



**Report of the Overview and Scrutiny Management
Committee**

Waste Strategy Policy Review Group Report



scrutiny

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1. Introduction and Context

1.1 Regional Context - Welsh Assembly Government Strategy

1.1.1 The Welsh Assembly Government set out its overarching strategy in relating to Waste in 'Towards Zero Waste – *One Wales: One Planet strategy in 2010*'. The document aims to set out Wales' long term frame work of waste management and resource efficiency.

1.1.2 The strategy highlights the challenges facing Wales are;

- Sustainability – Ensuring that the decisions we make today achieve a better quality of life for not only us but future generations
- Ecological Footprint – Ensuring that the impact we have on the planet from resource usage and from the waste products we produce.
- Climate Change – Ensuring that the direct emissions from the biodegradable waste released at landfill sites is reduced from 4.7% it currently stands at.
- Security of Resources – Ensuring that the people have the resources they need at affordable price.

1.1.3 The strategy states that Wales will have zero residual waste by 2050 through a gradual approach of set recycling targets. The table below outlines the targets;

Target on waste collected by LAs	2012/13	2015/16	2019/20	2024/25
Minimum overall recycling	52%	58%	64%	70%
Maximum level of landfill	-	-	10%	5%
Maximum level of energy from waste	-	42%	36%	30%

1.1.4 Recycling targets are statutory under the Waste (Wales) Measure 2010, and if not met, will carry a £200 per tonne fiscal fine. This is in addition to the existing landfill allowance penalties, which also carry a £200 levy for each tonne over the set individual allowance.

1.1.5 The Welsh Government has provided support to Local Authorities in the form of WRAP Cymru. The support that can be provided includes procurement support, operational change management and operational delivery, and materials marketing.

1.1.6 Welsh Assembly Government established the 'Collaborative Change Programme' in 2011, which was available to all Local Authorities, to enable them to hit the targets around waste management and recycling. The programme is delivered with the aid of WRAP Cymru and its key objectives are to:

- Prepare strategic business cases to assist decision making to ensure targets are met;
- Reduce service delivery cost;
- Reduce the environmental impacts of services;
- Share best practice and knowledge across Welsh LAs;
- Provide capital grants to support service changes.

1.2 Newport City Council's current performance

1.2.1 NCC has missed a number of targets set by WG and has had the associated fines waived on two occasions. Currently the Council is recycling around 58% of its waste and the next target is 64% by 2019/2020. Missing this target carried with it a penalty of £367,373. Below is a table summarising the Council's performance against recycling targets to date:

	12/13	13/14	14/15	15/16	16/17
Performance	48.31%	51.7%	52.03%	57.14%	61.39%
Target	52%	52%	52%	58%	58%
Wales average	52.30%	54.30%	56.20%	60.20%	64.15%

Further increase in recycling in recent years is still not sufficient to keep up with the targets. NCC is consistently in the 4th quartile and below the Welsh average. As outlined in the NCC Business Planning Summary, without a step change in the performance of the service, NCC will fail to meet the WG targets in subsequent years. If the fines were to be exercised, based on the Council's 16/17 performance, NCC would be liable to a fine of £367,373, in 2019/20 and £1,211,145 in 2024/2025. Thus far the Council has received no fines from WG after marginally missing targets; however this would be unlikely to be the case in the future.

1.2.2 Currently Waste and Recycling is funded in part by the LA and also the WG Waste Grant. It is predicted that the WG will continue to decrease its Waste Grant by 5% a year. This decrease will put increasing pressure on NCC to find additional funds to or reduce the cost of service delivery to cover the shortfall. The table below outlines the increase funding gap and subsequent pressure faced by the Council if no change is made to service delivery:

Year	WG Grant	Additional funds required vs. 2016/17
2016/17	£2.76 m	£0
2017/18	£2.62 m	£138k
2018/19	£2.49 m	£269k
2019/20	£2.36 m	£393k
2020/21	£2.24 m	£511k
2021/22	£2.13 m	£623k
2022/23	£2.03 m	£730k
2023/24	£1.92 m	£831k
2024/25	£1.83 m	£927k

2. Methodology

2.1 Role of Scrutiny

- 2.1.1 The Council needs to have a new Waste Strategy in place that includes medium to long term options and actions to meet the increasing recycling targets imposed by the Welsh Government. This is recognised internally and Council officers have been working very closely with the Welsh Government to review the waste services and come up with viable options to improve the recycling performance, and it is also one of the recommendations from WAO after their audit of the waste services conducted during 2016/2017.
- 2.1.2 WAO have recognised the benefits from the work done by the Scrutiny Committee and have recommended that the Council make a better use of its scrutiny arrangements to provide more frequent and accurate performance information and analysis to enable it to monitor and manage waste and recycling performance effectively. As part of this process it is believed that involvement from the Scrutiny Committee in making suggestions linked to the approval process for the new Waste Strategy would be beneficial and could mark the start of a closer reporting process in terms of performance.
- 2.1.3 This referral was originally submitted to the Streetscene, Regeneration and Safety Scrutiny Committee in November 2016. The Committee agreed to set up a Review Group to consider options for the development for the Waste Strategy. The Review group was due to begin its review in February 2017. Due to the volume of work to be undertaken, it was unlikely that this group would conclude its work prior to the Local Government Elections. Concerns were raised that the Membership of the review group would change half way through its investigation due to the election, that it would result in having to duplicate the work with the new members. As such, the Committee agreed to postpone the commencement of this review, until the Committees were reconstituted following the Elections.
- 2.1.4 Scrutiny has previously been involved in issues relating to Waste, and has undertaken a [review into increasing recycling](#). Waste and recycling has been highlighted previously as an areas of interest for scrutiny, with significant implications on the Council's Budget and is a topic of high interest to local residents.
- 2.1.5 At its meeting on 26 July 2017, the Overview and Scrutiny Management agreed to set up the Waste Strategy Policy Review Group. Membership for this review group was sought from all Scrutiny Members (including those on the other three Scrutiny Committees). The Membership was confirmed as follows:

- Cllrs M Spencer, J Cleverly, K Critchley, L Lacey and J Hughes.

