

# Report

## Cabinet Member for Streetscene

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### Part 1

Date: 9 May 2018

**Subject** Waste Strategy Policy Review Group – Final Report

**Purpose** To present the Cabinet Member with the findings and recommendations of the Waste Strategy Policy Review Group.

**Author** Overview and Scrutiny Officer

**Ward** All Wards

**Summary** The report attached is to be considered alongside the report from the Waste Strategy Manager. The Policy Review Group was asked to make recommendations on three separate areas of the Waste Strategy. These three areas were Household Collections, Household Waste Recycling Centre and Trade Waste. The attached report outlines the background information on why a Waste Strategy is needed, the methodology used, a summary of the information presented to the Group, the conclusion made by the Group and their recommendations to you.

**Proposal** It is suggested that the Cabinet Member note the report and considers the findings of the group when taking a decision on the Waste Strategy.

**Action by** Head of Streetscene and City Services

**Timetable** Immediately

This report was prepared after consultation with:

- Head of Streetscene and City
- Waste Strategy Manager
- Head of Finance
- Head of People and Business Change
- Head of Law and Regulation

**Signed**

## Background

- 2.1 The Council has to meet challenging targets set out by the Welsh Assembly Government (WG) in Towards Zero Waste. These targets are related to the amount of recycling collected, the amount of refuse going to landfill and the amount of energy gained from burning refuse. Following a previous Audit and the Council agreed to create a strategic plan to tackle the necessary developments within these areas to meet future targets.
- 2.2 The Wales Audit Office (WAO) recommended that the Council establish a Waste Strategy in 2015/16 in their waste services audit. They also stated that the Council needed to map out how exactly it would meet any waste related targets.
- 2.3 There are financial consequences to not meeting the targets; the fines are calculated based on £200 per tonne short of the target. For 19/20 with a recycling target of 64%, and assuming same recycling performance as in 16/17 (61.4%) the fine would equate to a £366,000 fine from WAG for not meeting the recycling target. WG have waived two fines in the past for underperforming in these areas, in part due to the commitment of the Council to adopt a strategic approach through the development of a Waste Strategy..
- 2.4 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.
- 2.5 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.
- 2.5 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.

Scrutiny have previously been involved in issues relating to Waste, and have previously 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.

- 2.6 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.

## Review Group Consideration

- 2.6 It is important to note that the Policy Review Group were asked to consider a specific piece of work which had been produced by Enumonia, a consultancy firm. The group were asked to consider and make comment on 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. They were not asked to look at options outside of this modelling.

- 2.7 The final report provides overview of the five meetings between the Policy Review Group, Officers, WRAP Advisors and Enumonia, a consultancy firm. Looking at the background information, the three areas of focus, and the Members comments, considerations and recommendations on the approach the Council should take.
- 2.8 At its meeting on 16 November, the Overview and Scrutiny Management Committee considered the final report of the Review Group and endorsed its findings.
- 2.9 Attached at **Appendix 1** is the final report of the Waste Strategy Policy Review Group.
- 2.10 Section 4 of the report contains the conclusions of the group, and the recommendations being made to the Cabinet Member in relation to the 3 areas that the review group were asked to comment on:
- Household Waste
  - HWRC
  - Trade Waste
- 2.11 In Summary, of the options proposed, the group were not able to support the adoption of three weekly household waste collections, as they did not feel that the implementation would be successful at this time due to issues they perceived within the current system. The Group acknowledged that the Enumonia report modelling required the savings to be made within the Household waste collection to make the investment required within the other two sections, but could not support the introduction of three weekly collections at this time.

No other options to make the necessary savings were considered by the group. Meeting the future financial pressures was a matter for Head of Service to discuss with the Cabinet Member when taking a decision on the Waste Strategy.

## Financial Summary

The appendices of the Waste Strategy Policy Review Group Report, highlight the modelling and the cost benefit analysis of the proposals and recommendations. It highlights that there would be a significant risk of fines from Welsh Government of £200 per tonne, which from past experience could be in excess of £300k. There would be a capital cost of improving the Docks Way HWRC, and developing a new site and these are discussed in the financial case to the report.

## Risks

There are no risks to the Cabinet Member receiving the final report of the Policy Review Group. Any risks relating to the content and the adoption of a waste strategy would be covered in the officer decision report.

## **Links to Council Policies and Priorities**

The Draft Corporate Plan 2017 – 2022. *Modernised Council* – A new Household Waste Recycling Centre is built as part of a new Love Newport deal with residents on waste, recycling and community pride.

