forward. Adopting kerbside sort at this time would represent a real risk for CCS in terms of cost and performance.

5.4.4 Service Changes Proposed

- Continue with current frequency of collections.
- Continue with current collection vehicle options and utilise sufficient landfill tax savings to renew life expired vehicles on a lease basis.
- Introduce re-usable pink bag containers county wide after further trial of alternative bag design.
- Continue to offer the free collection of garden waste, but review annually.
- Effective communications and enforcement package when implementing changes.
- Invest in Route Optimisation technology, as detailed in the Residual Waste proposals.
- Evaluate the benefits of alternative working patterns after the implementation of the residual waste restrictions.

5.4.5 Estimated Benefits

- Financial savings included in the residual waste collection section.
- Reusable containers still being evaluated but indications are it could realise savings in the region of £100k per year.
- Income from increase in recyclates offset by the additional costs of collection and treatment of increased food waste.
- Contribution to the goals set out in the Well-being of Future Generations (Wales) Act 2015, and criteria of the Single Revenue Grant.

5.4.6 Main Risks

- Failure to deliver recycling collections in accordance with Welsh Government's (WG) 'Blueprint' could affect the provision of future Single Revenue Grant funding if WG decide to change the criteria applying to the grant.
- Charging for garden waste would impact on recycling performance and be unpopular with residents. If the introduction of charges resulted in a reduction of 2.5% in overall recycling performance the Authority, unless it met the statutory targets, could face fines in the region of £625K per year.

5.5 CLUSTER 2 - BALING PLANT OPERATIONS

The operations currently undertaken broadly consist of:-

- Reception facility for all recyclates.
- Bulking up and loading of recyclates.
- Receipt and bulking up for an element of residual waste.
- Sorting of some materials to add value.
- Act as a bulking facility for private waste companies

5.5.1 Good Practice Identified

- Cost effective haulage operations.
- Competitive baling operations.
- Ensure sorting operations add value.
- Ensure maximum income for materials.
- Ensure maximum income from plant.
- Community engagement.

5.5.2 Options Evaluated

- Review sorting operations/costs.
- Allow private contractors to utilise plant.
- Provide in-house haulage.
- Engage with 3rd Sector organisations and charities/community groups to maximise wider benefits.

5.5.3 Key Findings of the Options Evaluated

- It is essential that any sorting operations undertaken are cost effective and contribute to meeting the desired outcomes. Measures should be taken to ensure that maximum benefit is being achieved from the resources deployed.
- The Authority receive an income from allowing private waste contractors to use the plant to bulk up their waste. This operation needs to be evaluated to ensure that there are sufficient benefits being gained by the Authority to justify it continuing.
- The Authority currently engages haulage contractors to enable various wastes to be removed from the site to either be disposed of or sent for recycling. Depending on the tonnages involved and the likely timescales the services are required for it may be beneficial to consider undertaking all such operations in-house.
- As stated previously there is a need to ensure that the objectives of the Well-being of Future Generations (Wales) Act 2015 are fully considered when undertaking recycling operations funded by the Single Revenue Grant.

5.5.4 Service Changes Proposed

- Continually re-evaluate **ALL** operations to ensure value for money is being achieved.

5.5.5 Estimated Benefits

- Level of savings will depend on the outcome of the changes proposed above, although a target of £75K should be sought.
- Improved recycling performance through residual waste restrictions at HWRCs will reduce reliance on expensive sorting operations.

5.5.6 Main Risks

- General volatility
- Wood

5.6 CLUSTER 3 - COMMERCIAL WASTE COLLECTIONS

The service currently broadly consists of:-

- Collects waste from over 2,000 commercial premises within Swansea.
- Collects around 11,700 tonnes of waste each year of which around 7,700 is residual waste and 4,000 tonnes recycling.
- Generates surplus of around £500k.
- Offers comprehensive recycling options.

5.6.1 Good Practice Identified/ Options Evaluated

- Weighing of waste.
- Charging by weight.
- Flexible charging structure.
- Full cost recovery.
- Full recycling service.
- Collaborative working.