2.2 Terms of Reference – What was the scope of the Review Group's role?

- 2.2.1 The Policy Review Group's specific role was to consider the options proposed as a result of a thorough review of the waste services and modelling of different scenarios under the Welsh Government "Collaborative Change Programme". It was intended that this would then form the basis of the strategic direction for the Council in relation to Waste, and that a Waste Strategy would be developed around these options.

2.2.2 The Group did not have scope to look at options outside of this report. They were asked to comment on the scenarios - how they would relate to Newport, whether they would be effective within Newport and whether they would result in the necessary change in the service to meet the targets relating to recycling.

2.3 Meetings Schedule – How did the Group undertake this review?

The group agreed on the following project plan to approach this review:

Meeting 1 – 7 September 2017

- Summary of background information and regional context;
- A brief overview of the process that had been undertaken to date in the Business Planning toolkit;
- An overview of NCC's current performance in relation to Waste services;

Meeting 2 – 19 September 2017

- A breakdown of the Business planning toolkit process;
- Detailed breakdown of the Options appraisal and evaluations;

Site Visit to Conwy – 20 September 2017

- Organised and funded through WRAP/ Welsh Assembly, the group were invited to attend a site visit in Conwy, North Wales, to see first-hand what the implementation of three weekly collection entailed, how it had been managed. There was an opportunity to speak to the Council officers on the success of the scheme to provide context on how this option could be successfully implemented and what issues arose for the Council.

Meeting 3 – 26 September 2017

- Presentation on the cost benefit analysis by Eunomia including how the options were analysed and the resulting recommendations on the scenarios for the Councils service.

Meeting 4 – 5 October 2017

- Evaluation of the cost benefit analysis of the 5 Scenarios identified through the options appraisal.
- Benchmarking information against other LAs in Wales.

Meeting 5 – 19 October 2017

- Summary of findings and drafting of the final comments / recommendations.

2.4 Reporting pathway – How will a decision on this matter be made?

- The recommendations of the Review Group will be presented to the Overview and Scrutiny Management Committee on 16 November 2017 for comment. The Overview and Scrutiny Management Committee will be asked to forward the comments and recommendations of the review group to the Cabinet Member for a decision.
- The final decision on the strategic direction and development of a Waste Strategy will be made by the Cabinet Member – Streetscene. The Groups recommendations are intended to inform this decision, through a detailed and extensive evaluation of the proposal and provide a view from Scrutiny on this matter to the Cabinet Member.

3 Summary of Information Presented to the Committee

3.1 Options Modelling

The Group were provided with the summary reports of the options modelling within the business planning process for the three service areas within Waste:

- Collections
- HWRC
- Trade

These reports included a summary of the options considered, how those options had been evaluated, what provision of service was offered with each option and how this contributed to the need to increase recycling, and the cost implications of the options.

In summary – the group were advised of the following conclusions from the reports:

Collections – 6 options evaluated

- Option 2a (Weekly Cardboard Collection) emerged as the most beneficial and moved NCC closer the WG Blueprint. This was implemented in 2016.
- Option 2b (3 Weekly refuse) outperformed all options in financial savings as recycling performance.

*(Full summary report at can be found at **Appendix 2**)*

HWRC – 4 options evaluated

- Similar results in terms of performance; most cost effective was redeveloping the existing site, whilst recognising the need for an additional site, to service the growth in households. Developing a second site emerged as the most beneficial option.

*(Full summary report can be found at **Appendix 3**)*

Trade – 3 options evaluated

- The most beneficial emerging option was to outsource the recycling service to a third party, convert current customer base and grow a recycling led service.

*(Full summary report can be found at **Appendix 4**)*

3.2 Cost Benefit Analysis – Business Plan

The Business Planning Toolkit CBA Report (summary at **Appendix 1**) is to support authorities in making balanced and sustainable decisions regarding the future of their waste and recycling services. It compares the scenarios against:

- Cost of service delivery;
- Performance of the service
- Environmental impact of the service; and
- Employment generated by the service.

The Business Plan (summary at **Appendix 5**) aims to set out a clear, long-term path to sustainably meet the statutory 70% recycling target by 2024/25. There are 5 key parts of the Business Plan:

- Strategic Case – setting out why change is required
- Economic Case – using CBA outputs to shortlist a scenario for further examination (Sc5)
- Commercial Case – setting out potential commercial impacts of Sc5
- Financial Case – detailed financial impacts of Sc5
- Action Plan and Forward Work for implementing Sc5

All scenarios involved the implementation of three weekly kerbside refuse in September 2018. The 5 scenarios then tested the impact of additional changes, the table below highlights the different scenarios and options relating to them.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Kerbside Refuse and Recycling Services	<ul style="list-style-type: none"> • Three weekly refuse from September 2018 • In April 2024 four weekly refuse collections are modelled 	<ul style="list-style-type: none"> • Three weekly refuse and three weekly garden waste from Sept 2018 • In April 2024 four weekly refuse collections are modelled 	<ul style="list-style-type: none"> • Three weekly refuse from September 2018 • In April 2024 four weekly refuse collections are modelled 	<ul style="list-style-type: none"> • Three weekly refuse from September 2018 • In April 2024 four weekly refuse collections are modelled 	<ul style="list-style-type: none"> • Three weekly refuse from September 2018 • In April 2024 four weekly refuse collections are modelled
HWRCs	<ul style="list-style-type: none"> • No change to current service 	<ul style="list-style-type: none"> • No change to current service 	<ul style="list-style-type: none"> • No change to current service 	<ul style="list-style-type: none"> • Current Service until April 2018, when Docks Way HWRC is re-developed 	<ul style="list-style-type: none"> • Improvement to Docks Way HWRC, whilst developing a new site to open Sept 2018
Trade Waste and Recycling Collections	<ul style="list-style-type: none"> • No change to the current service 	<ul style="list-style-type: none"> • No change to current service 	<ul style="list-style-type: none"> • Current service until April 2017 when trade recycling is commissioned to 3rd party 	<ul style="list-style-type: none"> • Current service until April 2017 when trade recycling is commissioned to 3rd party 	<ul style="list-style-type: none"> • Current service until April 2017 when trade recycling is commissioned to 3rd party

All scenarios represent a saving against the baseline position. The baseline position would not allow NCC to meeting the 2019/20- or 2024/25 targets which would then incur fines. All of the above scenarios enable the Council to meet the 2019/20 target of 64% recycling. Only Scenarios 3, 4 and 5 enable the Council to meet the 70% target for 2024/25.

