

Waste and Street Cleansing – Future Provision

Final Decision-Maker	Communities, Housing and Environment Committee
Lead Head of Service	William Cornall, Director of Regeneration and Place
Lead Officer and Report Author	Jennifer Shepherd, Head of Environment and Public Realm
Classification	Public
Wards affected	All Wards

Executive Summary

The current Mid Kent Waste Contract is due to end in October 2023 and therefore work is due to start on the preparation for the new contract. The Mid Kent partner authorities (Ashford, Maidstone and Swale) have started exploring the future opportunities to deliver this service along with the street cleansing service which is already outsourced in the other authorities.

This report outlines the initial considerations and potential cost implications for delivering one or both services post 2023. The report is intended to provide the Committee with an early indication of the options available before further discussion, workshops and finally decisions are taken about how the services will be delivered and what they will look like.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

1. that the Committee agree the draft objectives, as set out in paragraph 1.9 so they can form the foundation of the future decision-making process;
2. That the four key areas for decision are noted;
3. That the draft timetable for decisions and implementation as set out in paragraph 1.27 is noted.

Timetable

Meeting	Date
Corporate Leadership Team	Tuesday 16 June 2020
Communities, Housing and Environment Committee	Tuesday 30 June 2020

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1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p><i>The four Strategic Plan objectives are:</i></p> <ul style="list-style-type: none"> • <i>Embracing Growth and Enabling Infrastructure</i> • <i>Safe, Clean and Green</i> • <i>Homes and Communities</i> • <i>A Thriving Place</i> <p>The future waste and street cleansing provision will be designed to support the <i>Safe, Clean and Green</i> priority. The purpose of this report is to highlight the initial findings and options from the modelling of future delivery methods including likely cost implications. These will then be considered in the future by the Council when deciding how to provide the services post 2023, when the current waste contract ends.</p>	Head of Environment and Public Realm
Cross Cutting Objectives	<p><i>The four cross-cutting objectives are:</i></p> <ul style="list-style-type: none"> • <i>Heritage is Respected</i> • <i>Health Inequalities are Addressed and Reduced</i> • <i>Deprivation and Social Mobility is Improved</i> • <i>Biodiversity and Environmental Sustainability is respected</i> <p>The future service provision will ensure that environmental sustainability is a key focus and all opportunities to reduce our carbon impact will be explored and where possible delivered including considering alternative fuels and maximising recycling quality.</p>	Head of Environment and Public Realm
Risk Management	<p>A full risk assessment of any future changes to the service or delivery model will be carried out in order to inform the decision-making process.</p>	Head of Environment and Public Realm

	This report is intended to highlight the considerations required	
Financial	This report outlines the likely increased cost for the provision of the waste and street cleansing services post 2023. An increase in contract cost has been assumed as part of the Council's Medium Term Financial Strategy. This report outlines the start of a process to consider the options for the waste and street cleansing services post 2023, which will enable the Council to consider the prospective cost implications for future decisions.	Section 151 Officer & Finance Manager
Staffing	This report outlines several options available to the Council for the future provision of the waste and street cleansing service. At this time further exploration of the options can be carried out using the available staffing resources.	Head of Environment and Public Realm
Legal	Accepting the recommendations will fulfil the Council's duties under the Environmental Protection Act 1990. Failure to accept the recommendations without agreeing suitable alternatives may place the Council in breach of the Environmental Protection Act 1990. Acting on the recommendations is within the Council's powers as set out in Part 2.2.3 of the Constitution.	Team Leader, Contract and Commissioning
Privacy and Data Protection	This report will not impact the personal data processed by the Council.	Policy and Information Team
Equalities	A full Equalities Impact Assessment will be incorporated into the decision-making process for determining	Head of Environment and Public Realm
Public Health	This report is intended to provide a high-level overview of the possible options for delivering the waste and street cleansing services post 2023. Providing a high-quality refuse, recycling and street cleansing service will support public health objectives through the delivery of an attractive environment.	Head of Environment and Public Realm
Crime and Disorder	Providing a clean environment which is free from litter and graffiti is known to also contribute to how 'safe' an area feels to	Head of Environment and Public

	residents.	Realm
Procurement	At this stage, a commissioning exercise is underway to identify the most effective method of delivering the services post 2023. Should the contract be retendered, a full procurement process would be undertaken in line with Contract Procurement Rules.	Head of Environment and Public Realm

