membership resources

# State of the Market Survey 2018

## Local Authority Refuse Services

Briefing 18-32
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The state of the market survey was conducted by Wayne Priestley, APSE Principal Advisor for Environmental services

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# Local Authority Refuse Services

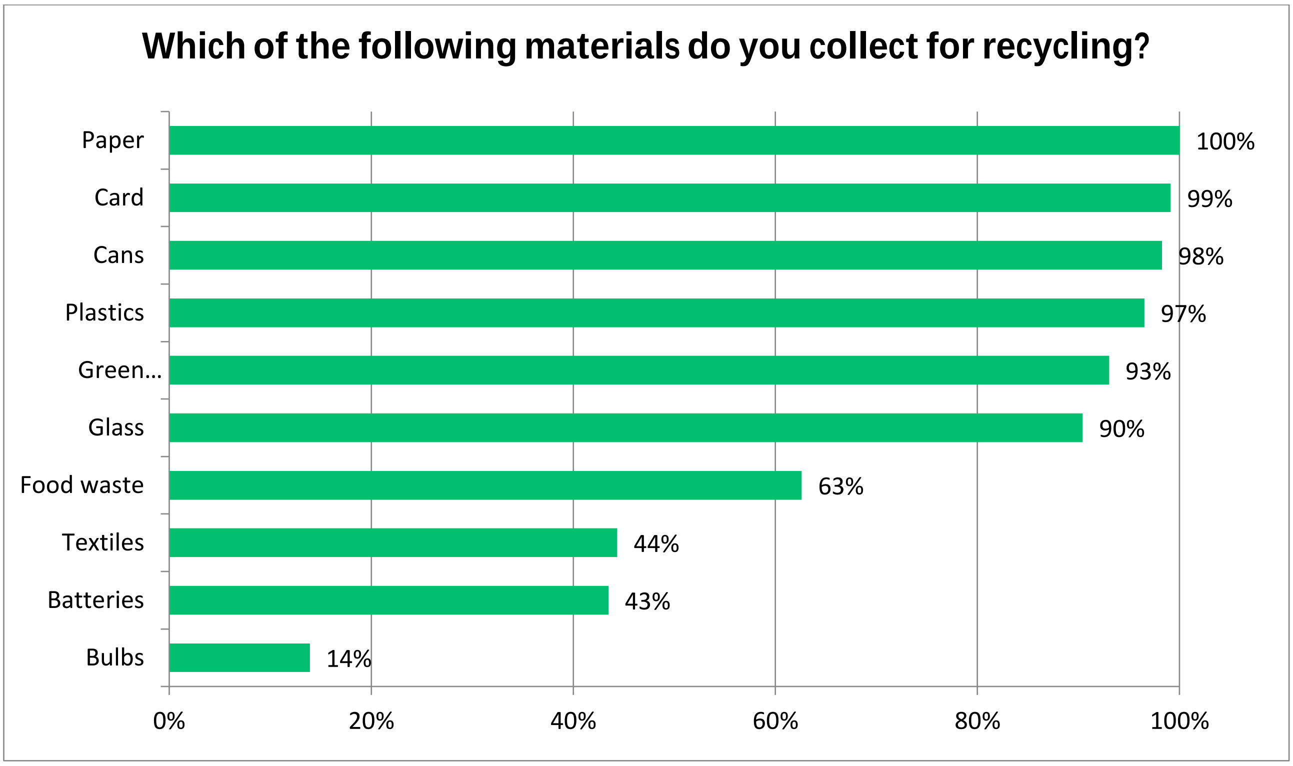
# State of the Market 2018

APSE conducted an online survey during April to July 2018. This follows on from 2017, 2016, 2015, 2013, 2012, 2011 and 2008 Refuse Collection State of the Market surveys where similar questions were asked to allow for trend comparisons. 115 responses were received from local authorities throughout the UK. This report identifies the key findings of the survey.

