

**Agenda Item No:** 9  
**Report To:** Cabinet  
**Date of Meeting:** 29<sup>th</sup> April 2021



**Report Title:** Procurement Direction for Ashford Borough Councils waste, recycling and street cleansing service.

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**Portfolio Holder** Cllr. Andrew Buchanan  
**Portfolio Holder for:** Environment and Land Management

**Summary:** The current contracted waste, recycling and street cleansing service for Ashford Borough Council ends in October 2023. Our service is currently part of the Mid Kent Joint Waste Partnership (MKJWP); between Ashford, Maidstone and Swale as Waste Collection Authorities (WCA) and Kent County Council as the Waste Disposal Authority (WDA). This report draws on modelling work that has previously been presented to Cabinet that was produced by a specialist external waste consultant, working with staff from across the Mid Kent Joint Waste Partnership, to provide information for Members for an informed decision. This report confirms the opportunities for the next service previously presented, for Members consideration.

**Key Decision:** YES

**Significantly Affected Wards:** ALL

**Recommendations:** The Cabinet is recommended to:-

- I. Agree to continue to provide an externally contracted (procured) service for waste, recycling and street cleansing for Ashford Borough Council.
- II. Agree to continue providing the Alternate Weekly Collection (AWC) for co-mingled kerbside recycling, residual waste on alternate weeks, food waste collection weekly. And a separately chargeable garden waste service and bulk waste collection services.
- III. Agree to continue to provide services as member of the Mid Kent Joint Waste Partnership including Ashford, Maidstone, Swale and Kent.

#### **IV. Agree to delegate the Portfolio Holder and Head of service for Environment and Land Management to take this work forward.**

**Policy Overview:** Currently, government guidance expects all local authorities to aim for 50% recycling for kerbside collections. In the last DEFRA reporting year (2019/ 2020) Ashford Borough Council achieved 54.2% recycling, making us top in Kent (fifth year in a row) and 48<sup>th</sup> in the Country. From 2035, there will be an expectation that we reach 65% municipal waste recycling. This will encapsulate some additional sources of recycling but service for the coming decade needs to ensure we do our utmost to work towards this target. Schemes such as Deposit Return Schemes (DRS) and Extended Producer Responsibility (EPR), which are still in consultation, are likely to be a reality by the time our new service begins. The need to take into account the impacts of these potential changes in our forward service will be accommodated when writing the specification for the new service, based on options chosen by Members.

**Financial Implications:** Beyond 2023 the final financial implications will vary according to decision and any future contractors' tender price (should that be the method selected). The consultant's modelling and opinions regarding the cost implications of the various options are detailed within the body of the report and support the recommendations. Based on current modelling there is likely to be an increased requirement of approximately an additional £1million revenue budget per annum, for the exact same service as currently provided. Consideration of a fleet with a reduced carbon footprint can also have financial implications. It is considered that an electric or hybrid cleansing fleet is reasonably achievable. However, Refuse Collection Vehicles (RCV) in electric and hybrid versions are significantly more expensive than the current EU standard. Standard RCV is approximately £200,000 and electric currently £400,000.

**Legal and procurement Implications:** Household waste and recycle collections and street cleansing are critical public services and a statutory obligation. The actual procurement route is dependent on the decision of Members. Officers refer Members to the briefings on the service options report on the 23<sup>rd</sup> of June 2020, and with consensus following a further presentation in the meeting on the 6<sup>th</sup> of August 2020 being to continue with contracted services and in the partnership arrangement. Subject to formal decision, preparatory work with a procurement plan has been developed, and several conversations have taken place concerning: The possible future relationship with KCC and improving the specification in some targeted areas. These have been reflected within this report. A key part of this decision is the enabling payment received from the WDA and specification to be agreed with that. It is important to note here that ABC are responsible for collecting the material, however

the responsibility for ongoing treatment lies with Kent County Council. To maintain services across the County there must be some level of similarity between collection Authorities. There are two main streaming options as detailed within the body of the report and these lead to a critical decision regarding the future collection method. Ashford Borough Council procurement and legal team will be involved in drafting and checking the conditions of contract regardless of service vehicle selected. Procurement responsibility is subject to this decision – with a partnership approach being one option, should Members decide to continue with the current partnership arrangements.