All of the modelled scenarios have a positive environmental impact, in the form of reduction of Greenhouse gas emissions, as this was strongly linked to the Council's performance. Scenario 5 had the highest net environment cost saving.

A summary of the Business Planning Toolkit Cost Benefit Analysis can be found at Appendix 1.

The following is an extract from the Business Planning Summary, evaluating the scenarios under the Cost Benefit Analysis:

Table 2 - Comparison of scenario 5 and baseline

	Baseline	Scenario 5
Cost of Service Delivery –2016-2030, NPV (£ million)	£70.6 m	£66.3 m
Performance of the Service – Recycling Rate in 2024/25 ¹	62%	73%
Environmental Impact of the Service – Environmental Costs, 2016-2030, NPV (£ thousand) ²	-£1,00	-£3,200
Employment Generated by the Service – FTEs in 2029/30	203	252
<i>Notes:</i>		
1. The statutory recycling target for Wales in 2024/25 is 70%.		
2. Negative environmental costs are associated with an environmental benefit		

Scenario 5, has emerged as the most beneficial option on which to base this optimised future business plan, with the intention being to present the business plan to members when the impact of these changes could be quantified.

The advantages of progressing with scenario 5 as part of this business plan are:

- **One of the lowest overall budget requirements in 2030.** The 2030 budget requirements of scenario 4 and scenario 5 are extremely similar (with £10k per annum) This is due to both scenarios receiving the highest amount of income from the sale of dry recycling and lowest residual waste disposal costs. When taking NPV into account, as shown in **Error! Reference source not found.**, Scenario 5 is more costly than Scenario 2, however the difference is marginal. The budget required for operating Scenario 5 in 2029/2030 is £6.17m compared to a business of usual baseline of £8.09m.
- **Successfully meeting the 2024/25 statutory recycling targets.** All scenarios lead to an improvement in recycling rates compared to the baseline, which would not allow NCC to meet the 2019/2020 or 2024/2025 statutory recycling targets set by the Welsh Government. However only scenarios 3, 4 and 5 will meet the 2024/2025 statutory recycling target of 70%. Furthermore, as NCC may be at risk of fines from Welsh Government of £200 per tonne for every tonne of material under the recycling target, only scenarios 3, 4 and 5 will guarantee that no fines will be paid. This represents a potential £1.25 million saving (including avoided fines) in 2024/25 alone compared to the baseline.
- **The highest environmental cost saving of any option.** All of the modelled CBA scenarios save more Greenhouse Gas (GHG) emissions (expressed in tonnes of CO₂) than the baseline, business as usual position. Savings in GHG emissions are strongly linked to recycling performance, which is highest for Scenario 5.
- **The greatest increase in employment of any option.** This is largely driven by the additional employment generated by the commissioning of the trade recycling service and expansion of all trade waste and recycling collections.

Commercial Case

If NCC were to implement scenario 5, there are no substantial changes required to current contractual arrangements, as main activities proposed would not affect any of the subcontracted activities-they will only impact in house services or services not being provided

currently. There is also minimal risk to guaranteed minimum tonnages as part of existing disposal contracts. The only service which would need to be formally procured by NCC, is the operation of the trade waste recycling service. However, as this contract would be for service operations only and NCC would retain all responsibility for the growth of the service, this once again, presents minimal risk to the authority.

Financial Case

The impact of implementing option 5 on NCC's overall budgetary position is positive with the future service, including all operational and capital expenditure being less than the business as usual baseline. However, as option 5 requires services to change and develop capital funding is required for the improvement of Docks Way, the opening the new HWRC and the expansion of the trade waste service. The non- annualised capital expenditure associated with these items are £352,490 and £515,000 (17/18) respectively. NCC will need to gain approval to fund these items through the authority's finance systems, however grants may be available via the WG CCP Capital Grants programme, although availability and award of this money cannot be guaranteed.

As discussed previously, with the ongoing reduction in the availability of the WG waste grant, NCC will also need to consider internally how this gap in required funding will be met.

3.3 Site Visit to Conwy

The Officers from Conwy presented the Members with an insight into the decision to adopt three weekly collections and how they implemented the changes. The key elements of this visit were as follows:

In implementing 3 weekly collections, Conwy Council had:

- Carried out a county wide survey asking residents if they thought more should be done to improve recycling.
- Spent considerable time visiting social landlords – including road shows on individual estates.
- Minimised the number of flats that have more than 3 weekly collections, but adjusted the capacity to encourage recycling and make collections as comparative to standard collection as possible.
- Kept members involved and informed at each stage – Members briefings, provision of FAQ's for Members reference, attended community Council meetings and prepared suggested answers and response for residents.
- Created a Recycling Education Team (1 manager and 2 officers) to carry out the above and visit residents and schools (30 scheduled visits per year) post implementation.
- Additional staff at the call centres for a period of 6-8 week at the point of change.

Conwy also suggested that areas that should be considered:

- Introduction of a separate nappy collection.
- Extra bins for large families (6 plus) if they recycle.
- Provision of food waste bags.
- Plan for an upsurge in container requests.
- Plan for an increase in requests for assisted collections (Conwy saw a 15% increase).

3.4 Members Discussion

The Members were advised that results from the Cost Benefit Analysis were presented in the five Scenarios, had showed that scenario one and two would not meet the targets set out by WAG and the three remaining would meet the targets with different margins. The fifth scenario was the best overall option as a strategic direction for the Council to take. Should the Council chose to follow this scenario, a business plan would be developed around this taking into account the financial implications and creating a suitable action plan for implementation.