## Results from the survey

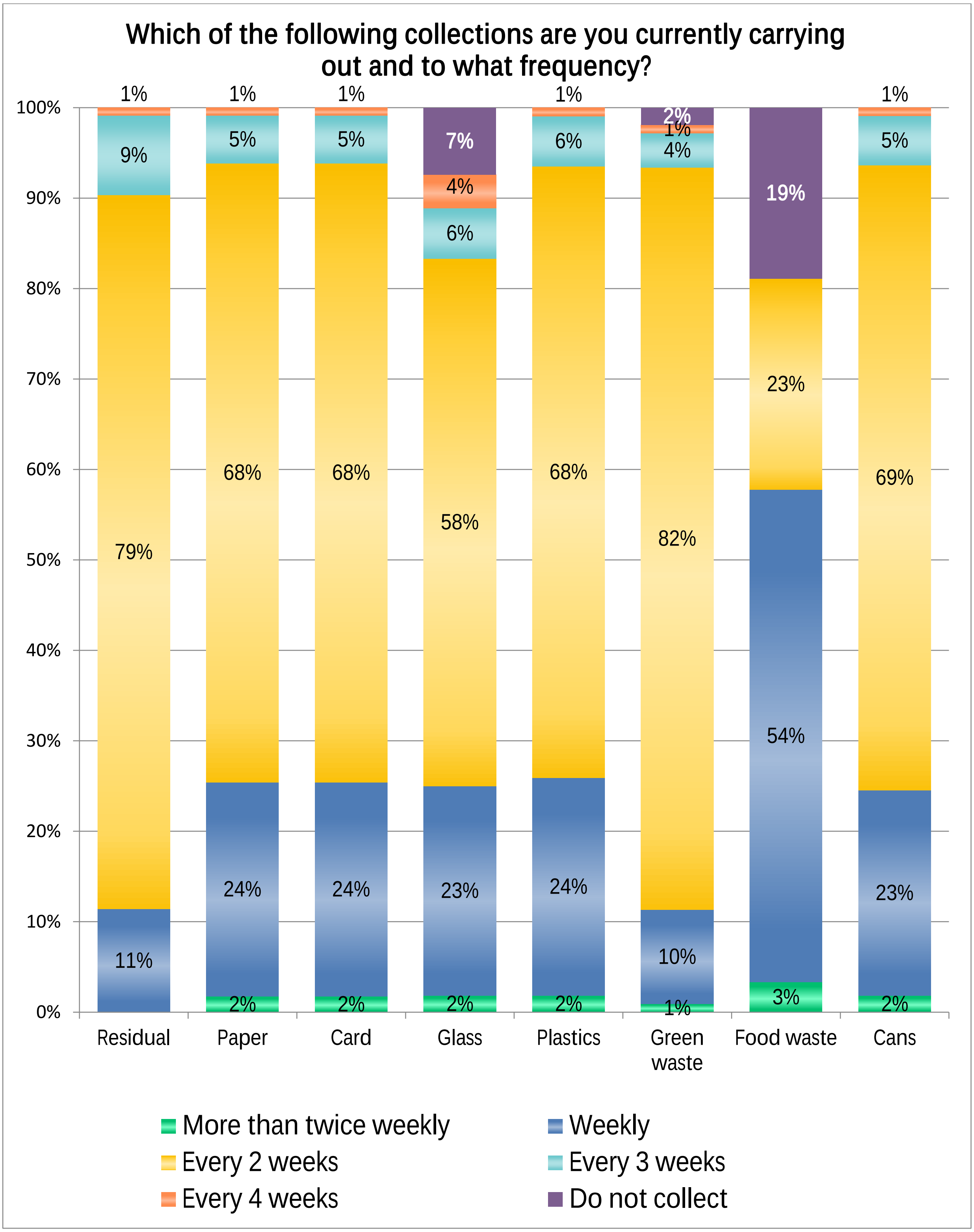
### a) Recycling activities

In terms of what recycling activities are currently carried out, the results were as follows:




There have also been an overall increase in the number of authorities collecting most of the materials shown in the above graph. Particular points of note are since the last survey, 2018 shows there has been a 5% increase in the number of local authorities now collecting green waste, whereas the previous 2 years had seen a slight decrease in this area of waste collection. The other areas of increase are for textiles, batteries and bulbs.  The only real area of decreases in collections are in relation to the collection of glass which for a second year in succession has shown a slight fall, which may be a result of authorities having health and safety concerns about the potential danger glass collection can have, but also its ability to contaminate mixed recycling collection loads..

In relation to the frequency of collections (weekly, fortnightly, three-weekly and even four weekly), the number of responses for each of the different types of collections (and the percentage breakdown between collections) are shown in the following chart.



The most noticeable change since 2017 are that there have been certain materials which have ceased to be collected by some authorities, most notably food waste with 19% of authorities stating they do not collect food waste.. This fact is surprising when a good deal of tonnage can be collected to add to the recycling rate. But what is also noticeable is the fact weekly collection of food waste has risen from 25% to 53% within responding authorities. Glass is now recorded as not being collected by 7% of respondents, which may link back to earlier comments regarding health and safety concerns and contamination risks.

