

**Waste Contract Review**

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

**Executive Summary**

The Mid Kent Waste Contract has been operational for over 5 years and is half way through the contract term. This report outlines the performance of the contract over the past 5 years.

**This report makes the following recommendations to the Communities, Housing and Environment Committee**

That the performance of the Waste Contract be noted.

**Timetable**

| <b>Meeting</b>                                 | <b>Date</b>              |
|--|--------------------------|
| Communities, Housing and Environment Committee | Tuesday 12 February 2019 |

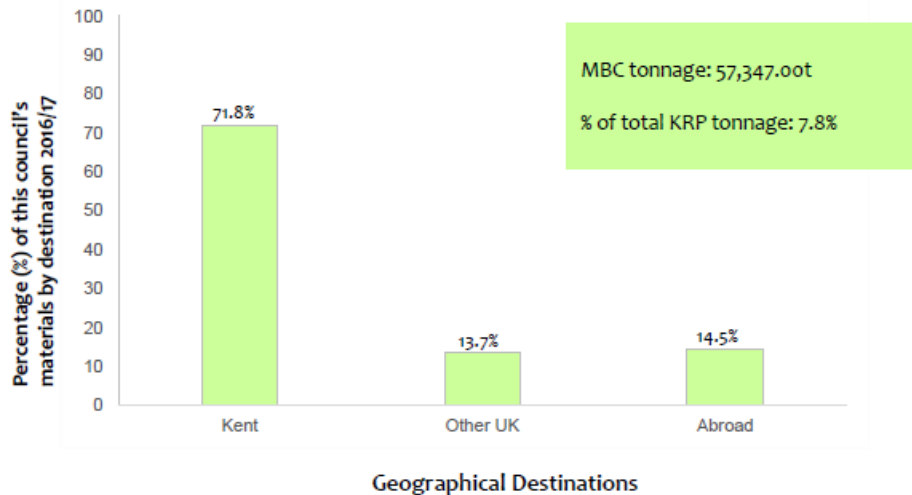
# Waste Contract Review

## 1. INTRODUCTION AND BACKGROUND

- 1.1 In 2013, the Council entered into partnership with Ashford and Swale Borough Councils as well as Kent County Council to let a 10 year contract for the collection of household waste and for some street cleansing services to Biffa Municipal Ltd.
- 1.2 This contract delivers all of Maidstone's frontline waste collection services including:
- Refuse collection (£1 million)
  - Mixed recycling collection (£900k)
  - Food waste (£500k)
  - Garden waste (£300k)
  - Bulky waste (£100k)
  - Clinical waste (£10k)
  - Textiles and WEEE (waste electrical and electronic equipment)

The approximate cost is shown against each service.

- 1.3 The Mid Kent Waste Contract has delivered over £1million in savings per year for Maidstone with the cost of the service falling to around £34 per household. The contract currently costs the Council £2.8 million per year which is funded from Council Tax, support from Kent County Council and external income such as garden waste subscriptions.
- 1.4 Across Mid Kent the contract carries out almost 21 million collections every year, with 8 million of those in Maidstone collecting over 300,000 tonnes of waste. Over 99% of these collections are carried out successfully.
- 1.5 Since the start of the contract, Maidstone's garden subscriptions have also increased significantly from 16,390 to 23,915, which is 34% of households within the Borough. This has generated a 45% increase in garden waste recycling across the Borough since 2012.
- 1.6 The vast majority of the waste collected remains in Kent, with refuse sent for energy recovery in Allington, garden and food waste going to Blaise Farm, Kings Hill. The mixed recycling is sent to Crayford for separation before being sent to reprocessors in this country, Europe and Asia. As shown in Graph 1 only 14.5% of Maidstone's waste is sent out of the Country.