The Group were advised that this was a strategic consideration at this stage – that the detail of how it would be implemented would still need further work. Once a strategic decision is taken, there would then be a need to plan for its implementation, learn from what other authorities have been through, and tailor a specific approach for Newport. The key areas that would need to be worked through were a communications plan, policy direction and how it was to be enforced. This could be different for each area, for example the way we communicate and enforce for an area with less participation could be different to an area where participation was high. The Council could invest more in certain areas to ensure that the change is well executed.

The group discussed the milestones set out as in the blueprint for implementation of any of the scenarios, and noted the timings referenced dates that had passed. The Officer stated that the review needed to be completed and a decision implemented by September 2018 to ensure that impact of the changes would be seen in time to hit the WG target in 2019 – 20. The fine for failing to reach this target was £367,373.

The Group considered the scenarios with the Business Planning toolkit and discussed the analysis with the officers within the three separate areas:

- *Household Waste Collection*
- *Household Waste and Recycling Centre*
- *Trade waste.*

The following provides a summary of the discussions at the group meetings:

3.4.1 Overview of Waste Strategy meetings

The Waste Strategy Policy Review Group convened on five separate occasions (7, 19 and 26 of September, and 5 and 19 of October). The first of the five meetings was an introductory session delivered by the Council Officer and the WRAP Advisor. The session looked at the process that had been completed to date, and provided the Group with the background information and context needed to make detailed considerations of the options at future meetings.

The second of the meetings started with a brief overview of the introductory session and introduced the three areas to which the rest of the meetings would focus upon. The three areas being three weekly collections, HWRC and trade waste. The Officer went onto explain the 'business as usual' baseline used for the modelling and how this baseline went onto be used for analysis and considerations of the options and scenarios looked at for future recycling and waste management.

The third meeting was hosted by Wastesavers, a charity who work in partnership with the Council. The meeting started with an introduction from the Chief Executive of Wastesavers and a tour of the centre. The main purpose of the session was to

receive the Cost Benefit Analysis from Joe Papineschi from Eunomia. Papineschi ran through how the options were analysed, the results and what this means to the recommendations made to the Committee. The external report provided by Eunomia highlighted the most cost effective strategy for the Council to pursue and how this impacted the WG recycling and waste targets. Additional information on this including the 5 scenarios is outlined in the introduction.

The fourth meeting consisted of the Officer and WRAP Advisor providing the Group with the Cost Benefit Analysis, Participant Summary Report 16/17 and Benchmarking against other LAs in Wales. The Officer also presented the Members with a document outlining their concerns, comments and considerations so far, these were coupled with the Officer and WRAP Advisors mitigations and advice. Part of the session looked at the legislative context and the risks and fines facing the council if they did not hit the WG recycling and Waste targets.

The fifth and final meeting was used for the Members to draft their recommendations to the Cabinet Member and summarise the reasons behind their comments.

3.4.2 Household Collections – Three Weekly Collection

There were a number of reoccurring themes identified by the Members in the five meetings. The most prevalent of these was education. The Members believe that the educating the citizens of Newport is essential in improving the rates of recycling and decreasing residual waste. The comments and considerations made included on four separate occasions how the Council could impact on the amount of waste being produced in the first place, in the hope that this increases recycling rates. The considerations included programmes that targeted primary school children, people who live in flats and maisonettes and businesses, as well as education road shows and having stalls in events. The Members felt that they should target the people who do not recycle currently, and queried how the Officers aimed to improve communication to these groups and how they would aim to change their behaviours.

The Group questioned what evidence had been gained from the Engagement Research Project (Door Knocking Campaign) as to why people were not recycling, and what follow up actions had resulted from the work. The Officers explained that the extra Invest to Save funding used to run the project was no longer available but over 10,000 people out of the 66,000 living in the target areas (Bettws, Gaer, Ringland and St Julians) had been engaged with.

The Group discussed the current collection scheme and whether the public were fully aware of the scheme, how to recycle fully, and what resources were available to them. The Members highlighted that following a discussion with local residents in one of the wards, it had been clear that most of the public were not aware that they could collect free waste food bags from their local library. The Group asked the Officers what was being done to increase the knowledge around this to improve recycling within the current scheme. The Officer explained that they currently use social media, press releases and the side of the waste vans to bring the citizens attention to the free bags. Members were advised that the cost implications at using other advertising, such as adverts in the local newspapers, which the department did not have budget for.

The Officer explained that the Council had undertaken education road shows and had education stalls in events in the past with mixed success. The Council had held two in an area that the Members have mentioned but this has heralded little change

in the participation in recycling practices. The Officers argued that there needed to be a step change in the service provision to force the changes in behaviour needed to increase recycling and for the public to fully engage with the scheme. The Members revisited the idea of holding education road shows and specific shows for different groups (the elderly and those who live in flats and maisonettes) to address the problems with recycling for these harder to reach groups a number of time throughout the five meetings.

Another emerging theme from the meetings was how the group had only been presented with three weekly collections and the Members had not been given scenarios with other options, other than the two weekly baseline. The Officer stated that three weekly household collections featured in all of the scenarios because all of the other recommendations of the changes to services had already been completed (for example, weekly collection of cardboard), and that three weekly collection was the next step change to the service that would impact upon the recycling rates in a substantial enough way to meet the 70% target. The WRAP Advisor reinforced this by stating that by modelling all scenarios against the baseline of the current provision, which is two weekly, it allowed for that comparison and impact to be identified. By not moving to three weekly and implementing all other recommendations the model showed that the Council would not meet the 70% target set by WG. It is for this reason that three weekly is included in all options. In two separate meetings the Officer and WRAP Advisor spoke of how changing to three weekly collections would contribute 7% more recycling. This 7% coupled with the increase from HRWC and trade would allow the Council to hit the necessary targets. Looking for additional information, the Members questioned what the Council had as its contingency plan and should the move to three weekly collections not result in the necessary 7 % increase in recycling. The WRAP Advisor explained that increasing recycling by 7 % is only one aspect of the proposal and the additional contribution made by the HWRC would contribute to the recycling rates. The WRAP Advisor continued to say that the current HWRC is working at 68 per cent recycling, other HWRCs in Wales are working between 80 and 90 per cent.