### Residual and recycling collection patterns

Members were asked whether there were going to be any changes to their residual and recycling collections in the next 2 years. The number of respondents who indicated that there is going to be changes are displayed below:

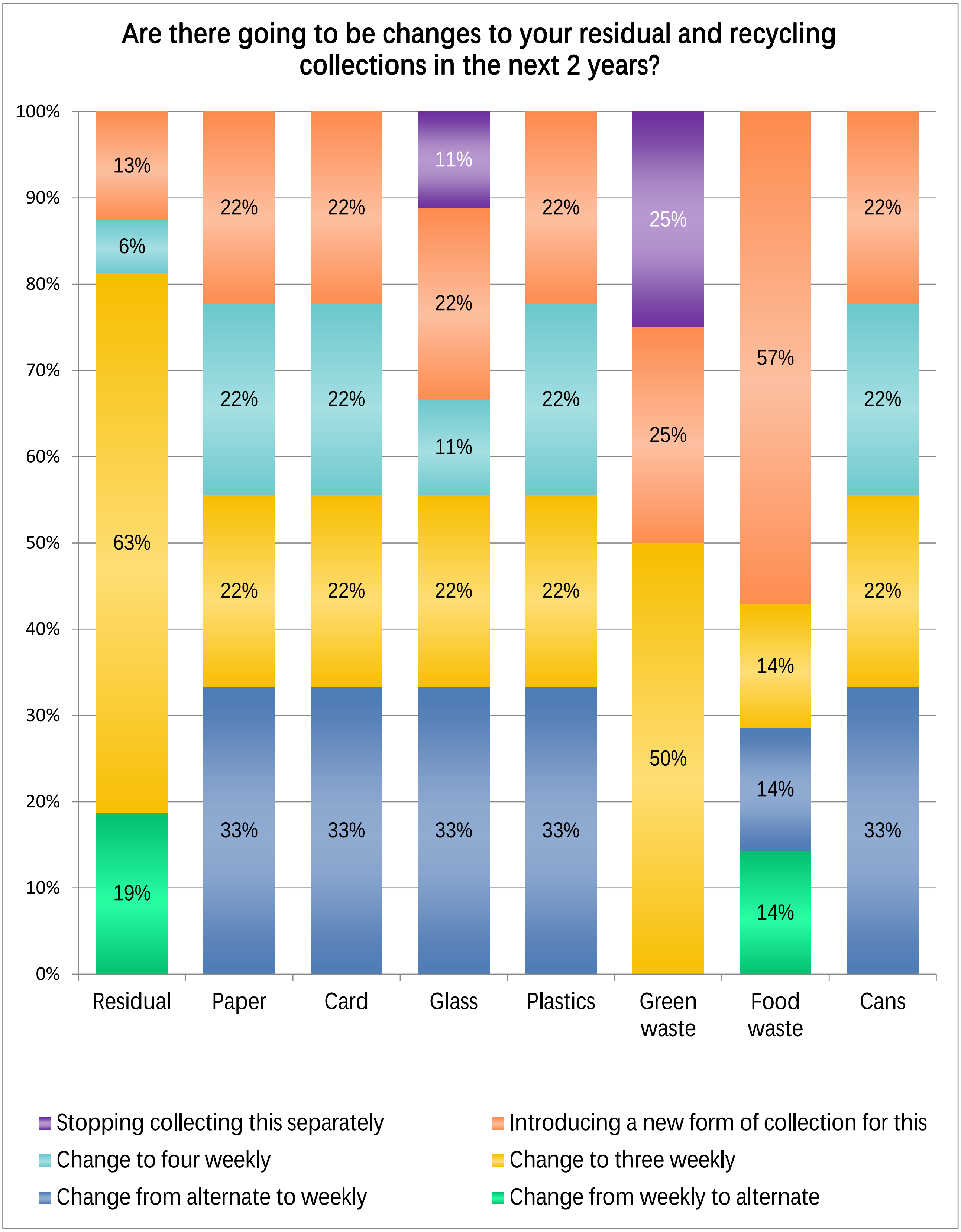
As can be seen in the graph which follows the main findings are:

- Collections for paper, card, plastics and cans are moving more towards 3- 4 weekly collection frequencies and a growing number of authorities are moving away from separate collection of materials.