2. INTRODUCTION AND BACKGROUND

- 1.1 In 2013, Maidstone Borough Council entered into partnership with neighbouring authorities Ashford and Swale Borough Councils, Kent County Council and Biffa Municipal Ltd to deliver a Mid Kent Waste Contract. This provided consistency of service across the three Boroughs, delivered significant cost savings and improved recycling rates.
- 1.2 The Partnership was supported by Kent County Council as the Waste Disposal Authority through reinvestment of disposal savings brought about by the increased recycling rates, into the services.
- 1.3 The table below shows the current service providers for the existing services:

Service	Service Provider	Contract Renewal Date
Waste Collection	Biffa Municipal Ltd	Oct 2023
Mixed Recycling	Biffa Municipal Ltd	Oct 2023
Garden Waste	Biffa Municipal Ltd	Oct 2023
Clinical Collection	Biffa Municipal Ltd	Oct 2023
Bulky Collection	R. Wyatt (Subcontractor to Biffa)	Oct 2023
Bin Deliveries	R. Wyatt (Subcontractor to Biffa)	Oct 2023
Street Cleansing	Maidstone Borough Council	None
Fly tipping / Hit Squad	Maidstone Borough Council	None
Fleet Maintenance (Waste & Recycling Collection)	Biffa Municipal Ltd	Oct 2023
Fleet Maintenance (Street Cleansing / Grounds Maintenance)	CTS (part of Commercial Services, KCC)	Oct 2023

- 1.4 With the Mid Kent Contract due to expire in three years and no option of an extension work is required to determine the future provision of these services.
- 1.5 Along with our partnering authorities, Maidstone procured the services of Waste Consulting to undertake analysis of potential costs for different service delivery models. They already have significant knowledge of the

Mid Kent Waste Contract as they carried out the modelling for the current contract and have undertaken further analysis over the past 7 years.

- 1.6 Waste Consulting have now completed their initial work and have identified the likely costs should the service continue to be operated as is, as well as looking at alternative delivery methods including a fully in-house service or a Local Authority Trading Company (LATCo). At this stage no recommendations have been made, however Waste Consulting have identified the decisions which will need to be taken, the projected cost implications and the wider environmental impact.
- 1.7 This report outlines the headline results from this modelling, with an estimate of costs, based on current prices, for the various options available.

What is important to Maidstone?

- 1.8 To decide the best option for Maidstone, it is important to set out the objectives the service needs to achieve. Whilst the financial consideration of such a large service is important, it is not the only consideration, particularly given its high-profile nature and potential environmental impact.
- 1.9 Considering the Council’s corporate priorities as set out in the Strategic Plan and the objectives within Maidstone’s current Waste Strategy, the following table outlines the five proposed objectives and their relative weighting.

Maidstone Borough Council Waste Service Objectives		
Ref	Objective	Weighting
1	Minimise the carbon footprint of the overall service, to include taking into account the impact of the fleet and collection frequencies	25%
2	Deliver a cost effective and tailored service with high resident satisfaction	25%
3	Waste and recycling is treated as locally as possible, to support and possibly invest in the local supply chain	20%
4	Maximise recycling rates and financial value of the recycling itself for reinvestment in the service	15%
5	Achieve economies of scale & service efficiencies through partnership working	15%

- 1.10 These priorities reflect the Council’s commitment to tackling climate change, whilst retaining a focus on resident satisfaction and cost.
- 1.11 It is recommended that the Committee agree the draft objectives so they can form the foundation of the future decision-making process. The four key decisions which need to be agreed over the coming 12 – 18 months are now outlined below. Some of the advantages and disadvantages of each approach are discussed within the report however at this stage no recommendation can be made.