5.6.2 Key Findings of the Options Evaluated

- The Authority operates a cost effective high quality service with Andy Mudd from APSE commenting at the workshop that our market share and surplus achieved are among the highest he is aware of.
- The Authority's pricing structure is broadly based on the volume of waste collected, whilst most of the costs incurred in providing the service are based on the weight of the waste collected and the location of the customer. There is clearly a need to have a good knowledge of the weight of waste being presented for collection by each customer and take in to account their location.
- There are a variety of mechanisms available to weigh the waste presented for collection. Advice received states that the practical difficulties of maintenance and calibration of weighing equipment to Customs and excise standards required for a fully 'pay as you throw' system are not worth the benefits, however it remains essential that the Authority undertake a full survey to establish that the average weight being presented by each customer is established. This will enable the Authority to ensure that it, as a minimum, attains full cost recovery for providing the service to each customer, as well as its current overall full cost recovery.
- The implementation of a flexible charging structure which charges customers in bands based on the weight of the waste presented and also takes into account the location of the customer can ensure that best value for the Authority is being achieved, whilst using the charging structure to further encourage increased recycling.
- In order to achieve full cost recovery, the best option for remote customers may well be to offer the service through the domestic collections on a fortnightly basis. This would remove the need for extremely high transport costs having to be included to achieve full cost recovery for standalone collections.
- The waste collected by the Authority is classified as Municipal Waste and therefore is taken in to account when measuring our recycling performance. It is essential that where practical a full recycling service is offered to customers and there are financial benefits for our customers to fully recycle.
- Opportunities do exist for the Authority to actively seek to boost its customer base, increase its income and potentially its profit particularly with public sector bodies, although in practice this may be limited as APSE have commented that CCS's market share and surplus are already as high as they have seen from a local authority. As stated above all waste collected via the commercial section is classified as Municipal Waste and is included when calculating our overall recycling performance. Whilst boosting our customer base could generate additional income it needs to be balanced against the potential, if the additional waste collected does not contribute to our overall recycling performance, that any additional income would more than be offset by potential fines for failing to meet the recycling targets. Opportunities to increase our customer base with other businesses is limited by the existence of national contracts (Contracts that are let nationally by large multi chain businesses that only allow national waste contractors to compete for them) and the need to ensure recycling performance as described above.

5.6.3 Service Changes Proposed

- Undertake full individual customer audit.
- Utilise on-board weighing technology.
- Develop a service offer/pricing structure to ensure full cost recovery and encourage recycling, taking into account weight bandings and site locations.
- Explore further collaboration options.
- Explore possibility of boosting customer base providing doing so would not adversely impact on recycling performance.

5.6.4 Estimated Benefits

- Ensure, at least, full cost recovery from all customers.
- Reduced disposal costs of up to £50k.
- Boost the recycling performance of the service through the use of weight banded pricing structure.

5.7 CLUSTER 4 - RE-USE FACILITIES

The service currently broadly consists of:-

- In-House provision of one facility for the sale of goods.
- Good range of goods on offer.
- Covers its running costs

5.7.1 Good Practice Identified/ Options Evaluated

- Close links with 3rd Sector/charities.
- Expand number or re-use facilities.
- Use of 3rd sector/charities to operate re-use/recycling centres
- Community engagement.
- Broad knowledge of the value of goods.
- Provision of E-Bay/Gumtree accounts.

5.7.2 Key Findings of the Options Evaluated

- Charities and 3rd Sector organisations have a sound knowledge of operating and achieving maximum benefit from operating re-use type facilities (e.g. Charity shops). There is clearly a benefit to be gained by developing closer links with these organisations to ensure the best value is being achieved from providing the services.
- It is essential if the Authority is to maximise the income from the provision of re-use facilities that having a broad knowledge of the value and markets available for the sale of the goods is key.
- Offering goods for sale via internet sites such as E-Bay/Gumtree can help ensure that income is maximised.

- Developing closer links with Charities and 3rd Sector organisations can help the Authority meet the objectives set out in the Well-Being of Future Generations Act (Wales 2015), which is a key factor taken in to consideration when applying for its allocation of the Single Revenue Grant.