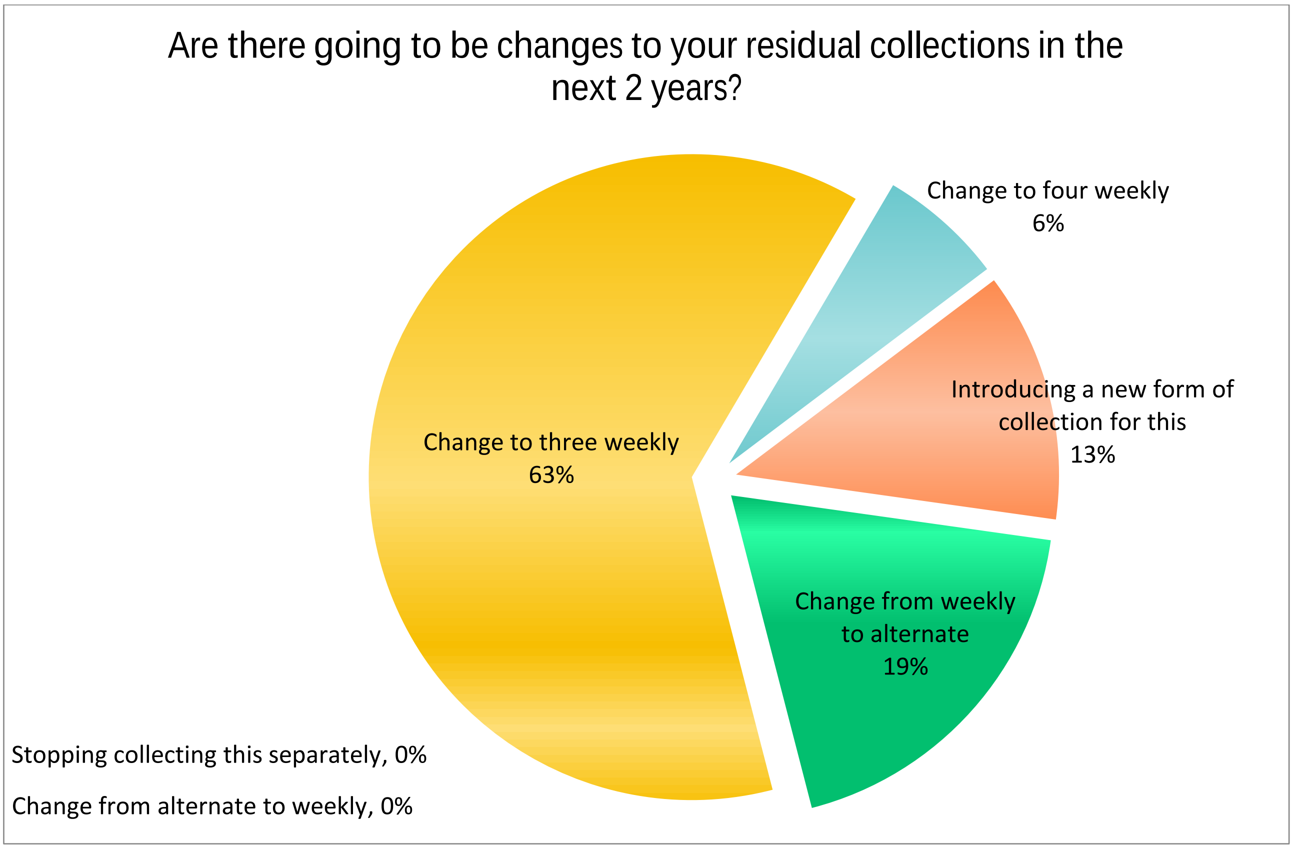
- Overall across all different types of recyclable materials there is a move away from collecting materials on a weekly basis.

- 63% of respondents indicated that they will change from fortnightly to three weekly collections for residual waste as most pilot schemes have proved workable.

- Since 2017 there has been an increase from 1% to 6% in the number of authorities considering or actually undertaking, four weekly residual waste collections ( see pie chart below)




We also asked what changes are there going to be in residual collections in the next two years with some stark results as show in the chart overleaf:




The above chart shows there is a potential major shift in residual waste collection methods across the UK in the next two years as local authorities look to increase their recycling rates and cut operational costs. It would appear from these results that the majority of authorities will move to a three weekly residual waste collection service from the current majority which operate an alternate (two weekly) collection system presently.