The Future of the Mid Kent Partnership

- 1.12 Since 2013, Maidstone Borough Council has been part of the Mid Kent Partnership with Ashford and Swale Borough Councils. This followed the

creation of the East Kent Partnership and has since been followed by South West Kent.

1.13 The Council will need to decide whether to continue as part of Mid Kent or to consider working alone in future or partnering with other authorities. This will also have a bearing on how the future relationship with Kent County Council as the disposal authority develops.

1.14 The table below highlights the key advantages and disadvantages associated with each option:

	Advantages	Disadvantages
Mid Kent Partnership	<ul style="list-style-type: none"> - Strong partnership already developed - Provides greater support to each authority - Opportunities to have combined client team to reduce costs - Cross-boundary services offer cost savings - Greater collective weight to renegotiate with KCC on the Inter-Authority Agreement 	<ul style="list-style-type: none"> - Administration is more complex - Requires partnership to maintain consistency which can make decision-making process more difficult
Alternative Authorities	<ul style="list-style-type: none"> - Provides support to partnering authorities - Procurement savings from re-tending joint contract 	<ul style="list-style-type: none"> - Very few authorities in Kent not already in Partnership or contract - Requires close geography to generate cost savings - Takes time to develop working relationship
Single Authority	<ul style="list-style-type: none"> - Independency, ability to make quicker decisions - Able to focus solely on Maidstone's objectives 	<ul style="list-style-type: none"> - Less support particularly in times of disagreement with contractor - Higher procurement and contract cost due to overheads not being shared

To Outsource or Not?

1.15 Whilst the waste collection service is currently outsourced to a private company, this is not the only delivery option. There are four options for Maidstone to consider for the provision of waste and street cleansing services post 2023:

- Contracted waste collection and in-house street cleansing service (As is)
- Contracted waste and street cleansing service
- In-house waste and street cleansing service (DSO)
- Local Authority Trading Company to operate waste and street cleansing services (LATCo)

1.16 The initial indications are that if the waste contract was retendered now and the street cleansing service remained in-house, it would cost Maidstone Borough Council an additional £590k per year. By 2023 this would increase further as it would need to incorporate property growth and indexation to reflect changes to resource costs i.e. fuel prices, salary costs, CPI.

1.17 Therefore, without making any changes to the services, performance standards or delivery method, the Council will need to budget a significant increase in collection costs.

1.18 The modelling has also considered the comparative costs for the other delivery models, all of which result in significantly higher collection costs; however, the LATCo represents the lowest cost to the Council.

Delivery Model	£	Advantages	Disadvantages
Current	4,490,000	<ul style="list-style-type: none"> - Flexible street cleansing service - Fully supported waste collection service i.e. national back-up - No competition between Waste and Street Cleansing for resources 	<ul style="list-style-type: none"> - Higher pension costs for cleansing staff
Fully Contracted Out	5,120,000	<ul style="list-style-type: none"> - More resilience due to the vast corporate and national resources - greater support and knowledge e.g. H&S - reduced HR requirement 	<ul style="list-style-type: none"> - Low flexibility - Hidden or additional costs - Lower staff morale - Staff terms and conditions - Waste likely to take priority over street cleansing for resources
In-house (DSO)	5,140,000	<ul style="list-style-type: none"> - Fully flexible service - Higher level of staff buy-in / morale 	<ul style="list-style-type: none"> - High pension costs - Highest overall cost - Less resilience

			Waste likely to take priority over street cleansing for resources
LATCo	4,825,000	<ul style="list-style-type: none"> - Council retains full control - Cheapest option - Flexible service 	<ul style="list-style-type: none"> - Possibility of lower staff morale due to different terms and conditions to Council employees - Less resilience <p>Waste likely to take priority over street cleansing for resources</p>

Cleansing In or Out?