5.7.3 Service Changes Proposed/Estimated Benefits

- Improve level of knowledge to make best use of internet sales.
- Expand existing facility to boost throughput and range of goods sold to increase income levels. It is estimated that a further £25K per year income should be targeted.
- Greater community engagement, meeting the Authority's needs under the terms of the Single Revenue Grant.

6.0 STAGE 4 – SERVICE DELIVERY OPTIONS APPRAISAL

- 6.1 As part of the review process an options appraisal stage has been completed. Consideration was given to all the delivery options available to provide the services under the scope of the review. It was decided to rule out the options of a) Stopping services, b) A Staff/Public Mutual, c) Non-Profit organisation due to the nature of the services being considered. It was determined that the options to be considered and evaluated to provide the services under review within this process would be:

Option 1 Transformed in house.

This model would maintain direct provision of the services, but seek to make savings, maximise income and develop service improvements through the more efficient and flexible use of resources.

Option 2 Outsourcing to Private Sector

This model would require the procurement of one or more external organisations to deliver the services under consideration. Compliance with the European public procurement regime would require European wide competitive tendering.

Option 3 Joint venture with another Local Authority or Private Company.

This model would require, in the case of a joint venture with a private company, full compliance with European public procurement regime. In the case of a joint venture with another local Authority, it would require agreement on behalf of both parties for a long term plan for the provision of Waste Management services.

- 6.2 In addition the provision of Re-Use facilities was subject to a 4th option namely:

Option 4 Charity/3rd Sector provision.

This model would require the procurement of one or more external organisations to deliver the services under consideration. Depending on the length and potential value of the contract compliance with the European public procurement regime may be required.

- 6.3 Following discussions with Procurement it was agreed that soft market testing would be ineffective and potentially misleading for this review, with the only way to robustly assess the financial impact of outsourcing to the private sector being a procurement process.
- 6.4 Considering the current high level of performance and cost effectiveness of the service when benchmarked across Wales, and the uncertainty around local government reorganisation, it was not considered that the time and cost of a procurement process was proportionate for the assessment of delivery options, so the preferred delivery models were based on advantages/disadvantages and the scoring of the options at the Options Appraisal Workshop.
- 6.5 In addition it is clear there are a significant number of improvement/policy changes that the Council need to decide on first and as such it is logical that this transformation is undertaken first in any event.
- 6.6 An Options Appraisal workshop with a cross section of Waste Management's stakeholders was held at the Guildhall on Wednesday 3rd February 2016 to consider different delivery models available for the previously described clusters. The service delivery options detailed above were scored and evaluated based on the following criteria:
- Service Outcomes.
 - Fit with Council Priorities.
 - Financial Impact.
 - Sustainability and Viability.
 - Deliverability.

Key perceived characteristics of each option are shown below

A full scoring matrix of each model outlined below can be found in Appendix C

Option 1 - Transform in house	
<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Already a very efficient, high performing service. • Greater local control/accountability (Members and Officers) • Greater flexibility- an ability to adapt to changes in legislation, service needs and waste markets. • Excellent skills and experience. • No requirement to make a profit. • Local employment (Poverty Agenda) • Assist the Authority in meeting its objectives. • Retains flexibility of options for potential local government reorganisation. • Low risk option. 	<ul style="list-style-type: none"> • Perceived reduced ability to innovate and provide value for money. • Change management, particularly Terms and Conditions and operational practices can be slow to introduce.

Option 2 - Outsourcing to Private Sector

Advantages	Disadvantages
<ul style="list-style-type: none"> • Inject new investment without the need for the Authority to invest up-front. • Introduction of new ways of working and innovation. 	<ul style="list-style-type: none"> • Loss of local control and flexibility to change. • Loss of expertise leads to reliance on contractor. • Difficult to bring back in-house in the future. • Contractual issues, including service changes lead to increased costs over contract price. • Potential loss of local employment. • Contract/procurement costs. • Need to set up a client function. • Poor timing bearing in mind potential local government reorganisation.