## a) Collection and disposal methods

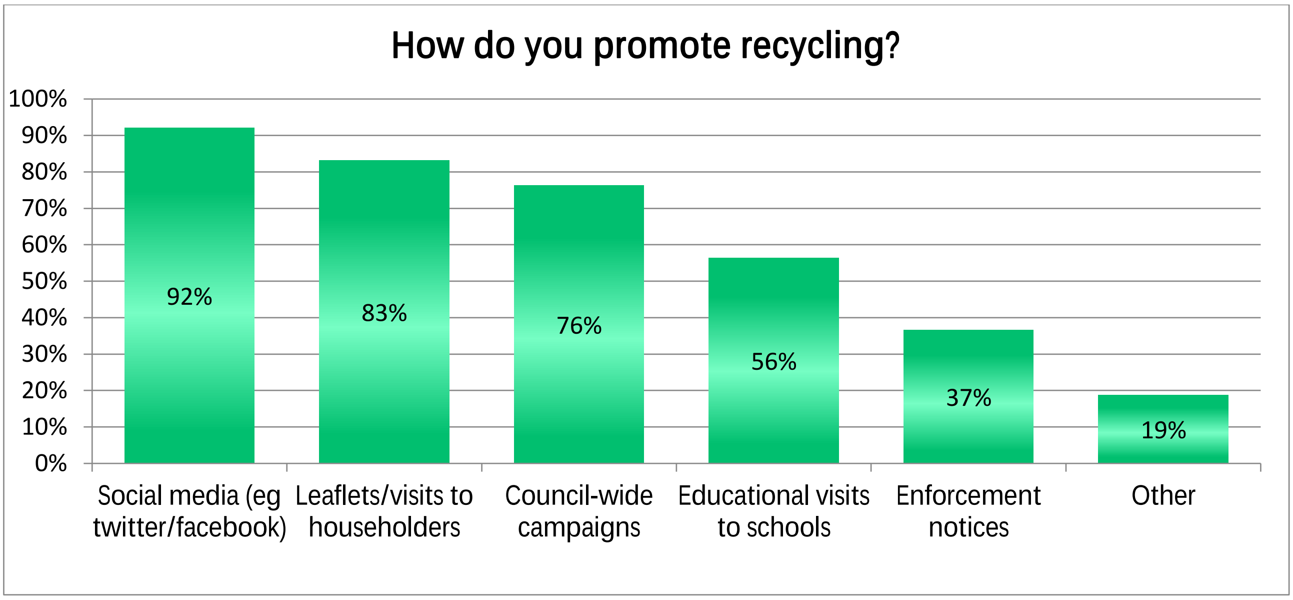
41% of respondents indicated that they operate a task and finish system for refuse collection (a decrease from 52% in 2017) and 19% use zonal working (collecting all waste from one zone on the same day).

50% operate a 5-day week (an increase from 43% in 2017), whereas 21% operate a 4-day week (down from 29% in 2017). 2% of respondents have a double shifting system in place. Comments to this question noted that some authorities carry out a 7-day a week collection, based around a working pattern over 10 days and others operate a team finish collection system.

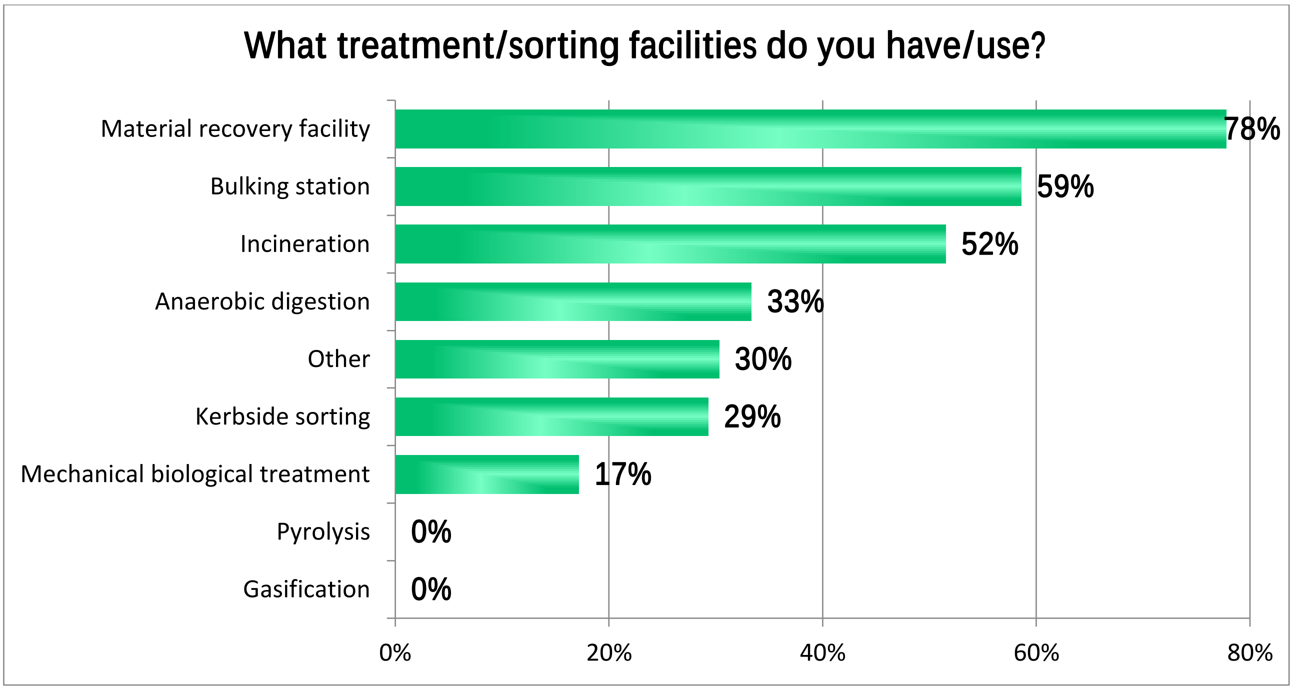
On average, under 5% of containers are replaced each year (including residual, kerbside recycling, green and kitchen waste).

