

North Lanarkshire Council Report

Environment and Transportation

approval noting

Ref AM/RS

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Update on Waste Solutions Service and Depot Rationalisation

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Executive Summary

The report provides an update on the depot rationalisation exercise taking place across Waste, Fleet and Land Services. In addition it also provides detailed information on the ongoing transformation of the Waste Solutions service.

Recommendations

It is recommended that the Environment and Transportation Committee:

1. Notes the steps being taken to rationalise the depot facilities across the Council and notes the availability of funding through the Community Investment Fund to support the project.
2. Approves the introduction of an annual £30 charge for Duty of Care documentation.
3. Notes the current recycling performance of the Council, the current and future factors which are influencing this and approves the actions being taken/ to be taken to increase the overall recycling levels.
4. Notes the further report to Committee that will be delivered in 2020 outlining the progress with further partnership working with other local authorities and the development of the Auchinlea facility.

The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (22) Facilitate a North Lanarkshire wide approach to asset rationalisation, including with communities and partners

1. Background

- 1.1 The Fleet, Waste and Land Services divisions currently occupy 10 separate depot facilities throughout the North Lanarkshire area. Following a review of these facilities and the service delivery model, it was determined that a better service could be achieved through the rationalisation of the depots and at the same time deliver an overall financial saving to the Council.
- 1.2 In tandem with the review of its operational locations, the Waste service continues to not only undergo transformational change to ensure that it moves towards a more efficient delivery model, but also that it puts in place plans which will address the significant cost pressure on the service and also mitigate against the significant uncertainty that affect the waste industry as a whole.

2. Report

2.1 Depot Rationalisation

- 2.1.1 Table 1 below identifies the current and proposed depot facilities that are to be included within the overall rationalisation exercise and will allow an overall reduction in the number of depots from 10 to 4:

Service	Current Depot Facilities	Proposed Depot Facilities
Fleet	Bellshill, Old Edinburgh Road	Bellshill, Old Edinburgh Road
Waste	Bellshill, Old Edinburgh Road	Bellshill, Old Edinburgh Road
	Souterhouse, Coatbridge	Move from facility
	Albert Street, Motherwell	Move from facility
Land	Bellshill, Old Edinburgh Road	Move from facility
	Lady Anne Depot, Airdrie	Close
	Souterhouse, Coatbridge	Souterhouse, Coatbridge
	Coshneuk, Stepps	Close
	Garrel Road, Kilsyth	Close
	Wardpark, Cumbernauld	Wardpark, Cumbernauld
	Viewpark, New Edinburgh Rd	Close
	Bonkle, 275 Bonkle Rd, Newmains	Close
	Netherton, Wishaw	Close
		Albert Street, Motherwell

- 2.1.2 The Fleet depot is located at Old Edinburgh Road, Bellshill with the two waste depots located at Albert Street, Motherwell and Souterhouse, Coatbridge with an administration support function based at Bellshill. The presence of the waste depots at their current location relates back to the infrastructure that existed from the previous Monklands and Motherwell District Councils, with a third depot located at Wardpark, Cumbernauld previously being merged into the Souterhouse depot.
- 2.1.3 The combination of all three remaining depots into one has a number of financial and operational benefits. The overall footprint and office accommodation that currently sits in all three areas could easily be accommodated within the Bellshill depot and the location of the entire Waste service within the Bellshill depot will also remove the operational and management issues that exist when you have three separate locations. This in turn will lead to further efficiencies in the delivery of the service and

a review of the management provision necessary for the service. Further to this, the Waste service represents the key customer for the Fleet service and by having all vehicles located within the same depot this will reduce the amount of “down time” associated with the vehicles. There is also the potential to amalgamate all of the stores provisions currently located across all three locations into a single unit and consolidate and review the staffing establishment dedicated to maintaining this.