The Members felt that other methods of restricting the amount of refuse had not been considered within the scenario planning. Members discussed what provision other authorities currently provide, for example Rhondda Cynon Taff (RCT) still work on a two weekly collections. The Officers explained that RCT have five HWRCs, a higher council tax and a different set up which allowed them to reach targets by using other methods, which incur a higher cost. Members stated that they had not been convinced that three weekly collections would yield the necessary change to the recycling rates within the current environment. It was felt that there were too many unexplored issues with the current two weekly provision that needed to be addressed before the Council could look at the option of 3 weekly collection. The WRAP Advisor explained that extensive modelling, based on expansive data from across Wales, had been used to establish that three weekly collection of recycling was the best option for Newport. Food waste and cardboard would remain a weekly collection. The options evaluated were looked at against baseline of remaining as two weekly collections. The WRAP Advisor also stated that by going to three weekly collections it would be enough to change Newport's citizen's habits around recycling.

Fly tipping and littering was another theme constantly discussed by the Members throughout the meetings. The comments ranged from how three weekly might lead to an increase in fly tipping and littering which could create a negative reaction from the public, the Members felt that these would be especially prevalent in those areas that have low engagement levels with recycling currently. Another comment stated how an increase in fly tipping could put additional pressure on the Council to respond and

clean-up stretching budgets, staff and resources which are already strained. Two other comments from Members felt an increase in pest problems and having a negative impact on the environment were reasons to be conscious of the impact of the three weekly collections. The WRAP Advisor advised in one meeting that in other areas that had switched to three weekly collections had not seen a marked increase in fly tipping.

People who lived in flats and maisonettes were also frequently discussed by the Group. Their primary concern was around how individuals lack the space and inability to recycle. This concern was countered by the Officers who stated that as the individual would be more likely to address their recycling habits at this time and would separate the food waste, for weekly collection, and recycling, for three weekly. The members were still unsure whether this would be the case in the hardest to reach population.

One of the final points raised by the Members was having a tailored approach to rolling out three weekly collection to the different parts of the city and different types of accommodation, they continued to say that they felt not everyone had the tools and resources to recycle currently and the Council needed to ensure everyone had the resources, tools and knowledge prior to adding an additional week to collection. The Officers response to this was that it would be effective to change now to three weekly, and reap the benefits of the majority of people recycling and then focus on the comparatively small numbers who are unable to manage the change. This way the majority would give you sufficient increase in recycling to meet the targets to miss the next fines (2019/20) and offer savings to be in a position to increase the support to those hard to reach areas that were not able / willing to engage with the scheme.

3.4.3 Household Waste Recycling Centre

The second area of focus for the Group was the HWRC. The Officer presented a number of different options regarding the HWRC within Newport, alongside the 'business as usual' baseline. These including making changes to the current site and creating a new site in Newport. The Officer outlined the options that had been considered in relation to the HWRC. They continued to outline how analysis of the figures indicated the need for a second HWRC in Newport. Joint working with the Spatial Data Team took place to look at potential future housing growth and the times it took current residents to access the current HWRC site. This information was taken into account and it was concluded that an additional site would be the best option for improved recycling and service.

Members made a number of comments regarding the WRAP Advisors presentation on the HWRC, the primary question being around the HWRC and its location within the borough. The group were advised that sites were being looked at and the obvious area would be the east side of the city. The Officer went onto state that further action would be taken when the group had made its recommendations and the Cabinet Member had made a decision. At another meeting the Members were advised that the preliminary work was already taking place concerning the evaluating of sites to ensure that the rest of the process could move at the necessary pace. They were also informed about the potential of WG providing capital for the venture, as well as looking at other partnerships. In relation to partnership working the Members wanted to look at if the Council could charge neighbouring authorities to use the new site and whether this would impact on recycling rates. The Officer explained that there would be the option of bringing the details of the new site back to the Group for consideration, should a decision to proceed be taken. With regards to the new site

the Members felt that it would be important to ensure that only Newport residents would be able to use it and the effect the M4 relief road might have on it.

The Members did have some concerns about the current HWRC site. These included the traffic issues caused by people queuing to get into the site which can sometimes tail back to the dual carriageway creating dangerous congestion. The Officers stated that a new site would alleviate some of this traffic and also looking at reorganising and making it more efficient for residents, possibly by creating a one way system through or adding additional recycling bins. The Members also thought the Re – Use shop on site was a positive programme and something that could be scaled up to the new site. The larger shop could incorporate local community groups, volunteering organisations and educational programmes for young people and people with specific needs.

3.4.4 Trade Waste

Trade Waste was the third area of focus put forward by the Officer. The Members presented two primary concerns to the Officer. This first concern being businesses in Newport being major contributors to the amount of waste not recycled and sent to landfill instead. Secondly whether there was anything the WG or the Council could do to incentivise or to move the responsibility to recycle onto the business. The Officers informed the group that there was no legal or policy being worked upon that would put the onus to recycle on businesses locally or nationally.

The Officer started by explaining the current service that is provided to businesses in Newport. The representative from Eunomia provided the analysis and modelling of the Councils trade waste service, which identified the most effective provision alongside the 'business as usual' baseline. The market place and competitors were also analysed and it was found that the larger businesses often hold national accounts which would not alter whatever the Council offered. They summarised by stating that the Council should focus on the smaller and medium sized business to achieve their targets.

Eunomia continued to say that the market place was very competitive and demand led. This meant that the Councils competitors would be very responsive to the demands of the businesses and the competition. The Officers informed the Members that they would look at ways of converting the existing business to a more recycling orientated service, by offering reduced rates for recycling over refuse.