Option 3 - Joint venture with Local Authority or Private Company

Advantages	Disadvantages
<ul style="list-style-type: none"> • Possibility to reduce overall management costs. • Possibility of future uniform services over a wider area. • Could enable economies of scale to be achieved • Further review of HWRC provision possible. 	<ul style="list-style-type: none"> • Needs a partner who wants to undertake a Joint Venture approach. • Poor timing bearing in mind potential local government reorganisation. • Different methods of existing service delivery. • Different waste contractual arrangements in place. • Set up costs.

Option 4 – Charity/3rd Sector Provision

Advantages	Disadvantages
<ul style="list-style-type: none"> • Lower staffing/volunteer costs. • Closer links with likeminded organisations. • Greater expertise of resale of goods. • Helps meet the needs for purpose of receipt of the Single Revenue Grant. • Helps meet the Authority's priorities. • Increased profit for the Authority. 	<ul style="list-style-type: none"> • Need to procure partners. • Loss of control. • Lack of robustness of service. • Possible loss/redeployment of existing staff.

7. DELIVERY MODELS

The different models of delivery have been considered and it has been determined that the most suitable way forward would be as follows:

7.1 Cluster 1 - Strategy, education and Enforcement

Preferred Delivery Model - Transformed in-house

Main Reasons:

- i. High levels of local knowledge and experience
- ii. Teams already reduced by 30%
- iii. Avoids duplication of Client function
- iv. Potential local government reorganisation
- v. Keeps future options open post LGR
- vi. Local employment

7.2 Cluster 2

- Provision of HWRCs
- Kerbside residual waste and recycling collections
- Baling Plant operations

Preferred Delivery Model - Transformed in-house

Main Reasons:

- i. High performing and cost effective service
- ii. Retains flexibility and control
- iii. Avoids lengthy and costly change process
- iv. Potential local government reorganisation
- v. Keeps future options open post LGR
- vi. Local employment

7.3 Cluster 3 - Commercial waste services

Preferred Delivery Model - Transformed in-house

Main Reasons:

- i. Viewed by APSE as having a very significant market share
- ii. Viewed by APSE as having a high level of surplus generated
- iii. Excellent recycling performance – 34%
- iv. High levels of local knowledge and experience
- v. Focus balanced between recycling and profit

7.4 Cluster 4 - Provision of re-use facilities

Preferred Delivery Model – Further explore and establish what benefits can be gained by entering in to a joint venture with Charities and 3rd Sector organisations to then compare with transformed in-house model.

Main Reasons:

- i. Third party option could result in:
 - Enhanced expertise
 - Reduced costs through volunteers
 - Increased income
 - Franchising opportunity

8.0 RECOMMENDATIONS

It is recommended that:

1. The following preventative measures are put in place to minimise residual waste thereby maximising reduction in the current £3.78M per year spent on landfill tax, and at the same time maximise recycling performance to meet statutory target and mitigate against potential financial penalties:
 - a) Convert up to 4 HWRCs - Tir John, Garngoch, Penlan, and Clyne (if appropriate) to Recycling Centres only through the removal of the residual skips, together with only allowing non-recyclable waste to be deposited in residual skips at Llansamlet HWRC and any other sites with residual skips, in line with the aims of the Environment (Wales) Bill.
 - b) Develop a segregated residual area, introduce measures to increase capacity, and extend the opening hours of Llansamlet HWRC through the summer period to cater for increased visitors.
 - c) Develop a commercial waste service offer/pricing structure to ensure full cost recovery and encourage recycling, taking into account weight bandings and site locations.
 - d) The implementation of a comprehensive communications campaign and enforcement strategy to support the above actions in seeking behavioural change and increase community engagement.
2. Incomes and efficiencies are improved through:
 - a) Investment in Route Optimisation software to both maximise efficiency and improve service provision/customer care.
 - b) Implement reusable pink bags across the Authority following assessment of alternative bag design .
 - c) Reviewing all operations at the Baling Plant.
 - d) Expand the Re-use Shop
3. An uplift in the Waste Budget to replace life expired owned vehicles in line with a 3 year replacement programme independently from projected savings. See Appendix D for details.
4. Reduce reliance on agency staff through further recruitment of permanent staff utilising part of the landfill tax and efficiency savings, on a phased basis to still maintain adequate redeployment opportunities.
5. Continue to offer the free collection of garden waste, but review annually.
6. Review the capacity and frequency of residual waste collections at the kerbside once the full impact of the above initiatives on recycling performance and budgets has been assessed, and to match the procurement of replacement vehicles.
7. Further review opening days and hours of HWRCs once usage patterns of revised arrangements detailed above have settled down.
8. The service delivery encompassed by all Clusters are delivered through a transformed in house model, with a further review of the Re-use Shop following its expansion.