- 2.1.4 Land Management currently operate a support/ asset management team from the Bellshill Depot. The team will be relocated to Fleming House, Cumbernauld to allow the function to be aligned better with the current roads support/ technical services/ asset management functions. This will result in closer working and a range of skills being available across the wider Environmental Assets service.
- 2.1.5 The frontline operations for Land Management are currently delivered across three geographical areas and from eight depots as detailed above. The depot rationalisation exercise would see resources consolidated into one depot per operational area leading to better flexibility and enable improvements to current service provision.
- 2.1.6 The longer term intention is to consolidate all Land Management (and potentially Waste and Fleet resources) into a single modern facility. Although this is currently at an early stage, this will lead to further efficiencies in the delivery of the service and a review of the management provision necessary for the service as well as fleet and plant requirements.
- 2.1.7 The first rationalisation exercise will involve the location of all Waste services to the Bellshill Depot at Old Edinburgh Road, Bellshill. This move is likely to take place early February 2020 and this in turn will facilitate the closure and relocation of all Land Management employees by the summer of 2020.
- 2.1.8 The overall capital costs associated with the above rationalisation has been estimated at £1.417M but this cost also includes costs of around £417K which would be required as part of the normal asset lifecycle maintenance associated with depots that are to be retained. In delivering this it is also expected that there will be an overall annual revenue saving of £250K and potential capital receipt to the Council of around £3M.
- 2.1.9 As with all significant workplace changes, the proposals will be fully discussed with all Unions and arrangements introduced to reduce the impact of any change to an individual’s working location.
- 2.1.10 It should also be noted that Police Scotland have also been included within the changes to the Bellshill depot. They are currently undergoing an asset review exercise within their own organisation and areas within the Bellshill depot have been identified for potential use by Police Scotland if they wish to consider locating to Bellshill as part of their own review. It should be noted however that the areas allocated to Police Scotland will not impact upon the Council’s own rationalisation exercise.

2.2 Waste and Fleet Service Restructure

- 2.2.1 In line with the above changes to the depot locations, there has also been a restructure within the Waste and Fleet service. This has resulted in the combination of the two services under a single manager and changes to the overall management structure. This restructure has delivered a small financial saving but more importantly will lead to further operational efficiencies and will allow more focus on the performance and compliance aspects of the two service areas.

2.3 Service Change

- 2.3.1 Duty of Care Certificates – there is a legal obligation on any premises which produces waste to have appropriate Duty of Care documentation which proves that their waste is being removed by a licensed contractor and disposed of at an appropriately licensed facility. At present the Waste Service provides this certificate free of charge to all customers. This is not in keeping with similar services provided by the private sector where a charge is made for the certificate. It is proposed therefore that the Service will now charge an annual fee of £30 for this document. This will affect around 1500 customers, but the 200 charities also receiving a service will be provided with the documentation free of charge. This charge will become effective from 1st April 2020.
- 2.3.2 Review of Assisted Pull Outs – as previously reported to Committee, the number of “assisted pull outs” provided by the Council (circa 12,500) is significantly above the national average. Although the provision of this service is essential for certain residents, it also has a significant impact on the efficiency of the routes; so whilst it is important to retain the service for those who require it, it is also important that those not entitled are removed. It was agreed at Committee on 13 February 2019 that there would be an overall review of those currently listed as part of the pull out service. The first part of this exercise has now been completed. Through feedback from the front line crews, 3955 addresses were identified as those whose bins were being presented to kerbside without assistance on a repeated basis. These addresses were contacted by letter and of this total, 564 contacted the Council to request that they continue with the service with the remaining 3,391 removed from the scheme. We will continue to monitor those addresses that were removed from the scheme to determine what numbers have subsequently contacted the Council to be reinstated onto the scheme. The second stage of the exercise will now use the same front line crew feedback to assess which properties should definitely be retained as a “pull out” i.e. those addresses that are known to the crews as clearly requiring assistance. Thereafter this will leave the remaining addresses where we are uncertain whether a pull out is required. Due to the sensitivity of this service it would be the intention of the service to undertake doorstep visits to each of these addresses to ensure, as far as is reasonably practicable, that we do not inadvertently remove any individual who requires the service. This will be a resource intensive exercise, but one which is necessary to avoid unnecessary concern for vulnerable residents.