**Equalities Impact Assessment:**

The existing standards to ensure services are accessible to all residents will remain in place, regardless of the actual service provider. These include assisted collections for residents that require that support. As such, an Equalities Impact Assessment is not required.

**Data Protection Impact Assessment:**

Data protection will be considered as part of the procurement and tender process and contract arrangements.

**Risk Assessment (Risk Appetite Statement):**

The waste & recycling collection services are a statutory requirement placed on the Authority. This report seeks confirmation of the Members preferred routes in providing them post 2023. Decisions on this report will allow Officers to proceed with that process, so ensuring that services are commissioned within required timeframe. The preferred course to minimise risk is to continue with contracted services as a collective as the Mid-Kent Joint Waste Partnership.

**Sustainability Implications:**

Carbon reduction weighting on the contract (in the event the forward service is contracted) is suggested as 30% of the overall weighting of the contract. At the time of writing, there are likely to be fleet service performance limitations that will restrict the amount of carbon reduced fleet our service will be enabled to operate. However, this will receive careful consideration in the formulation of the new service.

**Other Material Implications:**

None

**Exempt from Publication:**

No

**Background Papers:**

Mid Kent Joint Waste Partnership Progress report November 2017

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## Report Title:

Procurement of Ashford Borough Councils waste, recycling and street cleansing service.

## Introduction and Background

1. In 2013, Ashford Borough Council entered into a partnership with neighbouring authorities Maidstone and Swale Borough Councils, Kent County Council and Biffa Municipal Ltd to deliver a Mid Kent Joint Waste Contract. This provided consistency of service across the three Boroughs for waste and recycling collection, delivered significant cost savings to all parties and improved recycling rates. The Partnership was supported by Kent County Council as the Waste Disposal Authority, through reinvestment of disposal savings brought about by the increased recycling rates, into the services.
2. The Inter Authority Agreement (IAA) between Councils and the contract with Biffa will both terminate in October 2023. This report considers options for commissioning services beyond that date.
3. Our current service is based on Alternate Weekly Collection (AWC) where all dry mixed recyclables (co-mingled) are collected in one bin one week and remaining residual waste is collected the other (alternate) week. Food waste is collected weekly. Garden waste is collected as a “paid for” service so that only those households that use the service pay for it.
4. Street cleansing is provided on a “zoned basis” for the borough. This dictates that areas of higher footfall see a more frequent cleansing regime and a more frequent street litter bin emptying regime, based on need.
5. Consultation and research has been undertaken to ascertain the feasibility and cost of options considered. This has been presented to Cabinet on 23<sup>rd</sup> of June 2020 and a further presentation on 6<sup>th</sup> of August 2020 which has led to the final option being considered for approval.

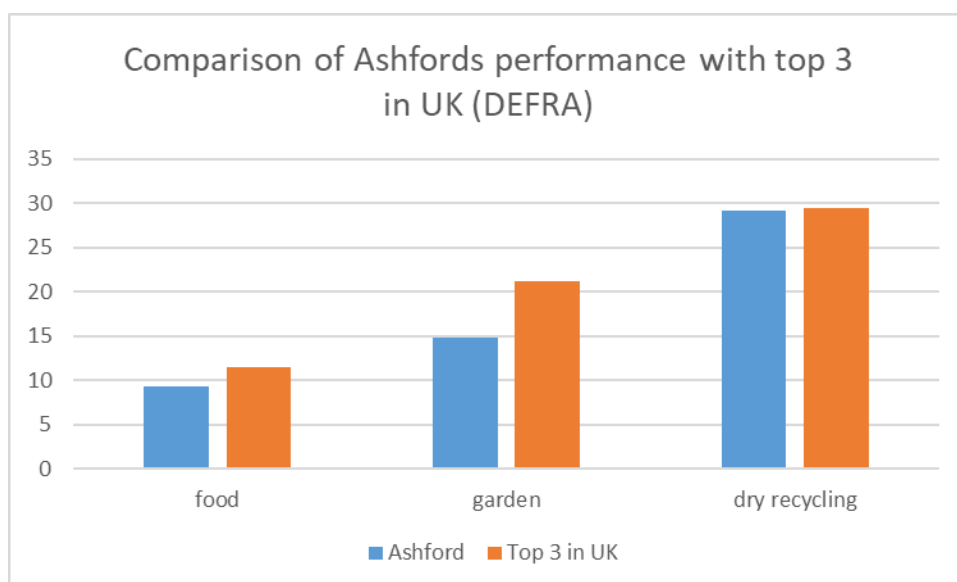
## Options, Considerations and Proposal

6. There are three areas for consideration in this report;
7. Preferred recycling collection specification (to remain Alternate Weekly Collection [AWC] with all recycle collected in one bin as a co-mingled stream, residual waste to be collected on the alternate week, with food waste weekly and chargeable garden waste service) or move to a different methodology.
8. Alternatives for service delivery approach; Direct Labour Organisation (DLO-bringing the service in house), Local Authority Trading Company (LATCo) or, as now, provisions by an external contractor.