58% operate co-mingled collections and 24% operate source segregated collections. 18% of respondents replied that they had a mix of both approaches (e.g. paper/card segregated, cans/plastics/glass co-mingled).

The following chart shows a breakdown of the methods used to promote recycling, the main change on 2017 is that there has been an increase in the use of enforcement notices, 2018 saw 37% saw enforcement notices being served as opposed to 20% in 2017. The use of behavioural change techniques through leafleting, school visits and social media are still the most popular methods used to promote recycling, and it is notable that social media in particular is continuing to grow in popularity as a means to promote recycling in younger residents.



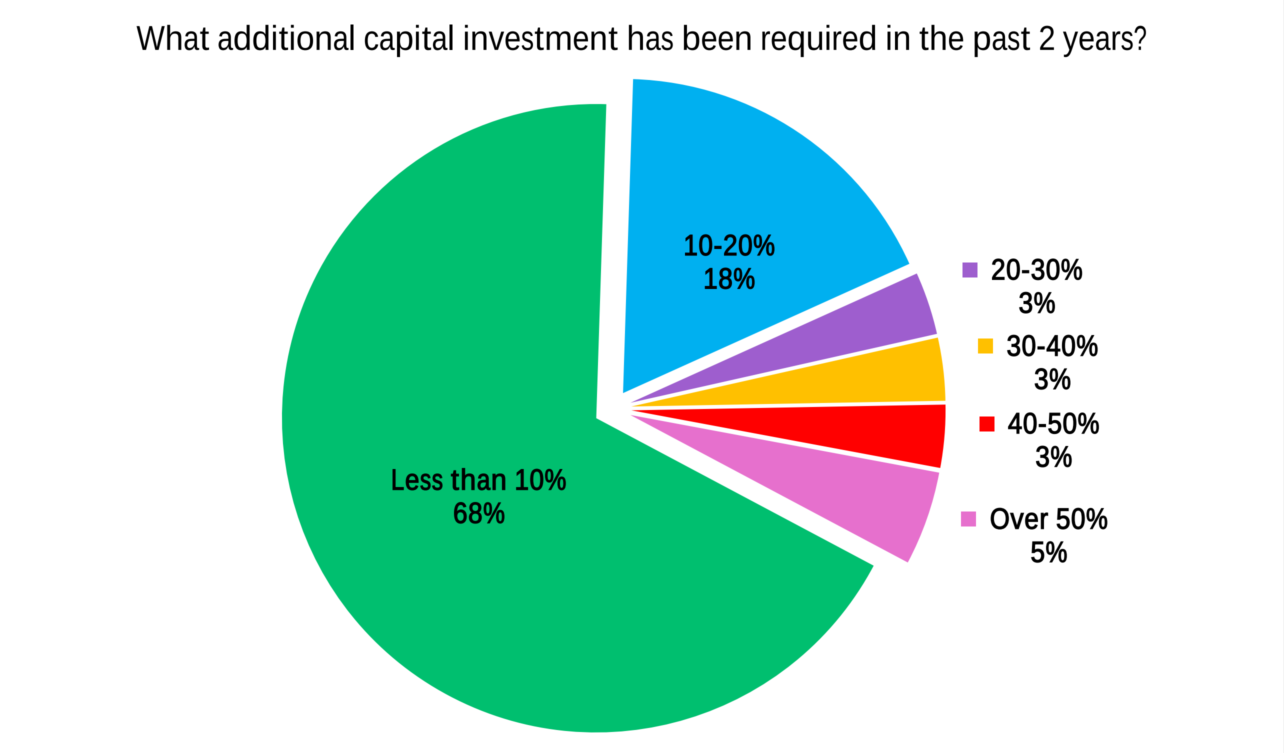

Treatment and sorting facilities include:




