

**BIRMINGHAM CITY COUNCIL**

**PUBLIC REPORT**

<b>Report to:</b>	<b>CABINET</b>	
<b>Report of:</b> <b>Date of Decision:</b>	<b>STRATEGIC DIRECTOR OF LOCAL SERVICES</b> <b>16 SEPTEMBER 2013</b>	
<b>SUBJECT:</b>	<b>WHEELIE BINS – FULL BUSINESS CASE</b>	
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 483375 / 2013</b>	
<b>If not in the Forward Plan:</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chairman approved</b> <input type="checkbox"/>	
<b>Relevant Cabinet Members:</b>	<b>Councillor James McKay - Green, Safe and Smart City</b> <b>Councillor Ian Ward - Deputy Leader</b> <b>Councillor Stewart Stacey - Commissioning, Contracting and Improvement</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Victoria Quinn, Transport, Connectivity and Sustainability Committee</b> <b>Councillor Majid Mahmood, Partnership, Contract Performance and Third Sector Committee</b> <b>Councillor Lisa Trickett, Districts and Public Engagement Committee</b>	
<b>Wards affected:</b>	<b>All</b>	

<b>1. Purpose of report:</b>
<p>1.1 Further to the decisions of Cabinet on 10<sup>th</sup> December 2012 (Weekly Collection Support Scheme), to inform Cabinet of the outcome of the public consultation on the introduction of wheelie bins for recycling and refuse collections, together with the initial findings from the two pilot wheelie bin Wards (Brandwood and Harborne) which commenced in May 2013.</p> <p>1.2 To outline consequent implications for the delivery of waste management services and to seek approval for the roll-out of wheelie bin recycling and refuse collections across the City by December 2015.</p> <p>1.3 To seek authority to proceed with the procurement of wheelie bins, collection vehicles and ICT infrastructure to be able to deliver the wheelie bin transformation programme.</p>

<b>2. Decision(s) recommended:</b>
<p>That Cabinet:</p> <p>2.1 Authorises the Strategic Director of Local Services, jointly with the Cabinet Members for Green, Safe and Smart City and Commissioning and Contracting and Improvement to complete the wheelie bin transformation programme within the Council’s Fleet and Waste Management Service, within approved budget and as set out in paragraphs 5.12 – 5.21 of this report.</p> <p>2.2 Approves the ‘Full Service Specification’ for the Citywide roll-out of wheelie Bins, set out at paragraph 5.12 and Appendix 7 of this report and notes that the Service Specification</p>

- 2.3 Approves the Procurement Update detailed at Appendix 1 that supports the wheelie bin transformation programme.
- 2.4 Delegates authority to approve the award of contract(s) to the Assistant Director of Corporate Procurement Services jointly with the Cabinet Members for Commissioning, Contracting and Improvement, and Green, Safe and Smart City, for the supply and the distribution of residual waste, recycling and green recycling wheelie bins, as set out at Appendix 1 of this report.
- 2.5 Authorises the Director of Legal and Democratic Services to execute and affix the Council's seal to all necessary documents to give effect to the above decisions and to enter into such ancillary contracts as may be necessary.
- 2.6 Notes that the Strategic Director of Local Services will undertake the necessary statutory consultation with both the Trade Unions and the employees within the Council's Fleet and Waste Management Service regarding the employee implications of the wheelie bin transformation programme as set out at paragraphs 5.12 – 5.18 of this report.
- 2.7 In accordance with the prudential borrowing strategy outlined at paragraph 13 of Appendix 2A of this report, authorises the transfer of existing Corporate capital resources (£9.6m) allocated for Depot Improvements to fund vehicles and wheelie bin containers, as this is the most effective financial solution for the FWM Service.
- 2.8 Approves the release of development funding of £0.2m to progress the Depot Improvements project to Full Business Case.