9. To remain part of the Mid-Kent partnership alongside, Kent County Council (disposal authority) Maidstone and Swale Borough Councils (collection partners), or pursue an independent approach.

## Future Collection Methodology

10. All the Mid Kent Boroughs saw a considerable improvement in recycling rates since the commencement of this current contract in 2013.
11. As a result of the change Ashford achieved the 2020 National Target of 50% (set by the EU for the UK to achieve in the calendar year to 31 December 2019). In fact, as a borough we have gone from 12% recycling to almost 55% recycling. However, with a national target of 65% recycling by 2035 as set out in the Government's Resources and Waste Strategy, Ashford has some room for improvement in the next 15 years. With waste contracts typically lasting 7/8 years, there is time to achieve this. A tendering process will seek proposals that will enable Ashford to achieve the 65% target.
12. It is noteworthy that the three top performing authorities in England - South Oxfordshire, Three Rivers and Vale of White Horse are all achieving over 62% with the same collection method as Mid Kent. Whilst some of that difference is accounted for by garden waste, both food waste and dry recycling rates are also higher (albeit marginally). The introduction of better IT systems is seen as a key driver in driving up performance with real time reporting from crews available to call centres, more data to identify low set out / poor performing areas and improved reporting on contamination issues.



13. Kent County Council, as the disposal authority, recently advised that its preference was for Boroughs to collect recyclables as a twin-stream, whereby paper and cardboard are collected separately to the other recycling, plastic bottles and tubs, glass, and cans. This system is currently operated in East and South West Kent and was considered by Ashford in 2013. At that time, it was discounted as commingled collection services:
  - a) Generally achieved higher recycling rates than twin stream collections (which has proven correct)

- b) is easier for the residents to accommodate and use,
  - c) And were cheaper to provide than twin stream collections.
  - d) However there is risk that crushed glass causes wear in the collection hopper and options for glass impacts will be considered.
- The impact of changing collection methodologies is considered further below.

14. Whilst the waste collection service is currently outsourced to a private company, there are four options for Ashford to consider for the provision of waste and street cleansing services post 2023:
- Contracted waste collection and in-house street cleansing service
  - Contracted waste and street cleansing service
  - In-house waste and street cleansing service (DLO)
  - Local Authority Trading Company to operate waste and street cleansing services (LATCo)
15. A cost review undertaken by Waste Consulting LLP in 2020 identified that collection service costs for Ashford were expected to rise with the next contract by £665k per annum at current rates. However, costs would rise by a further £237k p.a. if the Council changed to split-stream collections making the next contract cost for twin stream an estimated rise of £902k p.a. Split stream is where one or more recycle are collected separately from the remainder. The costs are detailed in the table below to go to twin stream (This option has paper / card separated from the remaining recycle)

Summary View	ABC Contracted Comingled Collection			ABC Contracted Twin Dry Stream Collection			ABC Contracted our Comingled v Twin Stream Cost Diff
	ABC Comingled	Current Bill of Q Costs	Difference	ABC Twin Dry Stream Resources Costs	Current Bill of Q Costs	Difference	
Collection Costs	£2,605,499	£2,225,321	-£380,178	£2,821,498	£2,225,321	-£596,177	-£215,999
Streets Costs	£938,402	£1,206,566	£268,164	£938,402	£1,206,566	£268,164	£0
Depot Costs	£190,000		-£190,000	£190,000	£0	-£190,000	£0
Total Staff/Fleet/Other/Depot Cost	£3,733,901	£3,431,887	-£302,014	£3,949,900	£3,431,887	-£518,013	-£215,999
Corporate Overhead	£168,026		-£168,026	£177,746		-£177,746	-£9,720
Profit Margin	£195,096		-£195,096	£206,382		-£206,382	-£11,286
Total Contract Costs	£4,097,023	£3,431,887	-£665,136	£4,334,028	£3,431,887	-£902,141	-£237,005