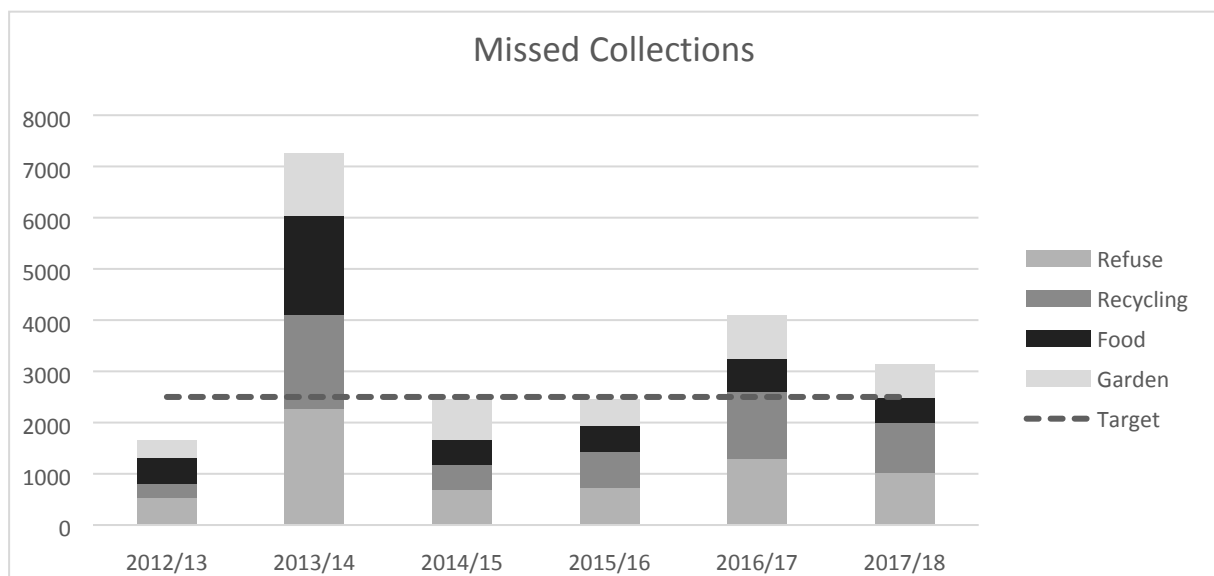
Graph 1: End destination of Maidstone's waste

### Contract Performance

1.7 Contract performance is monitored monthly and is reviewed through the contract's Partnership Board. This Board consists of senior management at Ashford, Maidstone and Swale Borough Councils, Kent County Council, the Kent Resource Partnership and Biffa Municipal. Whilst there have undoubtedly been service failures over the past 5 years, overall the contract has achieved its original objectives:

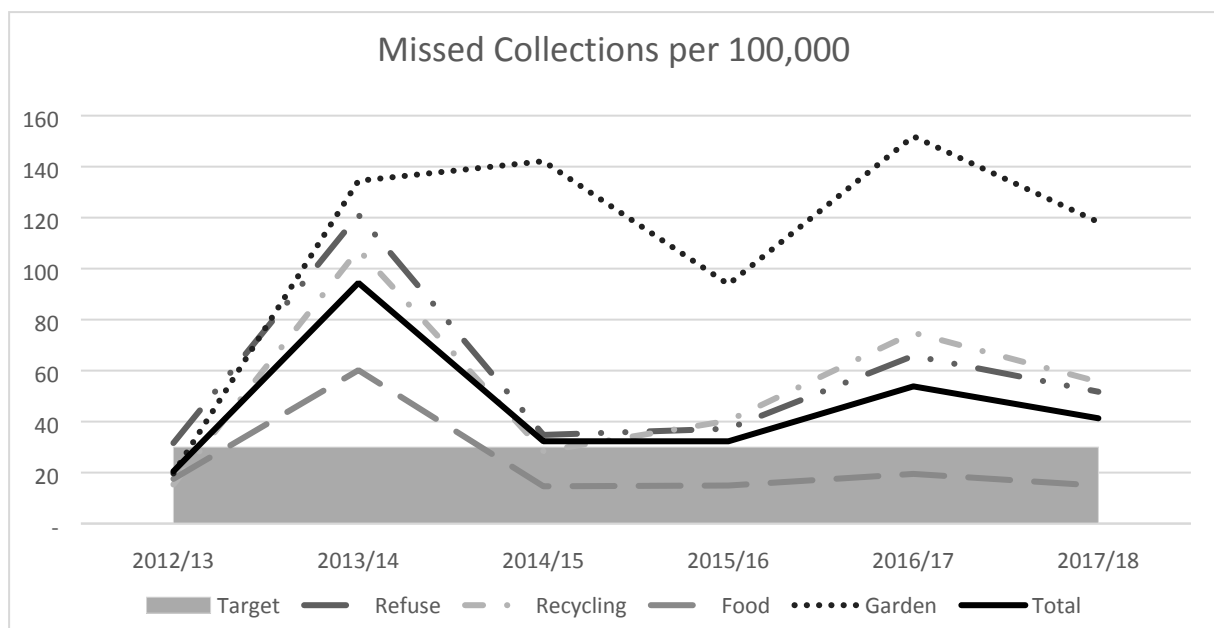
- To achieve the Boroughs' savings targets
- To increase recycling performance
- To provide a consistent service across Mid Kent