The recommendation made to the Members was to outsource the recycling collection while maintaining control and management of the customer base, and for the Council to continue to collect the refuse. Members were advised that this allowed the Council to protect the surplus that is currently making a contribution to the service and the security of maintaining the client list.

The Officers had undertaken a comparison of the charges, to make sure that the Council could be competitive – charging at a competitive rate, whilst maximising the revenue from this. The focus was on changing behaviours with private companies, just like for householders. Discounting the recycling costs was discussed as a way of incentivising businesses to recycle – as it would be cheaper for them, but it was noted by Members that for a small company this cost benefit could be minimal.

The Members enquired about what would happen if the company collecting the recycling were to go into liquidation. The Officers explained that there would be a

period where an additional company would come in to deliver the service, but the Council would be in a better position due to retaining the accounts, billing information and customer base. This protects the Council more than if the service was outsourced completely.

In terms of changes to trade waste, Members expressed concerns that some small businesses were not recycling and putting all waste into landfill to avoid the cost of the trade fees. Members cited several examples of seeing this within small companies. The Members wanted to know if this could impact upon whether the recycling targets are met as they have been predicted. The Officer advised the group that this had been factored into the modelling, which included successfully converting a large percentage of non-recyclers and increasing the Council's market share to around 30%. As this was a competitive environment, it was a demand led service. The legislation associated with this has been enacted, but that the policy and enforcement side of this had not been explored. As such there was little that could be done at present to force private companies to recycle.

Members queried the assumptions that had been built into the modelling, and raised concerns that in relation to trade waste in particular, there were too many variables that may cause the assumptions to not play out as expected. Members felt that this needed to be mitigated by having a clear and defined direction, with clear guidelines. Education on the key issues would need to be well planned, extensive and the Council would need to take steps to ensure that the message was controlled, and was developed as the service developed.

Members felt that complying with the Environmental Act was important for the businesses and wanted to know how the Council could use this to improve recycling rates. Members felt that this area was important and a key area for development and consideration in the future. They went onto say that without the Environment Act there would be no way of putting the responsibility onto the businesses to recycle, but the Officers explained that this would be difficult to enforce.

The impact of the Environment Act was discussed in terms of how it would be regulated and enforced, and the impact this could have in transforming trade waste. Members questioned whether offering free recycling had been considered, as an incentive, they were advised that the summary report include a lot of variables in the offering in terms of trade waste, and that developing an effective pricing strategy would be challenging. Members also discussed the importance of communication and trying to encourage firms to engage with the process. The Officers advised the group that they were developing an engagement strategy with local firms and talk about recycling, using the Council's trusted brand and the associated with it to promote the Council's service.

With regards to trade the Members had issues with the perceived lack of recycling by the business that work in Newport. The Members believed that private firms offered to take the business waste at a cheaper price than the Council, and as such, were less likely to be separating and recycling or using the Council to recycle. The Officer explained that there was no statutory responsibility on trade to recycle; as such the Council could do little to force businesses to do so. Members queried what support the Council could offer to businesses to increase recycling. They also queried whether the grants the Council offered to local businesses could include a qualifying recycling target to qualify. Members agreed that these suggestions should be further explored.

Members felt that the message being delivered in terms of recycling should be the same for householders and for businesses and trade waste – that a consistent approach needed to be taken so that householders felt that the changes being asked of them were being mirrored in the private sector.

3.4.5 General Points

In terms of the how the cost savings associated with increased recycling and meeting the WG targets, Members discussed the need to have a visual means to communicate this to the public, and to make it relevant to what those savings equated to in real terms. i.e. what services were being saved as a result of making the savings in waste. Members cited the examples of this discussed at the visit to Conwy.

The Group asked whether cost analysis had been completed for the first year of implementation, covering communications, resources and any other budget considerations. The Officers revisited discussions about the strategic direction the Council should take in relation to waste, and that there would be further work undertaken should a decision be taken to implement three weekly collections. This time the Officers comments would focus on the Councils communication plan and detailed budget information. Members felt that a detailed estimate of the figures associated with the implementation were vital to the groups consideration of the issue, as it would not be in a position to make recommendations of the issue without fully understanding any costs associated with its implementation.

The group were provided with estimated costs of savings being in the region of £150,000.

The Members acknowledged the work of the Council Officers in the context of a decreasing budget. Members felt that in the past the service had not been as effective at targeting and addressing issues within the service, and acknowledged that the reducing budget within this area had had an impact on the ability of the Council to respond and deal with problems. The group discussed the impact of the change to the way the waste services funding would be received by the authority, which would now be transferred into the main WAG fund. There was a risk that this could mean that the Waste services had to compete with other council areas for that funding.

4 Conclusions

The Group were asked to make comment on the review undertaken by WRAP, on recommended changes to the service, to form part of the overall waste strategy for the Council. This was broken down into three areas:

- Household Waste
- HWRC
- Trade Waste

The following are the conclusions of the group relating to the report in the three areas:

4.1 Household Waste

- There is a solid evidence base to support the rationale that three weekly collections would positively impact upon the recycling rates, the performance of the service and put the Council in a position to meet the recycling targets, avoid the associated fines and bridge the funding gap within the budget for the service in the long term.
- The group discussed at length the perceived issues with the household collections service, being expressed to the Councillors through their interactions with the Communities. The Group also received a summary of the findings of the 2015 'door knocking campaign' survey. The Group felt that there were too many issues with the level of engagement with the current service to have reasonable confidence that a successful implementation of the change could be achieved within current resources. The Council should address the issues with engagement with the communities to encourage them to recycle before embarking on any changes to the service.
- The Group looked in depth at the example of Conwy, including undertaking a site visit to the Council, and discussed at length the implementation of three weekly collections within this Council. The Council had a successful implementation of change, and had seen significant increase in recycling as a result. Whilst noting this example of success of the change to three weekly, the Group were cautious of using a Council's with a different physical environment to indicate how successful the scheme could be within Newport. Newport has a significant urban environment, which would intensify the impact of more problem areas where implementation had been more of a challenge for Conwy.
- The Group felt that less urban area within Newport would likely cope and adapt well to the change similar to the experience of Conwy Council. However, the group believed the urban areas within Newport would not engage with a new scheme as effectively. The group discussed concerns that had been raised from residents that people in these areas were already experiencing difficulty with the space required for collecting and storing recycling and refuse which would only be exacerbated should the Council chose to go to three weekly.