16. The change to twin streaming would require households to be provided with additional containers, commonly a lidded 55L recycling box to individual households or separate wheeled containers to houses in multiple occupation and flats. The cost to provide households with a 55 litre box is estimated at £234k (one off cost). This figure does not include cost of providing bulk bins at bin stores. To estimate cost for bulk stores would require further analysis of each site. The estimate also excludes cost of communication and engagement with residents.
17. In our Multiple Unit Dwelling (MUD) properties, bin stores are at capacity. If additional containerisation were required to accommodate further recycling separation prior to collection at kerbside, bin stores would also need to be either extended or modified to accommodate additional containers. This has not been costed to date. Whilst property management and developers meet costs of containers in new MUD properties or for replacement, it is not likely that such cost will be passed on in these circumstances for current properties.
18. Additionally, should we move to an alternate collection methodology, our planning guidance for developers would also need to be revised to ensure developments accommodate the additional containers.

19. Across the Mid Kent Partnership costs would rise by an additional £760k p.a. to implement a twin stream recycling collection (without associated on costs). This cost is a total of Ashford (£237k), Maidstone (£293k), and Swale (£230k). As the primary benefit of twin streaming is a reduction in waste disposal process costs, the partnership approached KCC to establish whether the rise in collection costs could be offset against disposal savings.
20. KCC has advised that if Mid Kent chose to go to twin stream then it would recommend to KCC Members sharing financial benefits equally between our Authorities; the initial figure was just over £180k per Borough plus any other haulage savings and increases realised by additional recycling. The offer however is subject to movement in processing costs and material prices and cannot be guaranteed.
21. At the time of writing, KCC have advised that if the Boroughs choose to retain commingled collections then existing enabling payments would be retained. It is understood that this would be coupled with a sharing mechanism where disposal benefits arising from increasing recycling rates above that achieved at the end of the current IAA would be shared with the Boroughs. This is not finalised yet, and the benefits are very much determined by future market rates for haulage, processing, and material values. This would be formalised in a new IAA in the coming months prior to any potential procurement.
22. At the time of writing KCC has just completed a soft market investigation into the provision of Material Recycling Facilities (MRFs) for Kent which would include Commingled and Twin Stream collection methodologies. KCC will continue to engage with the Mid Kent partners and we look forward to the results of this investigation being made available.
23. Additional concerns raised by Members regarding further segregation of recycling prior to collection, in addition to the requirements for flatted developments storage structure and planning guidance revision include;
  - problematic for many households with limited storage capacity,
  - potentially give rise to littering issues from unlidged or overfull paper boxes,
  - rejection of wet paper and cardboard due to open containers
  - be more prone to contamination if residents mixed the waste streams particularly in flatted properties, and
  - Could result in a drop in recycling performance at a time when the Borough is looking to increase performance.
  - Clear evidence of poorer performance in other Kent boroughs that currently twin stream.
  - Requires increased fleet to manage collections meaning increased cost and increased carbon footprint.
  - Concern over ability of Ashford Transfer Station to manage additional separation and collection stream. This raises concern on impact of service delivery to residents and higher risk of cross contamination.

## **Service Delivery**

24. The following are the options that have been analysed for future waste service delivery and future street cleansing. The options also considered whether collections and street cleansing continue to be provided together or separated



in terms of how the service is delivered for the following delivery models. Models of service costs have been developed using current resource data to ensure accurate capture of the likely costs.

25. Contracted services – This option sees continuation of the service being contracted to a private sector company. Typically, the private sector can deliver a service at a lower cost than a Local Authority making this the lowest cost option. It also reduces risk in terms of resilience and capacity to maintain services. This was highlighted in the current contractors’ ability to access resources in the event of the depot fire and for Euro Transition resourcing. It is likely a contract will be of seven/eight years’ duration. This is to ensure fleet serviceability is achieved through the life of the contract. And it also enables the partnership to alter in accordance with any significant changes required by central government in a timely manner.
26. Direct Service Organisation – this would see the services wholly or partly returned to management by Ashford Borough Council. Whilst this may provide direct control over how the service is delivered, this service type has highest cost. This difference is mainly around staff pension costs.
27. Local Authority Trading Company – Or LATCo, sees a Local Authority set up the service as a company with a Director having oversight. This option is increased in cost over a contracted service due to corporate overhead of a Director. The pension on-cost is lower than that of a DLO.
28. To consider waste collection services and street cleansing services as a collective results in a least cost option, but also provides resilience in staffing in emergent events. By tendering for a collective service it is more attractive for the private sector.
29. The table below provides advantages and disadvantages associated with the delivery models:

Delivery Model	Advantages	Disadvantages
Contracted Out	<ul style="list-style-type: none"> <li>• Operational Expertise</li> <li>• Regional, national and international management support structure</li> <li>• Well developed management systems for service delivery, fleet management, health and safety and contingency planning</li> <li>• National management and resource structure able to flex resources to respond to significant local and national emergencies</li> <li>• Private sector approach provides robust HR framework for managing</li> </ul>	<ul style="list-style-type: none"> <li>• Contracting out cost includes provision for private sector profit margin and corporate overhead, inflating service cost</li> <li>• Contracts lock in costs and resources resulting in a lack of flexibility to change services in response to changes in Council budget or service priority or legislative change</li> <li>• Local management resourcing can be mixed and transient</li> <li>• Lack of transparency in service provision as service failures not admitted to avoid contract deductions</li> </ul>

Delivery Model	Advantages	Disadvantages
	<p>operational service delivery</p> <ul style="list-style-type: none"> <li>• Substantial waste sector buying power for fleet, supplies and services</li> <li>• Contractor takes responsibility for service delivery</li> <li>• Contractor provides capital and takes risks on fleet and depot provision</li> <li>• Contractor takes responsibility for labour relations, health and safety and waste management compliance <ul style="list-style-type: none"> <li>◦ Costs set by contract mechanisms.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Requires Council to fund contract client team to ensure contract complied with</li> <li>• Fleet costs written down over contract term may have useful life remaining at contract end.</li> </ul>
In – house (DLO)	<ul style="list-style-type: none"> <li>• Direct Council control provides for more flexible resource allocation allowing Councils to adjust resourcing to respond to budget pressures, service priorities and possible changes in waste legislation.</li> <li>• DSO directly accountable for service delivery removes need for client management function</li> <li>• Workforces returning to Council control are often appreciative of the change and quality service improvements can be delivered providing management systems are implemented appropriately</li> <li>• Local service knowledge developed and retained ensuring</li> <li>• Management aware of service delivery challenges</li> <li>• Fleet and equipment specification is best suited to local environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Local Government pension scheme costs substantially higher than private sector</li> <li>• DSO Management expertise may not exist</li> <li>• HR processes often slower than private sector equivalent</li> <li>• Fleet costs higher without private sector buying power</li> <li>• Council has direct accountability for service provision</li> <li>• Will require capital investment to fund the fleet and provide a depot.</li> </ul>
LATC	<ul style="list-style-type: none"> <li>• Pension Costs outside of Local Government Pension Scheme</li> <li>• has the capacity to generate 'external' income (providing that more than</li> </ul>	<ul style="list-style-type: none"> <li>• Council may not possess management expertise</li> <li>• Additional support service costs for HR and finance to aid establishment of</li> </ul>

Delivery Model	Advantages	Disadvantages
	<p>80% of its activities are with its public sector owners)</p> <ul style="list-style-type: none"> <li>• Council has greater control over service delivery and prioritisation than contracting out;</li> <li>• Changes in service can be implemented without constraints of private sector contract negotiations, particularly given the possibility of changes in waste legislation during the contract term.</li> <li>• Can establish a more commercial culture and approaches to HR/Financial management</li> <li>• Retains local knowledge within Company</li> <li>• Councils can award services to a LATC through a TECKAL Exemption.</li> </ul>	<p>competitive commercial culture</p> <ul style="list-style-type: none"> <li>• Requires establishment of a Company Board and Governance structure to oversee costs and performance</li> <li>• LATC's are 'registered' companies under the Companies Act 2006. The company is responsible for its activities, and its finances are separate to the finances of the council, including management of payroll</li> <li>• Will require Council to fund capital investment for fleet and depot provision.</li> </ul>