2.4 Clyde Valley Residual Waste Contract

- 2.4.1 The Clyde Valley Residual Waste Contract is a 25 year contract between five Partner Councils (East Dunbartonshire, East Renfrewshire, North Ayrshire, North Lanarkshire and Renfrewshire Councils) for the treatment and disposal of black bag waste from December 2019. The Scottish Government have introduced a landfill ban which will take effect from 01 January 2021 which means that black bag waste can no longer be sent to landfill. The Clyde Valley Partner Councils were among the first Councils to secure a landfill ban compliant solution which achieves over 90% diversion from landfill.
- 2.4.2 The waste will be collected from the households by each Authority and dropped at a collection point within each of their areas. For North Lanarkshire Council this will be the Bargeddie Facility, which is a new extension to the existing facility. All of the Councils’ waste will undergo a sorting process here, where the facility will extract some recycling that remains in the waste (minimum 4%). The waste will then be transported by road to Viridor’s Energy from Waste Facility in Dunbar where it will undergo a thermal treatment process. The energy generated from this process is then converted

into electricity and fed back into the national grid and this solution will deliver carbon savings for the Partner Councils.

- 2.4.3 Commissioning of the Bargeddie facility started on 29th July 2019 and the contract will formally commence on the 1st December 2019. This places the Council in a very favourable position in satisfying the requirements of the landfill ban as other local authorities still do not have a solution which will allow them to be compliant by 2021.

2.5 Recycling Performance

- 2.5.1 Policy within the area of waste collection and recycling is driven by the Scottish Government's Zero Waste Plan. This Plan has an aspiration that 60% of all household waste shall be recycled by 2020 with a further target to recycle 70% of all waste arising within Scotland by 2025 with a maximum of 5% of waste sent to landfill.
- 2.5.2 The Council's recycling performance over the past 8 years has consistently been around 40% with 39% being achieved for 2017. The introduction of the three weekly collection cycle in late 2017, has seen an increase in the recycling rate to 44% for 2018. The average recycling rate across Scotland for 2017 is 45.6% and 43% for the Council's included within North Lanarkshire's Local Government Benchmarking Framework group which allows more of a like for like comparison. It should also be noted that the targets set by the Scottish Government are not statutory and the Council is not liable for any financial penalty should these targets not be achieved.
- 2.5.3 For 2018 the Council collected 146,174 tonnes of domestic waste compared with 156,810 tonnes during 2017. This total includes all waste collected both at the kerbside and through the Council's recycling centres and represents an overall reduction of 10,636 tonnes (7%). At the same time the overall weight recycled in 2018 was 63,899 tonnes compared with 62,037 tonnes for 2017 (2% increase). It should be noted however that the quality of recycling now being collected is significantly above that collected previously. Previously our co-mingled "blue bin" waste had an average contamination rate of 30% and this weight was included in the above figures; but with the continued strict tagging policy this contamination rate has significantly dropped with much of what we collect now being in the top level of quality with less than 10% contamination. So although the introduction of the revised collection service in 2017 clearly shows a reduction in the overall levels of waste being collected and an increase in the levels being recycled, it is still well below the Scottish Government target.
- 2.5.4 The Waste service will continue to work towards increasing the levels of recycling within the authority, but it has to be realistic in its ambition. To achieve the 60% recycling rate by 2020 would involve the overall tonnage of recycling increasing from 63,899 tonnes per annum to 87,704 tonnes per annum – a 37% increase. In reality this will not be possible but we will seek to increase our recycling levels wherever possible.
- 2.5.5 It would be possible for the service to achieve a significantly higher recycling rate but this would come at a significant cost. This would be achieved by delivering to other residual waste processors who would carry out additional sorting of the waste and using our current tonnage figures this could deliver a recycling rate of around 65%. However, a significant factor which must be considered in this approach is the additional cost to the Council in achieving this recycling figure. It has been estimated that to deliver the waste to such a processor it would cost an additional £850,000. In the current financial climate this is simply not practical and in addition it is unlikely that such a contract would be permissible through the normal competitive procurement process. Further, the Clyde Valley contract for residual waste commences in December 2019 which will see all of the Council's residual waste going to incineration

with only 4% being recycled. Based on the current tonnages outlined in paragraph 2.5.3 above, this would suggest that the Council will achieve a recycling rate of 46% going forward.