1.8 Missed collections remain the key measure of the performance of the contract and although they continue to be higher than the target of 30 per 100,000, in Maidstone only 3,140 collections out of the 8 million carried out were missed last year.



Graph 2: Total number of missed collections per service over the contract term

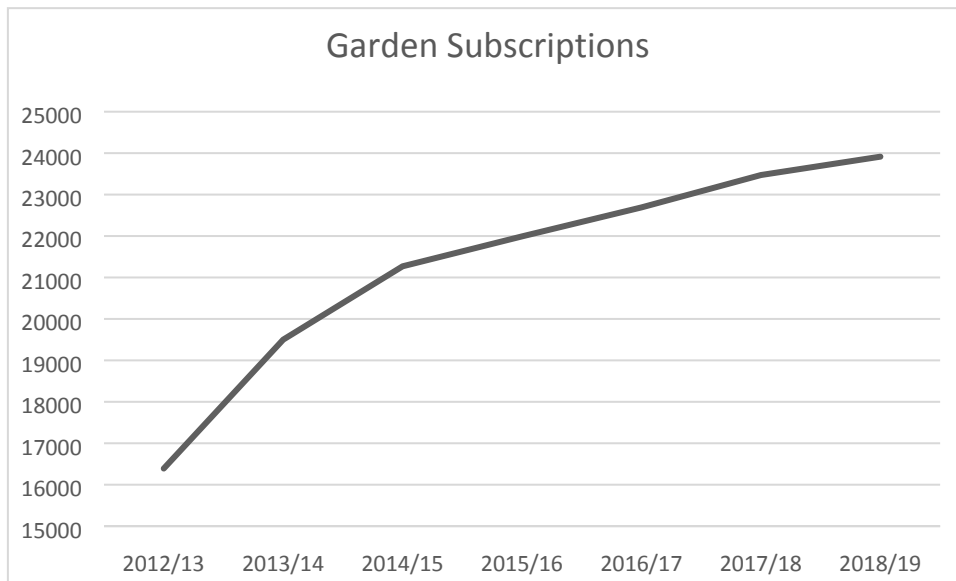
1.9 Graph 2 above shows the number and type of missed bins since 2012. There was a significant peak in 2013/14 which can be attributed to the complete rerouting of the collection rounds. This took some time to embed whilst the collection crews got used to their new routes particularly in the rural areas. Missed collections are the primary KPI for the service and contract and therefore are monitored through the Partnership Board. The peaks in missed collections over the last couple of years generally relate to vehicle reliability issues which have been escalated through Biffa's senior management team and their third party maintenance provider. Biffa have invested in a number of new and additional vehicles to support the frontline fleet and missed bin figures have continued to fall.



Graph 3: The number of missed collections per 100,000 collections made, shown per service