9. FINANCE

- 9.1 The estimated financial impact from the initial tranche of above recommendations are as follows:

Recommendation	Estimated Saving
1a) HWRC residual restrictions	- £250K
1c) Commercial waste changes	- £ 50K
2a) Route optimisation	- £ 50K (after 2 year payback period)
2b) Reusable pink bags	- £100K (£50k prev removed from budget)
2c) Baling Plant Review	- £ 75K
2d) Reuse Shop improvements	- £ 25K
Full Year Total	- £550K

This saving will be reduce in 16/17 dependant upon implementation dates as part year savings only

Assumed part year saving for 16/17	- £275K
Budget reduction enacted in anticipation	- £572K
Part year shortfall for 16/17	- £297K
Ongoing full year shortfall	- £ 22K

- 9.2 However there are existing spending pressures on this service namely essential vehicle replacements at £559K per year, reductions in WG grants, and the desirable permanent recruitment of agency staff at £2.5K per member of staff. A budget uplift is required to cover the cost of the vehicles and the reduction in WG grant.
- 9.3 The estimated financial impact from the follow on recommendations are as follows:

Recommendation	Estimated Saving
5 Charging for garden waste	- £300K
6 Kerbside residual restriction up to	- £450K
7 Review of HWRCs days/hours	- £ 50K
Potential Total	- £800K

- 9.4 The current net spend for the Waste Service is £10.8M. In a “Do Nothing” scenario, **even excluding inflationary increases and WG grant reductions**, this spend could increase to at least £12.75M by 2020 due to fines for missing the recycling target and the cost of essential vehicle replacements.
- 9.5 The initial tranche above would, **excluding inflationary increases and WG grant reductions**, result in a net spend of £10.7M taking into account the funding for the replacement of essential vehicles. The further introduction of the second tranche would reduce the net spend, excluding inflationary increases and WG grant reductions, to £9.9M as long as the statutory targets were met and fines avoided. The two tranches combined provides a 22% saving/cost avoidance.

9.6 Whilst the Waste Management Service is also making savings through other Sustainable Swansea streams such as the Senior Staff Review, Business Support Review, Depot Review etc., to move further towards the indicative level of 50% savings for the Place Directorate, further savings could include full HWRC closures and the stopping of other services, however care would need to be taken that a saving is not then outweighed by consequential increased costs elsewhere such as fines, residual disposal costs, fly tipping costs etc.

10. HR IMPLICATIONS

There are no compulsory redundancies in respect of the preferred option. However, there will be some minor changes to shift patterns and in this respect, the appropriate consultation with staff and Trade Unions will take place before any changes are made.

11. LEGAL IMPLICATIONS

The requirement for the Council to comply with a range of statutory provisions in providing waste management services is clearly set out in the report.

The proposed preferred option for future service delivery incorporates the need to ensure continued compliance with the relevant legislation whilst focusing on strategies to reduce municipal waste generally (with the exception of commercial waste), increase the % of waste reused or recycled and thereby the amount of waste disposed.

As no alternative delivery model is proposed, there are no specific additional legal implications relating to revised delivery options.

12. EIA

EIA screening has been completed and the initiatives are not relevant for a full EIA report. Any changes to current services will be widely publicised prior to their introduction.

Background Papers: None.

Appendices:

- Appendix A - Summary of Stage 3 Benchmarking/Comparison
- Appendix B – Analysis of Current Residual black bag household Waste
- Appendix C – Summary of Stage 4 Option Appraisal
- Appendix D – Renewal of life expired Authority owned waste vehicles