2.5.6 The key driver therefore to increase the levels of recycling rests with getting as much out of the black residual bin and into a recycling stream – whether that be through the recycling bins provided at kerbside or through the Council’s recycling centres.

2.5.7 In order to assist with removing recyclable materials from the residual bin and into a recycling stream the follow actions will be undertaken over the coming months:

- The last waste audit undertaken of the composition of the residual bin was in 2014. This suggested that more than 50% of the waste disposed of in the bin is recyclable. As a percentage of the residual waste collected Food Waste (30.6%), Paper and Card (14.3%) Glass (6%) Metal (5.5%) and Plastic Bottles (3.9%) are still being disposed of and not recycled. As part of the Clyde Valley Waste Contract, Viridor are to undertake a new waste audit of residual waste and this in turn will provide us with an accurate and up to date picture of what waste is actually being disposed of and not recycled.
- Continued focus will be placed on the Council’s recycling centres to ensure we are directing residents to the correct recycling facilities. Our recycling rate within these facilities currently sits at 40% (35,700t collected and 14,363t recycled) which is below the industry of 55%. Achieving a 50% recycling rate will allow us to increase our overall recycling by 2%.
- Further education campaigns will be launched both on social media and through roadshows across the Council area to encourage more recycling. The Waste service is also compiling data as to those areas where there appears to be a reduced level of recycling and most importantly where there is a potential to increase. This in turn will allow us to concentrate our resource within these areas with the intention of achieving an overall better outcome. The campaign will also target those areas where the residual bin is regularly overfilled to ensure those residents are moving recyclable material from their residual bin to one of the recycling bins.

2.5.8 It should also be noted however, that although the Council will continue to take measures to increase its recycling levels, there are a number of key external changes that will be introduced within the Waste sector which will have an impact on both the levels of waste/ recyclate collected by local authorities which could demand a change in the way the Council collects waste over the coming years. The first of these is the new deposit return scheme for glass and plastic bottles. Full details of this are provided in a separate report to this Committee cycle but in short this will drastically cut the level of plastic and glass being collected by the local authority which in turn will reduce the overall recycling level.

2.5.9 Added to the uncertain impact of the deposit return scheme is the proposed introduction of the Extended Producer Responsibility (EPR) scheme which is scheduled to be introduced in 2023. Essentially this scheme proposes that producers pay for the full cost of Local Authorities dealing with all household packaging. Significant monies are at stake, estimated by the UK Department for Environment, Food and Rural Affairs (DEFRA) to be around some £820m p/a across the UK, equivalent to circa £82m p/a in Scotland. Although there is a question over how this funding will be allocated there is also considerable uncertainty as to how this new legislation will affect the level of recyclate available for collection. The whole drive behind this legislation is to force manufacturers to reduce their overall level of

packaging, which in turn will reduce the overall levels of recyclate to be collected by local authorities.

- 2.5.10 Coupled with the above is the question as to whether garden waste should actually be treated as a “recyclate”. There is an argument that as grass, garden bushes etc are a naturally sustainable resource then should they really be included within the overall recycling figures, with the focus being on reducing, reusing and only then recycling those non-sustainable products – plastics, glass etc. All of these factors represent a significant number of changes impacting on waste management services in the next 2-4 years. It will be essential therefore that we develop a much clearer understanding of the impact and scope of these, develop a view how to address them, mitigate negative impacts and harness relevant opportunities.