30. The modelling in the consultant report highlights that lowest cost option is considered to be a LATCo as follows:

ASHFORD	
Service Delivery Method	Comingled
Contracted Out	<b>£4,097,023</b>
LATC	<b>£3,868,539</b>
DSO	<b>£4,141,515</b>
Difference Contracted out to LATC	£228,484
Difference Contracted out to DSO	-£44,492
Difference LATC to DSO	-£272,976

31. The benefits of contracted services whilst marginally higher in cost have significant advantages. For the LATCo to be of benefit it requires a joint effort by Maidstone and Swale. Both these authorities are moving forward with contracted services for collections, and Swale is continuing with contracted street cleansing.
32. The financial review of a LATCo is predicated on offering the minimum pension contribution. The review of some established LATCo's has indicated that many have offered higher pension contributions to the minimum, in order to improve staff morale and facilitate the acceptance of the new LATCo arrangements. In these circumstances the savings differential against both the In-house and contracting out is quickly eroded.

## Cleansing In or Out?

33. The cleansing review following the resident satisfaction survey concludes that further investment is needed to improve residents' perception of the service. As part of the waste service future options review consideration was given to splitting the collection service from the cleansing service. However, there were significant barriers and risks associated with this approach. Separating the services would: be likely to require separate depot facilities, increase management costs and remove the resilience and economy of scale that a joint service provides. Tendering a combined collection and cleansing service would also ensure there would be no split in responsibility for street cleanliness that can occur between different providers and the larger service would be more attractive to the private market.
34. Although residents perception is less supportive of cleansing services compared to collection services,, it is to be noted that many of the replies to questions in the most recent residents survey focused on repairs maintenance rather than cleansing maintenance. Whilst the standards of cleanliness in the borough are highest in the town centre, the risks associated with high speed road cleansing results in visual amenity being spoilt on roadways. To drive behavioural change the service has a three part approach that;
- Educates – through the Waste & Recycle Education Officer delivering messaging and campaigns to bring change.
  - Enforcement – through the approved Environmental Enforcement Team ensures action towards littering, littering from vehicles and fly tipping.
  - Engagement – provides support to volunteers and Parish Council's that take ownership and pride in areas of the community and conduct clean-ups.
35. Ability to respond or to conduct regularised cleansing routines is achievable through any form of service delivery. With contracted services the expectations are driven through engagement with crews and when necessary the application of the performance mechanism.
36. The price differential per annum between the three service options has contracted services as the lowest cost followed by LATCo, and DLO being the highest cost option.

Mid Kent Cleansing Cost Views			
	Contracted	LATC	DLO
Mid-Kent cost	£3,362,913	£3,488,126	£3,775,689
Ashford cost	£938,402	£977,320	£1,066,094

## Mid Kent partnership

37. The Mid Kent Partnership was formed in 2013 between Ashford, Maidstone and Swale Borough Councils. This followed creation of the East Kent Partnership and South West Kent Partnerships which are still in place.
38. The experience of working in the Mid Kent partnership has been positive. It is felt that the breadth of expertise across the Partnership is best placed to engage with KCC to develop a new cost sharing model. The partners are in a good

position and better able to argue their case for retaining commingled collections. We would also be jointly able to supply a considerable and consistent recycle stream to KCC enabling it to get better rates for material processing costs and potentially share the benefits with the partners.

39.

Model	Advantages	Disadvantages
Mid Kent Partnership	<ul style="list-style-type: none"> <li>• More attractive to potential bidders.</li> <li>• More competitive procurement process at lower price.</li> <li>• Strong partnership already developed.</li> <li>• Provides greater support to each authority.</li> <li>• Opportunities to have combined client team to reduce costs.</li> <li>• Cross-boundary services offer cost savings.</li> <li>• Greater collective weight to renegotiate with KCC on Inter-Authority Agreement</li> </ul>	<ul style="list-style-type: none"> <li>• Administration can be more complex.</li> <li>• Requires partnership to maintain consistency which can make decision-making process more difficult.</li> </ul>
Alternative Authorities	<ul style="list-style-type: none"> <li>• Provides support to partnering authorities.</li> <li>• Procurement savings from re-tendering joint contract.</li> </ul>	<ul style="list-style-type: none"> <li>• Very few authorities in Kent not already in Partnerships of contract.</li> <li>• Requires close geography to generate cost savings.</li> <li>• Takes time to develop working relationship.</li> </ul>
Single Authority	<ul style="list-style-type: none"> <li>• Independency, ability to make quicker decisions.</li> <li>• Able to focus solely on Ashford objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Less support particularly in times of disagreement with contractor.</li> <li>• Higher procurement and contract cost due to</li> </ul>

Model	Advantages	Disadvantages
		overheads not being shared.