<b>Lead Contact Officers:</b>	Penny Smith Wheelie Bin Programme Director	Tommy Wallace Director of Fleet and Waste Management
<b>Telephone No:</b>	0121 675 0648	0121 303 6170
<b>E-mail address:</b>	<a href="mailto:penny.smith@birmingham.gov.uk">penny.smith@birmingham.gov.uk</a>	tommy.wallace@birmingham.gov.uk

### 3. Consultation

#### 3.1 Internal

3.1.1 The Chief Executive, the Director of Legal and Democratic Services and the Director of Finance have been involved with the preparation of this report.

3.1.2 The City Council's Municipal Waste Management Strategy 2006-2026 was reviewed by the former Transport, Environment and Regeneration Overview and Scrutiny Committee and reported to Council in April 2012. That review sets challenging targets for the Council's waste agenda including reducing the amount of waste produced by households, increasing recycling and further reducing landfill.

3.1.3 The 10 District Committees were consulted in March / April 2013 on the proposals to implement wheelie bin pilots in the Brandwood and Harborne wards.

### 3.2 External

3.2.1 Consultation has taken place with Veolia ES (UK) Limited, the Council's waste disposal partner and this has been supportive.

3.2.2 An extensive consultation exercise has taken place with the communities of Birmingham, including Protected User Groups, about wheelie bins and is further detailed in this report.

## 4. **Compliance Issues:**

### 4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

4.1.1 The decisions recommended support the following Council Business Plan and Budget 2013+ strategic outcomes of the Council:

- To stay safe in a clean, green city – effective waste collection and street cleaning operations, reducing waste, increasing recycling, further reducing the amount of waste that goes to landfill and improving the cleanliness of local streets and neighbourhoods.
- Value for Money – ensuring that services are provided in a cost-efficient and effective manner, delivering cleaner neighbourhoods, reductions in residual waste and increases in recycling.
- Business Charter for Social Responsibility (BCSR) - adherence to the Charter – the providers will be required to sign up to and implement all the principles of the Charter.

### 4.2 Financial Implications

4.2.1 The key current and long-term financial issues relating to the transformation programme for the Fleet & Waste Management Service are given at Appendix 2A with a financial analysis at Appendix 2B

### 4.3 Legal Implications

4.3.1 The Council has a best value duty under the Local Government Act 1999 to improve the efficiency, economy and effectiveness of the services that it delivers. The proposals in this report respond to that duty by ensuring that services are provided in a cost-efficient and effective manner, delivering cleaner neighbourhoods, reductions in residual waste and increases in recycling.

4.3.2 The Council is both a Waste Collection Authority and a Waste Disposal Authority under the Environmental Protection Act 1990

- 4.3.3 The Public Services (Social Value) Act 2012 applies primarily to contracts for services. Contracts where there is a mixture of services and goods where the value of the goods exceeds the value of the services are not covered by the 2012 Act. The 2012 Act is likely to apply to Lot 2 of contract U47 - Wheelie Bins - City Wide Roll Out as explained in Appendix 1 to this report. Reference is made in Appendix 1 as to the proposed separate market consultation on the achievement of additional social value. The requirement on all providers to comply with the Business Charter for Social Responsibility facilitates the achievement of social value.
- 4.3.4 Further legislative context, including relevant provisions of the Environmental Protection Act 1990 and the Revised Waste Framework Directive are included at Appendix 7.
- 4.3.5 The implementation of the wheeled bin transformation programme will impact on the current employees within FWM and therefore will necessitate consultation with both the Trade Unions and employees in FWM Service in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA).
- 4.3.6 The proposed working arrangements for the implementation of the wheeled bin service will be evaluated and cleared by BCC Legal Services both prior to consultation and implementation.