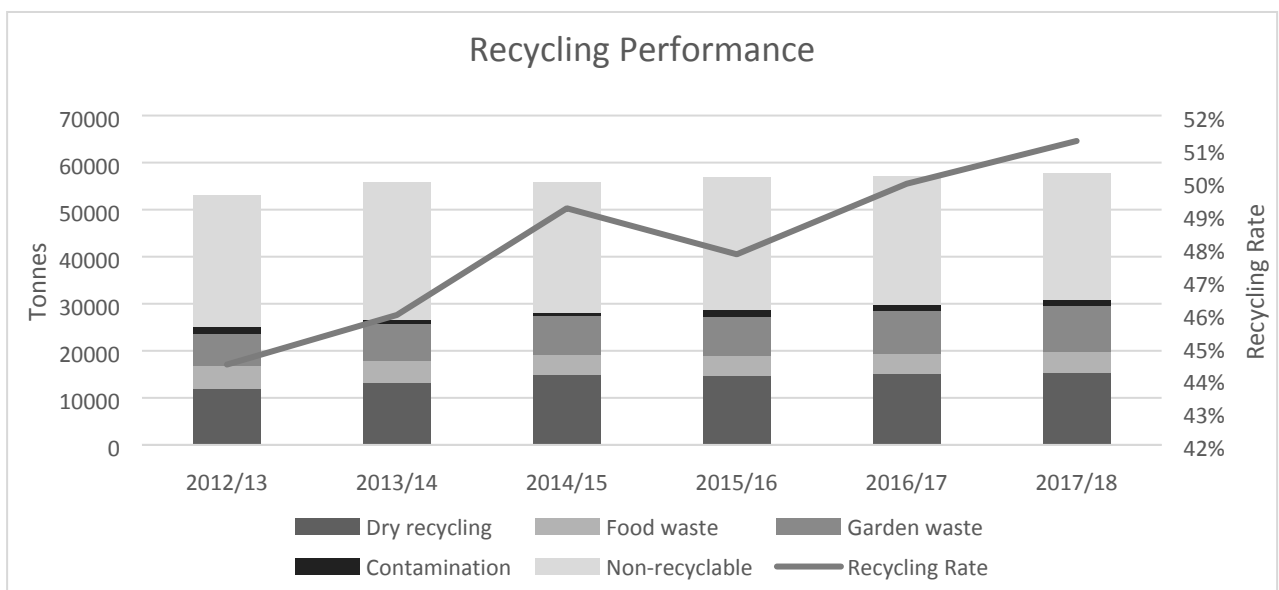
1.10 When presented as missed collections per 100,000 (Graph 3), it is evident that there has continued to be a disproportionate number of missed garden bins compared to the number of properties serviced. Prior to 2013, residents had the option to purchase compostable bags from local retailers and therefore the collection crews had to visit every property. However since the bags were discontinued, the crews only visit properties subscribed to the service.

1.11 The level of garden subscriptions has continued to exceed expectations with over 33% of households now subscribing to the service, as shown in Graph 4. This is thought to be one of the highest uptakes for a chargeable scheme in the country. The graph below shows the rise in subscriptions over the contract period.



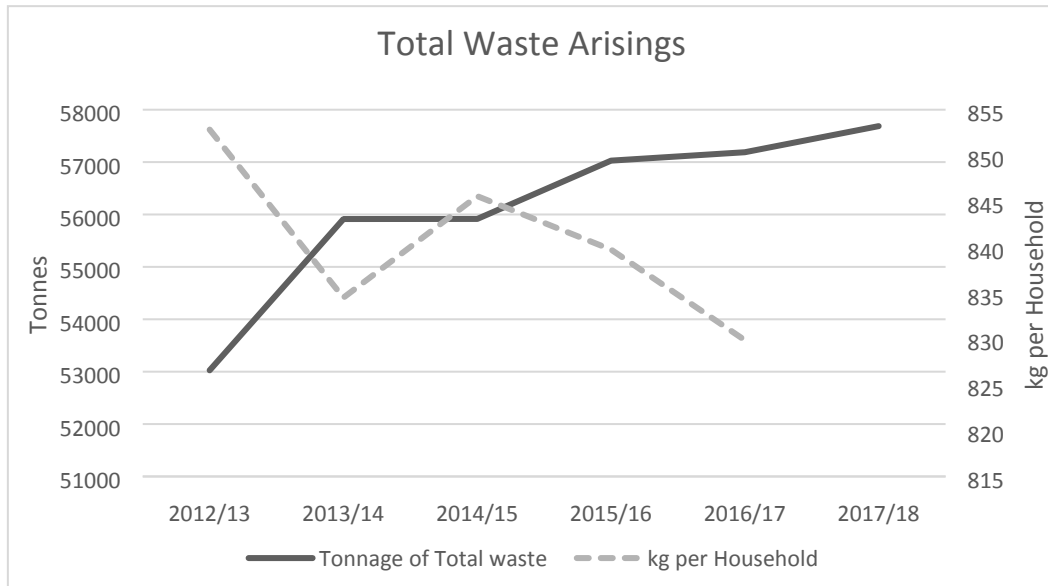
Graph 4: Number of garden waste subscriptions per year

1.12 Recycling performance is also an indicator of the success of the contract and although Ashford's performance has eclipsed Maidstone's, the Borough has achieved the national target and has defied the national trend of falling recycling rates (Graph 5).