- Whilst acknowledging that a change to three weekly collection could potentially work for certain areas within Newport, the Group considered whether it could be implemented on a phased approach, targeting the areas with the necessary space first. The Group agreed that this option would not be effective, as it would be confusing to residents. If there is a change to the service, it needs to be consistent to make communication as effective as possible.
- The success of any change would heavily rely on the detail within the implementation plan such as how the change would be communicated, the level and types of communication used, what resources would be available, how these resources would be utilised, what support would be available from WAG.
- All 5 of the scenarios within the WRAP Report contained the change three weekly collections within the modelling. Further options had been explored within the options appraisal, but that only two options were favourable in terms of cost and performance. One of which was weekly cardboard collections, which had since been implemented.
- The group were advised that the majority of Council's in Wales restrict the volume of refuse that could be collected, but only a small number of these did this via extending to three weekly collections. The Group agreed that the alternative provisions / schemes for household waste collection could be explored, particularly those being used by cities or towns with larger urban areas.

Further exploration of what is working in other comparable areas would be beneficial to understand whether there were any other options other than three weekly collection that the Council could explore. In, particular, how cities or towns with comparable urban areas are addressing flat / complexes, urban area collection.

- The reasons for not engaging with the recycling scheme needs to be more fully understood in order to provide an appropriate and effective solution to this problem. The group though that the evidence on this provided from the Door Knocking Campaign indicated that space was the major factor as to why people do not recycle, however there was likely to be a number of other reasons why people do not recycle that would impact upon the success of any changes to the service.
- The detailed cost implications of the implementation of a change to three weekly collection would be developed should a decision be made to implement this scheme. The Group were concerned that the resources required to implement such a change successfully would be significant, and within the context of ongoing budget savings would not necessarily be available to implement.
- The Group agreed that more needs to be done to communicate with the public the environmental impact of not recycling. The focus of the Council's discussion is on avoiding the WAG fines through achieving the 70% recycling rate by 2024. The underlying reason for the need to increase recycling and reduce the amount of waste

going to landfill is an environmental and the Council should ensure that this message is the focus of any future communication campaign on recycling.

Recommendations

1. The Group could not support the introduction of three weekly collection at this time, as there were existing problems being experienced by the public with the existing service. These have not been addressed and the introduction of a change to the service would exacerbate these problems.

These include:

- Low recycling rates certain areas/wards with people not engaging with the current recycling scheme;
- Issues with the storing of recycling / waste materials in flats and urban / city areas;
- The need for better communication with the public on the scheme and what assistance / services is offered within the current scheme;
- Issues with fly tipping / littering, particularly within urban areas;

The group noted that without introducing three weekly collection, the Council would not be in a position to reach the necessary targets for recycling and would be subject to the associated fines from the Welsh Assembly. This represents a significant risk to the Authority over the next 5-10 years.

Should the Council chose not to proceed with three weekly collections, the savings to fund the expenditure within Scenario 5 (expansion of trade waste, improvements to the HWRC site and the development of a new HWRC site) would need to be found from elsewhere within the Council's budget.

2. Further work was needed to specifically look at the issue of recycling in flats, to establish baseline data on flats in Newport and their recycling facilities, and how we can use our strategic relationship with Newport City Homes and other Registered Social Landlords to improve facilities and make it easier for flats to recycle.

4.2 HWRC

- The HWRC sites have the potential to positively impact upon the recycling rates. There were a number of suggestions within the report which outline changes to the existing site that would improve traffic flow, recycling infrastructure, vehicle access, site signage and other health and safety improvements. The Group were supportive of these changes being explored in relation to the existing site, noting the cost implications that would need to be explored further.
- The proposal within Scenario 5 to develop an additional HWRC facility within Newport was also supported by the Group, as it would maximise the opportunity for the public to recycle and reuse. The design for the new site should include a reuse shop to maximise the amount of refuse kept from landfill.
- There needs to be a consistent approach to how staff are trained at these sites, to ensure a dedicated team is able to consistently provide support to residents, particularly in assisting to maximising recycling material diverted from landfill.
- The Group agreed that the public should be provided with as many opportunities to recycle as possible to make it easier to do. As part of this, the group discussed the viability of whether developing a number of smaller recycling only sites within the communities, and how this would impact upon the volume of material recycled.

Recommendations

3. The Group support the option within scenario 5 for an additional site to be built and to develop the existing site at Docks Way. In developing the existing site, the Council should address the issues with the access currently being experienced to make it safer and easier for people to use and include a reuse shop for recycled materials.
4. It is suggested that the viability of developing a number of smaller recycling only sites within communities be explored and assessed as to whether it has worked in other authorities and could be a viable option for Newport.

4.3 Trade Waste

- The Group agreed that developing an effective strategy for trade waste was a key area for increasing the recycling rate and could provide the biggest impact to the recycling rate if the Council could more effectively encourage businesses to recycle.
- Strategy assumes that the current portfolio of customers would be converted to recycle and that the Council would increase its market share to 30%. As this is a commercial market, the success of this will depend on what the Council offers in terms of cost and service compared to its competitors. The detail of this offering should consider how best to maximise the take up of the Council's scheme through incentives such as reduced rate for recycling / free recycling.
- The Group noted the role of the Environment Act, and the importance of the framework underpinning this to enable Council's to act upon the intentions in the act to enforce business to recycle.