Little has changed in the methods used regarding sorting facilities although there has been a noticeable rise in those authorities using kerbside sorting methods than in 2017 (29% in 2018 when compared to 10% in 2017)

## b) Investment in and managing the service

When asked what additional capital investment has been required in the past 2 years, the responses were as follows:




The additional capital investment was used for a range of different purposes such as: replacing and adding new vehicles to the fleet to cope with service demands, procuring new and/or additional containers, the provision of a new depot/transfer station infrastructure, demographic growth and landfill capping.

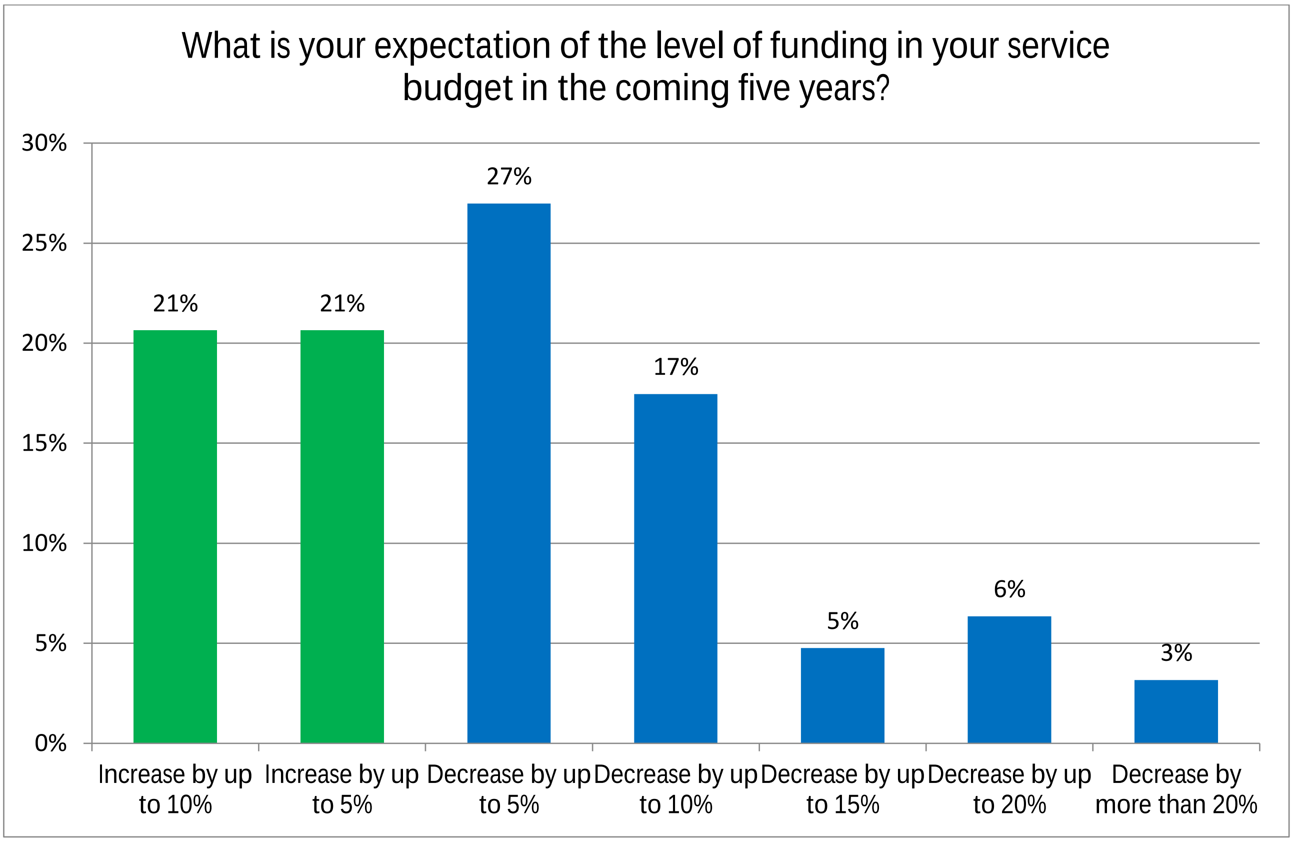
## c) Budgetary consideration

67% of respondents expect their refuse budgets to change over the next year as opposed to 51% in 2017. However, what was noticeable was the split between those expecting decreases and those expecting increases. Over 40% were expecting increases in budgets over the next five years as opposed to 30% in 2017.