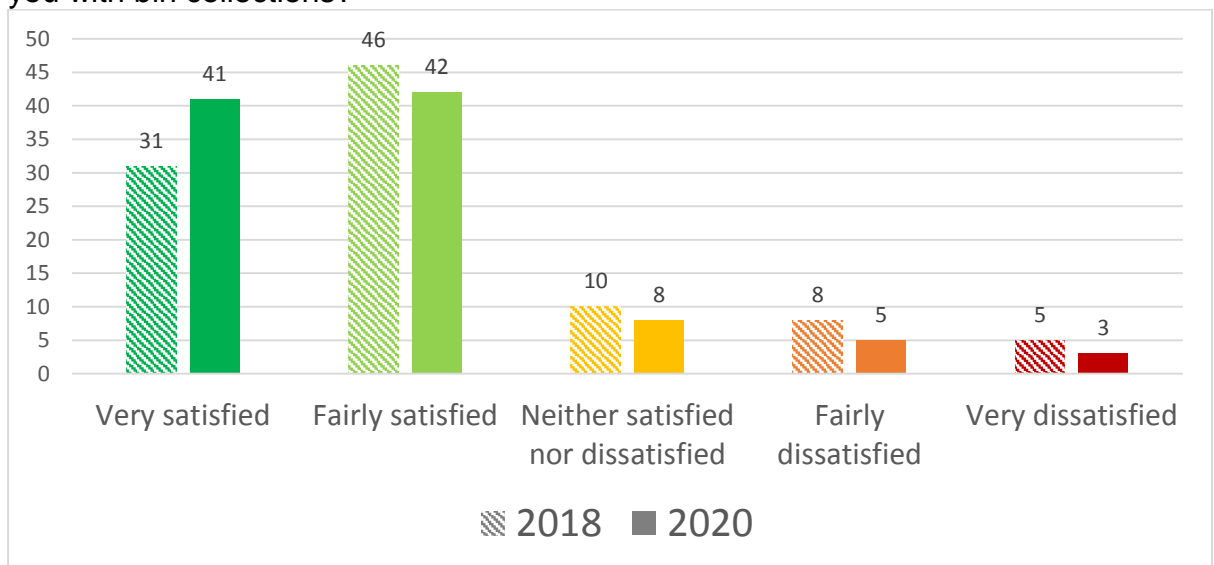
40. It is considered that continuation in membership as a Mid Kent Partnership will provide reduced cost impacts in service provision, and enable the authorities to achieve collective strength in bargaining and negotiations.

## Equalities Impact Assessment

41. An Equalities Impact Assessment is not required.

## Consultation Planned or Undertaken

42. As part of the resident's survey questionnaire in February / March 2020, residents were asked about their satisfaction with the current waste and recycling service. 83% said they were satisfied. When asked how satisfied are you with bin collections?



43. Anecdotal feedback through Environment and Land management when speaking to residents about their recycling suggest that most find the system whereby all recycling is collected in one container is simple and easy to follow.
44. Remaining with provision of comingled recycling allows the service to continue with consistent messaging and education to residents. Should twin stream collection be required, Council will have to conduct intensive communications and education with residents to reduce impacts.

## **Preferred Option and Reasons for Supporting Recommendations**

### **Future collection methodology recommendation**

45. It is recommended that the Authority continue to collect its recycling as a comingled stream and investigate ways in which:
  - a. Current performance could be enhanced through better use of real time IT solutions.
  - b. The carbon footprint of the service can be reduced to help the Council meet its carbon reduction commitment.
46. This is recommended as it will:
  - a. Build on the success of the existing service,
  - b. Keep collection service simple for residents to use,
  - c. Maximise the quantity of material captured,
  - d. Not require additional containerisation,
  - e. Provide a secure means of recycle containment protecting the street environment,
  - f. be compliant with the one of the three WRAP collection methodologies proposed within their consistency report and;
  - g. The alternative would cost an additional £637k of collection costs on top of what is already expected to be a substantial increase in service cost with no guarantee that it will be offset by disposal savings from KCC.
47. The alternative would be to introduce a twin stream recycling regime.