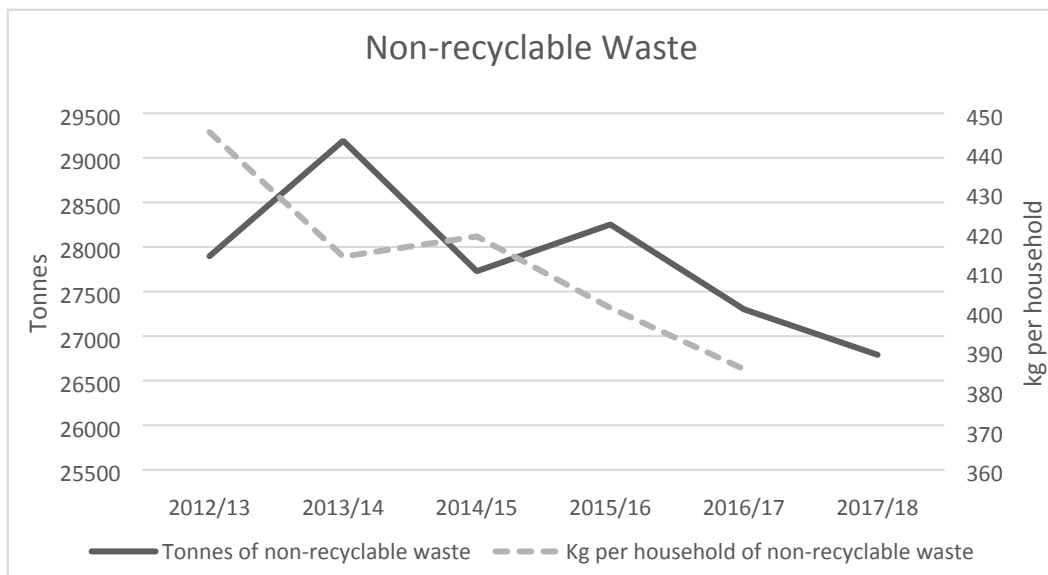


Graph 5: Tonnage of waste and recycling collected over the contract term and the resultant recycling rate

1.13 Overall total waste arisings have increased over the contract period (Graph 6) and can be linked to the economic climate and increased consumer confidence. Non-recyclable waste levels have continued to fall as more waste is diverted to recycling (Graph 7).

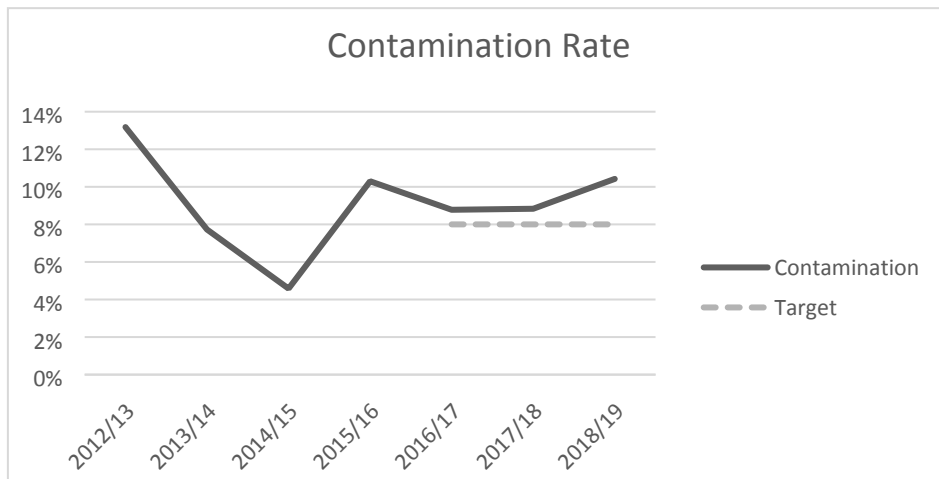


Graph 6: Total waste collected



Graph 7: Tonnes of non-recyclable waste collected

1.14 A review of the waste partnerships carried out in 2017 on behalf of the Kent Resource Partnership identified that compared with the original modelling for the contract, performance has been lower than expected. It was anticipated that Maidstone could achieve a recycling rate of 54.6% however to date has not been about to achieve this. This is predominately attributed to the increase in contamination of the recycling (Graph 8).