#### 4.4 Public Sector Equality Duty

- 4.4.1 A copy of the Equality Act 2010 – Public Sector Duty statement is set out at Appendix 3. An initial screening took place on the 18<sup>th</sup> October 2012, Appendix 4, and indicated that a full Equality Assessment should be undertaken before any future change of policy or service delivery.
- 4.4.2 Cabinet is asked to have due regard to the full EINA – Stage 2 which was completed in July 2013 and is produced at Appendix 5. This concludes that the change in service delivery will continue to meet the Council's responsibilities in relation to equality by ensuring that the concerns and service needs of all those significantly affected by the change in service are listened to and acted upon.
- 4.4.3 The main groups that the change in service will significantly affect are people with mobility issues including the elderly & disabled people – who may not be able to effectively use the Council's waste collection services, and the refuse collection workforce in terms of working practices. Both of these groups have been extensively consulted – the first through an open public survey and Protected User Groups surveys and the second, via consultation with the Trades Unions. Over 80% of all UK Local Authorities use wheelie bin collection services, it is a tried and tested system of collection and considered to be safer and cleaner for residents and operatives alike.
- 4.4.4 With regard to elderly & disabled people, point of service assisted collections are provided to address issues of mobility regarding moving wheelie bins from the household to the collection vehicle where required.
- 4.4.5 Employees who have been impacted by the changes in service from sack collections to wheelie bins have raised issues through their Trades Unions. Significant consultation has been on-going since December 2012 and has resulted in new Safe Working Practices

None of the other nine protected characteristics groups are identified as having been significantly affected by the change of service from sack to wheelie bin collections.

## **5. Relevant background/chronology of key events:**

- 5.1 The DCLG's Weekly Collection Support Scheme provided an opportunity to bid for funding to support the City's aspirations for first class, value for money waste management services.
- 5.2 On the 30<sup>th</sup> July 2012 Cabinet considered Reports relating to the nature and financial implications of a proposed Final Bid. Cabinet agreed to authorise the Strategic Director of Environment and Culture to finalise and submit a Final Bid to the DCLG under the 'Weekly Collection Support Scheme' in conjunction with the Leader of the Council and the Director of Finance. The Final Bid proposed weekly collections of residual waste in wheelie bins, fortnightly collections of recyclates in wheelie bins and fortnightly collections of green waste in wheelie bins.
- 5.3 On the 22<sup>nd</sup> November 2012, the Secretary of State for Communities and Local Government, the Rt. Hon. Eric Pickles MP, announced that Birmingham's bid was fully successful in the sum of £29.785m, funded at £2.735m in 2012/13, £6.770m in 2013/14 and the balance of £20.280m in 2014/15.
- 5.4 On the 10<sup>th</sup> December 2012 Cabinet considered a further report and (in summary):
- Agreed to accept the DCLG offer of funding in the sum of £29.785m
  - Authorised the Strategic Director of Local Services to implement those elements of the procurement strategy for Waste Ancillary Equipment and Recycling that enable service continuity during the transformational change programme
  - Agreed that a consultation exercise would take place with the communities of Birmingham about how the wheelie bin proposals would be implemented
  - Authorised the Strategic Director of Local Services, in consultation with the Cabinet Members for Green, Safe and Smart City and Commissioning, Contracting and Improvement to implement a pilot programme of wheelie bin collections in two Wards and to take the necessary procurement decisions that will give effect to that pilot programme
  - Agreed that a further report would be brought before Cabinet at the earliest opportunity comprising the outcomes from the consultation and pilot exercises, with recommendations for the further city-wide roll-out of wheelie bin collection services.
- 5.5 Between 15<sup>th</sup> February and 31<sup>st</sup> May 2013 the Council undertook a substantial public consultation exercise in relation to wheelie bins, including on-line and hard-copy public questionnaires, consultation with Protected User Groups, the Citizens Panel and District Committees. The overall outcomes from the public consultation indicated that of 5,795 responses:

- 86% of respondents agree that the City Council should do more to reduce costs by encouraging residents to increase recycling and reduce rubbish
- 91% of respondents agree that residents in Birmingham should try to increase recycling and reduce rubbish
- 51% of respondents agree that wheelie bins will be good for the City as a whole, with 35% disagreeing
- 59% of respondents agreed that wheelie bins will help to reduce the amount of rubbish spilt on to the street
- There was overall support for the Council's proposals for providing larger rubbish wheelie bins for larger households: 'assisted collections' for residents who have mobility problems; kerbside collection and closed wheelie bin lids.

The full public consultation results are produced at Appendix 6.