### **Service delivery recommendation**

48. It is recommended that the Authority re-tenders the waste collection contract in conjunction with street cleansing as a preference to developing either a DLO or LATCo as this will:
  - a. Minimise the Authorities exposure to financial risks associated with operating a waste collection service.
  - b. Provides flexibility in the management of streets services to support the waste collection service.
  - c. Provides a robust performance framework in which collection and cleansing service standards can be driven.
  - d. Enables the Authority to utilise the advanced performance software that contractors can bring to the collection service.
  - e. Draw on the contractor's expertise to introduce effective carbon reducing measures and bare risks in respect of fleet procurement.

### **Mid Kent Joint Waste Partnership**

49. It is recommended that the Authority remains within the Mid Kent Joint Waste Partnership as it will:
  - a. Be more attractive to bidders in the waste service marketplace in a three Borough contract, encouraging more competition and lower pricing,
  - b. Provide the Authority with a stronger negotiating position with KCC to retain comingled collections and enable KCC to secure better processing/haulage costs,
  - c. Allow any future service provider access to a wider support network,

- d. Permit some advantages of scale to be applied across the service, for the benefit of all Authorities involved.

## **Risk**

50. Costs could well be even higher than those currently modelled with changes in pay rates, inflation on fuel costs, growth in waste tonnages and higher risk awareness arising from the COVID pandemic.
51. The collection methodology assumes KCC will be able to secure a local market for commingled recycling. KCC has indicated that arrangements with current contractors will come to an end and new arrangements will need to be secured. This should be addressed within a new Inter Authority Agreement with KCC, but this is yet been finalised.
52. The Government is also out to consultation on a range of changes in waste Policy, which could impact on local authority collection services including the Deposit Return Scheme (DRS). This and the Extended Producer Responsibility (EPR) scheme have potential to alter the material presented as waste at the kerbside collection.
53. A comingled collection stream is seen as more resilient to changes in waste presentation by residents than twin stream and multi stream collections.
54. Improvements in the waste industry to reduce carbon emissions are still being developed and relatively few electric collection vehicles are available. Those that are available are very expensive and have not been in operation for long and their lifespan is not tested. It is likely that this market may expand but based on the fact that Ashford is geographically the largest borough in Kent the availability of electric fleet that will have the operational ability to fulfil service may be limited, in the new service. However, electric vehicles and alternative fuel vehicles for street cleansing will be explored.

## **Next Steps in Process**

55. Officers will advise the other partners within the Mid Kent Joint Waste Partnership of this decision and take that relationship forward in accordance with Members wishes.
56. The dry mix recycling collection specification will be confirmed or amended as decided, prior to obtaining costs/tenders for future services.
57. Officers will seek to obtain formal prices/costs/tenders for the provision of future services via the selected method. It is also suggested that Officers provide a half yearly update on progress to Members for their information.
58. In the event of members agreement to re-tendering the collection service ABC will lead on Procurement and the legal lead will be Mid Kent Legal Services (i.e., MBC & SBC).



## **Conclusion**

59. That due to success of the current collection method of Alternate Week Collections and collection of comingled recyclate, this methodology is continued.
60. That with the support of Members, Ashford Borough Council tender for contracted services for Waste Collection and Street Cleansing. That procurement of contracted services to commence in October 2023 be implemented.
61. That due to the success and advantages of being a member of the Mid Kent Partnership with Maidstone Borough Council and Swale Borough Council, that Ashford Borough Council continue to be a member and we contract services together.

## **Portfolio Holder's Views**

62. It is my view that we should continue to provide our waste, recycling and street cleansing services through a contractor. The service received through this method has high satisfaction rates and is a lower cost impact in comparison to alternatives.
63. Ashford has been consistently the best in terms of rate of recycling and lower household tonnages since moving to Alternate Week Collections, and comingled recycling. The current approach is clearly working and is easy for residents to follow. The twin stream collection will cause confusion, increase cost to residents and require further containers with additional cost in delivery and ongoing services.
64. The Mid Kent Partnership is a strong relationship. This is clearly of benefit to the community and provides officers with the means to provide effective contract management and services.
65. The overall view is to retain comingled services collections services, contracted waste collection and street cleansing services, and to continue as partners with the Mid Kent Partnership.

## **Contact and Email**

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