Graph 8: Amount of contamination (non-recyclable waste) collected in the recycling bins

1.15 The higher contamination rate is likely to be due to a number of reasons:

- Stricter regulations for MRF (material recycling facility) operations
- Changes to MRF specification
- Confusion over textile collections
- Misuse of the recycling service
- Crew oversight

1.16 The contamination levels are fairly consistent across Mid Kent and are also comparable with East Kent districts. It is a common issue which is regularly discussed through the Kent Resource Partnership and a Kent-wide communications group are working on initiative to target and reduce contamination.

1.17 Appendix A provides further information about the composition of the recycling including the objectionable and prohibitive materials collected.

1.18 This issue of contamination is addressed through the Annual Action Plan and the regular meetings with Biffa and Kent County Council. A number of actions have been identified including reviewing the separate textile collections as textiles remain a significant contributor to the contamination of the recycling bins.

1.19 Financially, the contract is still performing well from Maidstone's perspective, although additional costs to process the mixed recycling at Allington have resulted in no additional savings being generated. There is an annual pricing review for the contract which takes into account property and service growth as well as indexation. The Mid Kent Contract applies a basket of indices to the annual price which includes average earnings, diesel and CPI. Over the course of the 5 years, there have been 3 years of positive indexation and 2 years of negative indexation.

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## 2. AVAILABLE OPTIONS

2.1 This report is for information only.

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### 3. RISK

- 3.1 This report is presented for information only and has no risk management implications.
- 3.2 However it is important to highlight that there is a significant risk of increased contract costs at the end of the contract term. This is captured within the Service's risk register and is not specifically related to this report.
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### 4. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 4.1 Public satisfaction with the refuse and recycling services remains high and the Committee have previously recognised the good performance of the service.
- 4.2 Prior to the procurement of a new contract in 2023, analysis of the Borough's waste composition and a public consultation will be carried out to determine the most appropriate service provision for the future.
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### 5. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 5.1 The contract term is for another 5 years until October 2023. In the next 12 months work is due to start with the Partner Authorities to identify the options for the procurement of the next contract. It is anticipated that the procurement process for this will start in 2021.
- 5.2 Promotion of the recycling services will continue to maintain and improve the Borough's recycling rate and reduce contamination levels.
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### 6. CROSS-CUTTING ISSUES AND IMPLICATIONS

| Issue                                 | Implications   | Sign-off                             |
|---------------------------------------|--|--------------------------------------|
| <b>Impact on Corporate Priorities</b> | The delivery of the Waste Collection Contract supports the Council's priority for a "Clean, Green and Safe Borough". | Head of Environment and Public Realm |
| <b>Risk Management</b>                | This report is presented for information only and has no risk management implications.                               | Head of Environment and Public Realm |
| <b>Financial</b>                      | The proposals set out in the recommendation are all within already approved budgetary                                | Paul Holland, Senior Finance Manager |



|                                    |  |  |
|------------------------------------|--|--|
|                                    | headings and so need no new funding for implementation                       |  |
| <b>Staffing</b>                    | N/A  | Head of Environment and Public Realm     |
| <b>Legal</b>                       | The report is for information only and there are no contractual implications | Team Leader, Contracts and Commissioning |
| <b>Privacy and Data Protection</b> | N/A  | Head of Environment and Public Realm     |
| <b>Equalities</b>                  | N/A  | Head of Environment and Public Realm     |
| <b>Public Health</b>               | N/A  | Head of Environment and Public Realm     |
| <b>Crime and Disorder</b>          | N/A  | Head of Environment and Public Realm     |
| <b>Procurement</b>                 | N/A  | Head of Environment and Public Realm     |

## **7. REPORT APPENDICES**

Appendix A: Sample Composition of Recycling

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## **8. BACKGROUND PAPERS**

None