- 5.6 The outcomes from the public consultation informed a Pilot Service Specification for the operation of wheelie bin services in two pilot wards, identified as Brandwood and Harborne. These wards were selected on the basis that they comprised a range of different household types that reflected the generality of housing types across the City.
- 5.7 From February to June 2013 individual property assessments were carried out across the two pilot wards, wheelie bins were procured and a robust communications campaign took place at the city-wide level and particularly, at the pilot ward level. This included comprehensive communications to all low-rise households in both wards, wheelie bin roadshows, local press, Forward articles, ward Committee meetings and up to 5 leaflets / cards to each household. These communications informed residents why the scheme was being introduced, how the scheme would work and about a number of options available in particular circumstances (smaller / larger bins and assisted collections).
- 5.8 The pilot programme for the collection of recycling and rubbish using wheelie bins commenced from 27<sup>th</sup> May 2013 in the Brandwood Ward for some 8,916 properties, followed on the 24<sup>th</sup> June 2013 by the start of wheelie bin collections at some 7,098 properties in the Harborne Ward.
- 5.9 The initial evaluation from the first 6 weeks of each pilot ward indicates that:
- Levels of street cleanliness improved by 54% in Brandwood and 50% in Harborne
  - The amount of residual waste collected decreased by an average of 23.75% across the two Wards
  - The amount of paper / card collected increased by 20.22% across the two Wards
  - The amount of mixed materials recycling increased by 40.35% across the two Wards
- These changes in the waste stream have been independently evaluated by WRAP (Waste Resources Action Partnership). WRAP note that although the waste and recycling data suggests that the pilot has had a positive impact on recycling performance, it is important for BCC to assess the on-going effect of the trial on residual waste and dry recycling yields. They further note that it is important for BCC to note that the impact of the trial will vary across the different wards within Birmingham, and that the results in the trial wards may not reflect the performance seen across Birmingham as a whole.
- 5.10 In each pilot ward 'pre-wheelie bin' and 'post-wheelie bin' surveys were carried out to ascertain whether there was any change in residents' general attitudes towards wheelie

- 92% of residents found the leaflet delivered with the wheelie bins to be useful or very useful
- 91% of residents are satisfied or very satisfied with their wheelie bin collections.
- 77% of residents thought that the scheme had had a positive effect on the cleanliness of their neighbourhood (7% thought that it had a negative effect)
- Concerns about a range of issues, such as storage space, bin capacity, manoeuvrability, etc have decreased
- 47% of residents now have a better opinion about wheelie bins, with only 6% having a worse opinion of the wheelie bin scheme
- 76% of residents support or strongly support the wheelie bin scheme, with only 13% opposing, or strongly opposing the scheme.

5.11 Other key issues arising from the Pilots include:

- The communications campaign was successful overall, but there is opportunity to streamline communications going forward as the pilot communications have already raised the profile of the initiative
- Whilst the smaller recycling bin (140 litres) initially proved popular with some households, feedback has been that the paper pod is too small
- The number of 'Assisted Collections' in the two pilot wards increased substantially which impacted on productivity. The criteria for receiving an assisted collection service needs to ensure that the service is only provided to households that genuinely need it. There is no legal definition or standard.
- A need to create additional recycling provision where households have very large amounts of paper / card for disposal.

5.12 Considering the outcomes from the public consultation and the key issues arising in the two ward pilots (above), a proposed Full Service Specification for the City-Wide roll-out is produced at Appendix 7. This Service Specification may be amended, as required, by the Strategic Director of Local Services in consultation with the Cabinet Member for Green, Safe and Smart City in order to take account of legal, economic, environmental, financial or operational considerations.

5.13 The Final Bid to DCLG included a number of other proposals, as follows:

- **Recycling Incentive Scheme** – This is currently being considered with a view to a further report to the Cabinet Member for Green, Safe and Smart City later this year
- **Communications and ICT** – A mobile technology solution is currently being considered with a view to a further report to the Cabinet Member for Green, Safe and Smart City later this year
- **Value for Money** – further efficiency savings will be explored during and following the completion of the full city-wide roll-out of wheelie bin collection services.