1.19 An internal review of street cleansing was carried out in 2019 which included speaking with resident, businesses, Councillors and Parish Councils. The feedback was very mixed and in some places contradictory. Whilst most residents described their local area as clean, this varied significantly by area along with residents' expectations of what is 'clean'. Residents main areas of concern were littering and street sweeping as well as maintenance of grass verges. However, Members' and Parish Council concerns were primarily focused on fly tipping, although only 13% of residents agreed with this.

	Advantages	Disadvantages
Cleansing operated alongside Waste Collection	<ul style="list-style-type: none"> - reduced service management costs - Ability to have greater coordination between services - Reduced vehicle maintenance costs due to increased scale - Multi-tasking / skilling of staff 	<ul style="list-style-type: none"> - Less flexibility - Waste likely to take priority over street cleansing for resources - Cleansing standards often compromised due to focus on waste collection
Cleansing remain separate to Waste Collection	<ul style="list-style-type: none"> - No competition for resources - Fully flexible and responsive service - Higher Staff morale 	<ul style="list-style-type: none"> - Usually higher cost - Services operate separately so low levels of coordination

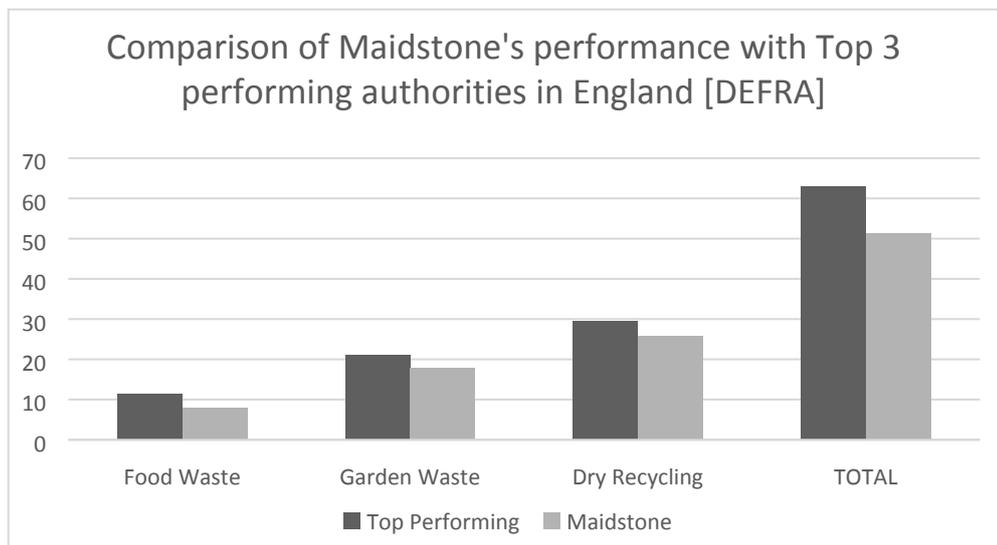
1.20 The review concludes that further investment may be needed in the service to improve resident perception, as well as improving the visibility of the service through published schedules. The recommendation is that a

cheaper delivery model may offer this ability to reinvest money in the frontline service.

1.21 Whilst a decision will have to be taken regarding the delivery model for both the waste and street cleansing services post 2023, most of the cost and risk lies with the waste collection service. It is likely that the decision will need to be taken about the waste collection service in the first instance as this will narrow the options for the street cleansing service. For example, if the best option for the waste service is to create a LATCo, the option to outsource the street cleansing service is likely to be discounted.

Our Recycling Ambition

1.22 With a national target of 65% recycling by 2035 as set out in the Government's Waste Strategy, Maidstone has a long way to go in the next 15 years. However, the three top performing authorities in England - South Oxfordshire, Three Rivers and Vale of White Horse – are all achieving over 62% with the same collection method as Mid Kent.



1.23 The end of the current waste contract offers the opportunity to explore alternatives to how recycling is collected and consider greater innovation within the services.