Recommendations

5. The group supported the recommendations within Scenario 6 in relation to trade waste and supported in principle that trade recycling be commissioned to a third party.
6. The Group suggests that the following is explored and addressed within the development of a Waste strategy:
 - a. Consider how the Council can work with local groups and facilities to develop an approach to increase recycling, including how contracts and clauses within funding /grant agreements can be utilised.
 - b. Consider developing a pilot scheme with small / medium Newport based business to develop an approach for how the council can support businesses to recycle and reduce waste.
 - c. Work with sports clubs and schools to develop how they can be encouraged or supported to recycle.
 - d. Set an example by ensuring that all Council buildings reduce waste, and recycle as much as possible, including consistent recycling stations within civic offices, including the public areas and office areas.

4.4 General comments

- The waste strategy should include consideration of how the Council will work to reduce the waste being produced in the first place. The group realised that the Council has limited control over this, with the Council's role is limited to how it processes the waste being generated. The Council should include within its discussions with WAG on Waste, that a long term plan is needed on a regional level to reduce the amount of waste being generated. This should include how businesses can be incentivised to reduce the amount of unnecessary packaging, especially non-recyclable packaging and improve sustainability from the source of the problem.
- Further work needs to be done to advertise what is available to the public under the current scheme, and how they can access information or resources to assist them. This includes access to the bags, assisted collections and the facilities available at the refuse site such as the reuse shop.

Recommendations

7. The Council should consider undertaking a short consultative exercise to establish why the public do not recycle. There are many assumptions as to why recycling rates are not higher, but before making any change to services aimed at increasing this rate, the Council needs to establish the cause of the problem to ensure that any changes will have the intended effect.
8. The Council should consider discussing with WAG the need for a long term plan on a regional level to reduce the amount of waste being generated. This should include how businesses can be incentivised to reduce the amount of unnecessary packaging, especially non-recyclable packaging and improve sustainability from the source of the problem.

5 Summary of Recommendation's to the Cabinet Member

Household Collections

1. The Group could not support the introduction of three weekly collection at this time, as there were existing problems being experienced by the public with the existing service. These have not been addressed and the introduction of a change to the service would exacerbate these problems.

These include:

- Low recycling rates certain areas/wards with people not engaging with the current recycling scheme;
- Issues with the storing of recycling / waste materials in flats and urban / city areas;
- The need for better communication with the public on the scheme and what assistance / services is offered within the current scheme;
- Issues with fly tipping / littering, particularly within urban areas;

The group noted that without introducing three weekly collection, the Council would not be in a position to reach the necessary targets for recycling and would be subject to the associated fines from the Welsh Assembly. This represents a significant risk to the Authority over the next 5-10 years.

Should the Council chose not to proceed with three weekly collections, the savings to fund the expenditure within Scenario 5 (expansion of trade waste, improvements to the HWRC site and the development of a new HWRC site) would need to be found from elsewhere within the Council's budget.

2. Further work was needed to specifically look at the issue of recycling in flats, to establish baseline data on flats in Newport and their recycling facilities, and how we can use our strategic relationship with Newport City Homes and other Registered Social Landlords to improve facilities and make it easier for flats to recycle.

HWRC Site

3. The Group support the option within scenario 5 for an additional site to be built and to develop the existing site at Docks Way. In developing the existing site, the Council should address the issues with the access currently being experienced to make it safer and easier for people to use and include a reuse shop for recycled materials.
4. It is suggested that the viability of developing a number of smaller recycling only sites within communities be explored and assessed as to whether it has worked in other authorities and could be a viable option for Newport.

Trade Waste

5. The group supported the recommendations within Scenario 5 in relation to trade waste and supported in principle that trade recycling be commissioned to a third party.
6. The Group suggests that the following is explored and addressed within the development of a Waste strategy:
 - a. Consider how the Council can work with local groups and facilities to develop an approach to increase recycling, including how contracts and clauses within funding /grant agreements can be utilised.
 - b. Consider developing a pilot scheme with small / medium Newport based business to develop an approach for how the council can support businesses to recycle and reduce waste.
 - c. Work with sports clubs and schools to develop how they can be encouraged or supported to recycle.
 - d. Set an example by ensuring that all Council buildings reduce waste, and recycle as much as possible, including consistent recycling stations within civic offices, including the public areas and office areas.

General Comments

7. The Council should consider undertaking a short consultative exercise to establish why the public do not recycle. There are many assumptions as to why recycling rates are not higher, but before making any change to services aimed at increasing this rate, the Council needs to establish the cause of the problem to ensure that any changes will have the intended effect.
8. The Council should consider discussing with WAG the need for a long term plan on a regional level to reduce the amount of waste being generated. This should include how businesses can be incentivised to reduce the amount of unnecessary packaging, especially non-recyclable packaging and improve sustainability from the source of the problem.

6. Background information

6.1 Appendices

Appendix 1 – NCC Business Planning Toolkit – Cost Benefit Analysis Summary

Appendix 2 – NCC – Collections Modelling Review Summary

Appendix 3 – NCC – HWRC Review Summary

Appendix 4 – Trade Waste and Recycling Services Review Summary

Appendix 5 – NCC – Business Planning Summary

6.2 Background Papers

Minutes of the Waste Strategy Policy Review Group meetings:

- 7 September 2017
- 19 September 2017
- 26 September 2017
- 5 October 2017

- Minutes of the Waste Strategy Policy Review Group meetings:
 - 7 September 2017
 - 19 September 2017
 - 26 September 2017
 - 5 October 2017
- NCC Business Planning Toolkit Cost Benefit Analysis - Summary Report
- NCC Business Planning – Summary
- HWRC Review - Summary
- NCC – Collections Modelling
- NCC - Waste Management Business Planning Process – Trade Waste and Recycling Service – Summary
- Welsh Government – Towards Zero Waste
- Briefing note of the Conwy Council visit by Newport City Council
- 3 weekly example of Conwy waste and recycling collections
- Materials Destination 2017 – Wastesavers – Where does it go?
- Conwy Council – 3 weekly collection information leaflet
- Conwy Council – Recycle More survey and results
- National municipal waste compositional analysis in Wales
- Door knocking Campaign survey results 2015