Improvement Plan objective 7. Increasing recycling

*'To ensure Newport delivers the Welsh Government objectives for the increasing of recycling and the European targets for diversion of waste from landfill, every recycling and diversion opportunity available to the city must be explored and where applicable, implemented.'*

## **Options Available and considered**

The Cabinet Member is asked to note the report and consider the findings of the group when taking a decision on the Waste Strategy. The Waste Strategy will be the subject of a separate report from the Head of Streetscene and City Services.

## **Preferred Option and Why**

The Cabinet Member is asked to note the report and consider the findings of the group when taking a decision on the Waste Strategy. The Waste Strategy will be the subject of a separate report from the Head of Streetscene and City Services.

A further report from the Head of Streetscene and City Services on the Waste Strategy is recommended to outline the options for the development of the Waste Strategy. The purpose of this would be to provide the Cabinet Member with officer comment on findings of the review group, and the options for the Waste Strategy prior to take a decision. This report would also contain the detailed financial /budget implications of taking a decision on the waste strategy.

## **Comments of Chief Financial Officer**

The report presents a combined set of three proposals which if implemented would enable the Council to meet recycling targets and so avoid a significant pressure in the way of Welsh Government fines, this has currently been estimated in excess of £300k. It should be noted that the recycling targets can only be achieved by implementing all three proposals and as such need to be treated as a whole. In addition to the avoidance of penalty fines, the report states that the implementation of these proposals would generate on average over £300k per annum in operational revenue savings but would require capital investment of more than £700k plus the purchase of suitable land. It should also be noted that the figures used in the report have not been updated since 2015/16; however the implications would still be relevant.

## **Comments of Monitoring Officer**

There are no specific legal issues arising from the Report, which sets out the recommendations of the Scrutiny Review Group for consideration by the Cabinet Member. The proposal that the Council should establish a Waste Strategy to provide a policy framework for improving waste management services and increasing recycling rates is consistent with the Wales Audit Office recommendations, the new Corporate Plan and Improvement Plan objectives. Otherwise, there is a clear risk of the Council incurring fines and financial penalties for not meeting recycling targets. The proposal that the Performance Scrutiny Committee should also have an enhanced role in monitoring performance and the implementation of the waste strategy is also consistent with the Council's performance management framework and the WAO review. The Review Group have also made specific recommendations in relation to three particular aspects of the waste strategy – namely the rejection of three weekly collections, the introduction of a trade waste recycling service and the need for an additional household waste recycling centre.

## **Comments of Head of People and Business Change**

The Waste Strategy Policy Review Group's role has been to consider the potential options for remodelling and the report details the findings of this work. Any staffing implications will arise at the point at which the Cabinet Member may wish to make a decision on those potential options. The report clearly highlights the current and future recycling targets and the implications of not meeting these and achievement of the required performance should be considered by the Cabinet Member at the point of decision. Again, the report sets out the link between the decisions taken now and the legislative requirements of the Well-being of Future Generation Act (well-being goal, a globally responsible Wales). As this Act is embedded the decisions of the Council will be measured increasingly against this legal framework and the sustainability principles contained within it.

## **Comments of Head of StreetScene & City Services**

The authority has agreed with Welsh Government to develop and implement a comprehensive waste strategy in order to meet a 70% recycling target and deliver other aspects of the towards zero waste (the national waste strategy). Considerable work has been carried out by officers with welcomed support from Welsh Government. This has resulted in a number of options. The best performing configuration of options will enable Newport to meet the 70% target, improve environmental performance and make a saving of 2.3M over the next 5 years. This option is supported by officers.

The Policy Review group recommends a partial introduction, but excludes changes to domestic residual waste collections. Without such changes Newport will not meet statutory targets and will incur an estimated fine, based on forecasted recycling rate in 2017/2018, of 6.2M by 2024/2025. This in addition to the extra operational costs will add an unfunded pressure of 8.5M up from 2020 to 2025.

## **Local issues**

N/A

## **Scrutiny Committees**

The final report of the Policy Review Group had been reported to the Overview and Scrutiny Management Committee at its meeting on 16 November 2017. The Committee endorsed the findings of the group.

## **Equalities Impact Assessment and the Equalities Act 2010**

N/A

## **Children and Families (Wales) Measure**

N/A

## **Wellbeing of Future Generations (Wales) Act 2015**

The Wellbeing of Future Generations Act (2015) sets out in legislation how the Council must work towards improving the environmental wellbeing of Wales. This Act states that the Council should take into account long term and preventative measures when decision making. The issue of recycling and waste is covered within the Council's wellbeing objective 2 - To promote economic growth and regeneration whilst protecting the environment, action 10 – Increase household recycling and divert waste from landfill.

## **Crime and Disorder Act 1998**

N/A

## **Consultation**

N/A

## **Background Papers**

Welsh Government – Towards Zero Waste  
Minutes of the Overview and Scrutiny Management Committee – 26 July 2017

Dated: 9 May 2018