5.14 Considering the key issues and positive outcomes from the pilot exercise that support the assumptions made in the DCLG Final Bid, together with the outcomes from the public consultation, it is proposed to complete the roll-out of the recycling and refuse collection wheelie bin service to all appropriate low-rise households within the City in 6 phases (including green recycling), as follows:

**Phase 1:** Carry out assessments for the suitability of wheelie bins at all remaining low-rise properties across the City: To November 2013. (Residents are not notified of the initial assessment at this stage), the information is used for procurement purposes and initial route planning.

**Phase 2:** Delivery of green recycling wheelie bins (from December 2013) and commencement of chargeable green recycling collection services from February 2014.

- 5.15 The Wheelie Bin Transformation Programme will then move into the wheelie bin 'Deployment Phase' within each of the four FWM operational depot areas in turn. The first stage in each Deployment Phase will be to notify residents of their suitability for wheelie bins (as determined at Phase 1 above), and the opportunity for residents to tell the Service that they require larger bins in specific circumstances and / or to apply for an 'Assisted Collection service, where appropriate.
- 5.16 These requirements will feed into the associated procurement, round planning and delivery phases, supported by further communications to residents at appropriate times to let them know when they can expect their new bins to be delivered and future collection arrangements. There will be changes to some residents' collection days, in order to maximise fuel and round efficiencies as detailed in 5.17
- 5.17 It is proposed to move to a 'zonal' collection service, where each depot area is subdivided into five approximately equal zones, each zone having collections on a different day of the week, Monday through to Friday. By focussing the collection resources in a defined geographical area each day, the Service intends that the crews will be better managed to support each other to clear the totality of the day's work between them, covering for any breakdowns or unusual workloads as necessary.
- 5.18 The proposed depot roll-out order considers operational efficiencies and those areas of the City that, proportionately, produce the highest levels of residual waste, the lowest levels of recycling, the highest incidence of litter and consequently, the highest level of costs on the FWM Service. The following depot roll-out order is proposed:

**Phase 3:** Montague Street Depot (Ladywood District): March – July 2014

**Phase 4:** Redfern Road Depot (Hodge Hill, Hall Green and Yardley Districts): August – December 2014

**Phase 5:** Perry Barr Depot (Erdington, Perry Barr and Sutton Coldfield Districts): February – June 2015

**Phase 6:** Lifford Lane Depot (Edgbaston, Northfield and Selly Oak Districts): August – December 2015.

- 5.19 A full project governance structure is in place including, at Programme Board level, the Cabinet Member for Green, Safe and Smart City, the Deputy Leader, the Cabinet Member for Commissioning, Contracting and Improvement, the Strategic Director of Local Services, the Programme Director and the Director of Fleet and Waste Management.
- 5.20 The Programme Board deals with the control, accountability, and monitoring arrangements of the project and reviews and updates risks. A register of current high-



5.21 On completion of each phase of the project, and on final completion in December 2015, there will be a formal review, building on the lessons learnt for future phases and projects.

**6. Evaluation of alternative option(s):**

6.1 An alternative option is to not complete this transformation, at risk of the DCLG requiring the return of all or part of the grant.

**7. Reasons for Decision(s):**

7.1 To support a transformational change in waste management that would be financially viable and would meet the City’s long-term aspirations under the Municipal Waste Management Strategy, whilst maintaining a weekly collection of residual waste.

**Signatures**

Date

Cabinet Member .....  
Cllr James McKay, Green, Safe & Smart City

Cabinet Member .....  
Cllr Ian Ward, Deputy Leader

Cabinet Member .....  
Cllr Stewart Stacey, Commissioning,  
Contracting and Improvement

Chief Officer: .....  
Sharon Lea, Strategic Director of Local Services

**List of Background Documents used to compile this Report:**

None

**List of Appendices accompanying this Report (if any):**

- 1 Procurement Update
- 2A Financial Issues
- 2B Financial Analysis
- 3 Public Sector Equality Duty Statement
- 4 Initial Screening – Equality Assessment
- 5 Full EINA – Stage 2
- 6 Public Consultation Results
- 7 Proposed Full Service Specification
- 8 Risk Register

<b>Report Version</b>	<b>Dated</b>	<b>03.09.13</b>
-----------------------	--------------	-----------------