2.6 Future Planning

- 2.6.1 The mixture of the uncertainties detailed above and the current financial climate will bring a number of challenges to the Service over the coming years; but at the same time this has also necessitated the development of new proposals and ways of working that will allow us to not only address the challenges but exploit the situation in a positive way. The first area which is being developed is the proposed introduction of a Council waste transfer station at Auchinlea. This was previously a landfill site and continues to be monitored and managed by the Council. However, there is extensive potential for the site. The first stage in realising this potential has already commenced with a planning application being submitted to introduce a waste transfer station at the site. This will utilise the hardstanding that currently exists from the previous infrastructure on site and by providing such a facility will allow the Council to have more control over its own waste and allow more competitive bids for future waste contracts. It is expected that planning permission will be formally submitted in August of this year with the expectation that the waste transfer facility will be available for use by April 2021. In addition to this, the Service is also at the early stages of investigating as to whether the site could then be adapted to act as a “Super Depot” facility for the Fleet, Waste and Environmental Asset services of the Council with the additional potential of developing our own food/garden composting facility. A further paper outlining further details of this proposal will be submitted to Committee during 2020.
- 2.6.2 The success of the Clyde Valley Residual Waste Contract has demonstrated the potential that can be realised when local authorities work in partnership and it is now accepted that with the current financial climate the default position for major front line services will be to work in partnership to ensure that all the financial efficiencies that can be realised through such an approach are maximised. With this in mind, North Lanarkshire Council are now leading discussions with ten other local authorities to bring together all paper/ card collections to determine what alternative operating models are available. The purpose of this would be to minimise the costs associated with the collection and treatment of this recyclate and also go some way to insulating the Councils from the financial risks associated with such a volatile market. At the present time around 8 million tonnes of paper/ card are collected within the UK and there is only capacity/ market demand for 4 million tonnes. As a consequence the market is now only accepting the very best quality which will leave the local authority product at significant risk with the expectation that much of this will have to be sent to either landfill or an energy from waste plant. Meetings have already taken place with in early July with 11 separate recycling companies to discuss what alternative collection arrangements would be possible and further details on the outcome of this work will be provided to Committee during 2020.
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3. Equality and Diversity

3.1 Fairer Scotland Duty

3.1.1 There are no implications associated with this report.

3.2 Equality Impact Assessment

3.2.1 There is no adverse impact on equality or diversity contained within this report.

4. Implications

4.1 Financial Impact

4.1.1 The overall cost for the depot rationalisation exercise detailed above is estimated to be around £1.417M; but this in turn would generate an ongoing annual revenue saving of £250K and potential capital receipt of circa £3M. With the delivery of future revenue savings from the depot rationalisation programme, funding is available from the Community Investment Fund to support to the capital cost implications.

4.1.2 In addition to those immediately affecting the service, future cost pressures have already been highlighted. These principally cover two areas. The current contract we have for our paper/ card disposal provides an overall income to the Council of around £230K per annum. However, the market for paper/ card has changed significantly over the past 18 months to the extent that if we were to go to market today we could expect to pay for disposal as opposed to receiving an income. At average prices this would mean an overall cost to the Council of around £990K. In summary therefore this would represent an overall additional annual cost pressure on the Service of around £1.2M. The new contract would commence in October 2020. The second pressure concerns the increased house building programme which would result in an approximate £650K cost pressure on the Service during financial years 2020/23 which will be one off increase for the bin purchases, crew and vehicle and then recurring disposal costs. With the changing demographics, market conditions and legislative requirements, the future cost pressures facing the Waste Solutions service are continually under review and will require to be closely aligned with the Council's medium and longer term financial planning processes.

4.2 HR/Policy/Legislative Impact

4.2.1 As detailed above, the Service will continue to work with colleagues in HR and the relevant Unions as part of the depot rationalisation programme.

4.3 Environmental Impact

4.3.1 With the introduction of the Clyde Valley Waste Contract, this will see an overall saving of 19,474 tCO₂e in 2020/21. This represents 82% of the total carbon reduction target for the Council for 2019/21.

4.3.2 Further to the above, with better use of the routing software and the route rationalisation currently being undertaken, should result in a reduction in the overall fuel usage and consequent carbon savings.

4.4 Risk Impact

- 4.4.1 The risks being introduced with the Clyde Valley Residual Waste Contract are constantly managed by the dedicated project team and any new risks which emerge from the new working arrangements and depot rationalisation are controlled within the Service's own risk register.

5. Measures of success

- 5.1 The successful rationalisation of all depot facilities providing an overall revenue saving, capital receipt and more efficient delivery model.
- 5.2 Continued improvements in the overall recycling rate for the Council.
- 5.3 Introduction of management actions and new ways of working which deliver a balanced budget position for the Service and mitigates the financial risks associated with a volatile Waste market.



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