1.24 Mid Kent, unlike East and South West Kent Partnership has a fully commingled collection, where all recycling is collected within a wheeled bin. However, Kent County Council, as the disposal authority, prefer the twin-stream collection method, whereby paper and cardboard are collected separately to the other recycling i.e. plastic bottles and tubs, glass, and cans. This system is currently operated in East and South West Kent and was considered by Maidstone in 2013. At that time, it was discounted due to the complexities and cost of collection as well as the modelling showing greater recycling could be achieved through the fully commingled collection.

	Advantages	Disadvantages
Commingled	<ul style="list-style-type: none"> - Established service - Service offered by top three highest performers in England - High satisfaction from residents - Simple service 	<ul style="list-style-type: none"> - Recycling rates plateaued - Lower quality of recycling due to fully mixed collection
Twin-stream recycling	<ul style="list-style-type: none"> - KCC preferred collection method - Disposal savings due to reduced reprocessing needs - Consistency with East and South West Kent collection methods - Higher quality of recycling - Overall net reduction of costs in region of £150k 	<ul style="list-style-type: none"> - Higher collection costs - More complex vehicles required which pose risk to reliability - Instability of markets may negate disposal savings resulting in increased cost - Additional containers required - increased complexity for residents as sorting required - Recycling rate may reduce due to more complex system
Alternative refuse frequencies	<ul style="list-style-type: none"> - May be used to offset some of the additional cost of increased recycling collections - Reduction in waste levels - Increase recycling rates 	<ul style="list-style-type: none"> - Resident satisfaction likely to reduce - May result in increased cost due to additional services and bins required - Possible increase in littering and fly tipping due to excess waste
Active engagement in circular economy e.g. focus on keeping materials in local area	<ul style="list-style-type: none"> - Support circular economy to increase quality of recycling - Greater positive impact on climate change due to focus on full lifecycle 	<ul style="list-style-type: none"> - KCC is waste disposal authority - limit recycling ability and reduce recycling rate - Higher cost

1.25 There will be a need to consider the Council's recycling ambition alongside the wider benefits and implications of any such changes.

The Process from Here

- 1.26 With both the current waste contract and street cleansing's fleet maintenance contract ending in October 2023, there is just over 3 years to make decisions on the four key areas and then implement and mobilise the services.
- 1.27 At this stage, a draft timetable has been developed and is included below. This will be subject to review throughout the process.

Action	Draft Timeframe
Member workshop / webinar	July - Sept 2020
Partnership Agreement	Dec 2020
Decision on Service Delivery Model	April 2021
Decision on Street Cleansing provision	June 2021
Development of Recycling Specification	Sept 2020 – April 2021
Decision on Recycling Specification	June 2021
Service Preparation / Retendering	Sept 2021
Service Mobilisation	April 2023
Service Starts	October 2023

3. AVAILABLE OPTIONS

- 3.1 At this stage in the process, the report is presented predominantly for informational purposes and to provide the Committee with the opportunity to consider and discuss the options available.
- 3.2 It is also recommended that the Committee agrees the draft objectives as set out in paragraph 1.9 of the report. However, the Committee could decide alternative objectives should be included or the weighting should be readjusted.
- 3.3 Following discussion, the Committee could consider that other options should be further explored as part of the commissioning process or provide early feedback about options that may be deemed unpalatable or challenging.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 It is recommended that a Members' workshop is carried out with Waste Consulting to discuss in further detail the opportunities and challenges going forward in preparation for agreement across Mid Kent of the post 2023 service delivery arrangements.
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5. RISK

- 5.1 A full risk assessment of each option will be carried out as part of the commissioning process and prior to decision about the agreed way forward.
 - 5.2 At this stage, there are no risks associated with early knowledge relating to projected costs or from exploring all options and this will enable improved budget planning and considered decisions to be taken which will meet the corporate objectives.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Consultation on the street cleansing service was carried out in 2019 and summary details are included in the report.
 - 6.2 Further consultation will be required should service changes be considered.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 The next steps are covered in section 1.26 onwards.
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8. REPORT APPENDICES

None

9. BACKGROUND PAPERS

None