Of those expecting increase 44% expected increases in revenue with the majority of these (63%) expecting a decrease in revenue or a decrease in capital (24%). However, it is worth noting that 35% are expecting an increase in revenue and 36% are expecting an increase in capital. These increases are likely to be linked to increases in property numbers and the subsequent need for additional funding to cope with the demand for the service and to cover the increased cost of treatment.

Over the next 5 years, the majority of respondents expect to see a reduction in their service budgets However as opposed to 2017 when many expected this to be up to 20%, this worry has somewhat abated with most respondents expecting budgets to reduce by between 5-10%. There has even been a slight increase in the numbers expecting increases.

The full breakdown can be found below:




The survey asked 'What efficiencies are you currently working towards or proposing' and the main responses to this question are as follows:

- Route optimisation/double shifting of vehicles.
- Moving to alternative weekly collections for recyclables and three weekly collection for residual waste.
- In-sourcing services
- Reducing hours and re-viewing provision of Household Waste Recycling Centres.
- Increasing income generation opportunities e.g. charging for green waste collections/ wheeled bin replacement/ commercial waste contracts
- Introducing new technologies e.g. solar compactor bins, in-cab CCTV.
- Reducing contamination levels and introducing no side waste collection policies.
- Reviewing staffing and fleet levels
- Cross-boundary working and joint authority working

The survey asked about whether councils charge for the following services and the results are as follows:

| Service | Yes | No | No but will do within the next 1-2 years |
|---|---|---|---|
| Bulky waste collections | 96% | 4% | 0% |
| Trade waste collections to schools and hospitals | 73% | 3% | 3% |
| Green waste collections | 54% | 34% | 7% |
| Supply of replacement bins | 50% | 43% | 7% |
| Additional black bags | 10% | 42% | 0% |
| Clinical waste collections | 8% | 58% | 1% |
| Food waste collection | 4% | 64% | 0% |

The results above show that for the second year running there has been a significant increase in the number of authorities charging for bulky waste 93% as opposed to 71% in 2017 and green waste collections 54% as opposed to 29% in 2017. Other areas where charges are being introduced in greater numbers are in relation to charges to schools and hospitals.

In terms of income from areas like trade waste services and its importance to the future financial viability of your service, 22% stated they could not manage financially without this in order to cover the cost of service provision and 31% stated that they need to generate more income to ensure service sustainability; alternatively, 34% stated that the additional income is useful but not essential to their service and 23% stated that they do not currently raise any additional income. This latter figure is a surprise as many would argue that there is a need for income generation to plug the gaps in service budgets, but as has been seen in previous graphs, many authorities refuse services are seeing both capital and revenue budget increase after previous budget pressures appear to grow year on year. This increase in budgets is perhaps a recognition that the cuts being forced onto front-line services was reaching a 'tipping point,' which would have led to serious impacts on both the public and local environmental quality. This return to more realistic levels of funding is perhaps an acknowledgement of this fact. Whilst some authorities have divested themselves of trade waste services, allowing local private sector companies to provide the service others have arrangements with neighbouring authorities to discharge the statutory duty to provide if requested.

With the new Waste Directive (including TEEP requirements), 79% of respondents have recently reviewed their waste and recycling services of which 71% are not amending their collection methods as they believe they are already TEEP compliant, and 8% are making amends to ensure they are TEEP compliant; the remaining 21% do not believe it is necessary to review their collection methods as a result of TEEP.

When asked about recycling contamination levels 26% stated they had levels under 5%, 28% reported levels between 5-10%, 35% reported levels between 10-15%, 5% reported contamination levels of 15-20% and a further 5% reported contamination levels of over 20%.

With regards to addressing contamination levels 65% of respondents used information campaigns, 13% home visits, 10% enforcement action and 12% remove contaminated recycling bins.

14% responded 'yes' to the question on whether they had or have a planned reduction in recycling credits from their waste disposal authority; 43% answered 'no' and 43% didn't know.

## e) Staffing

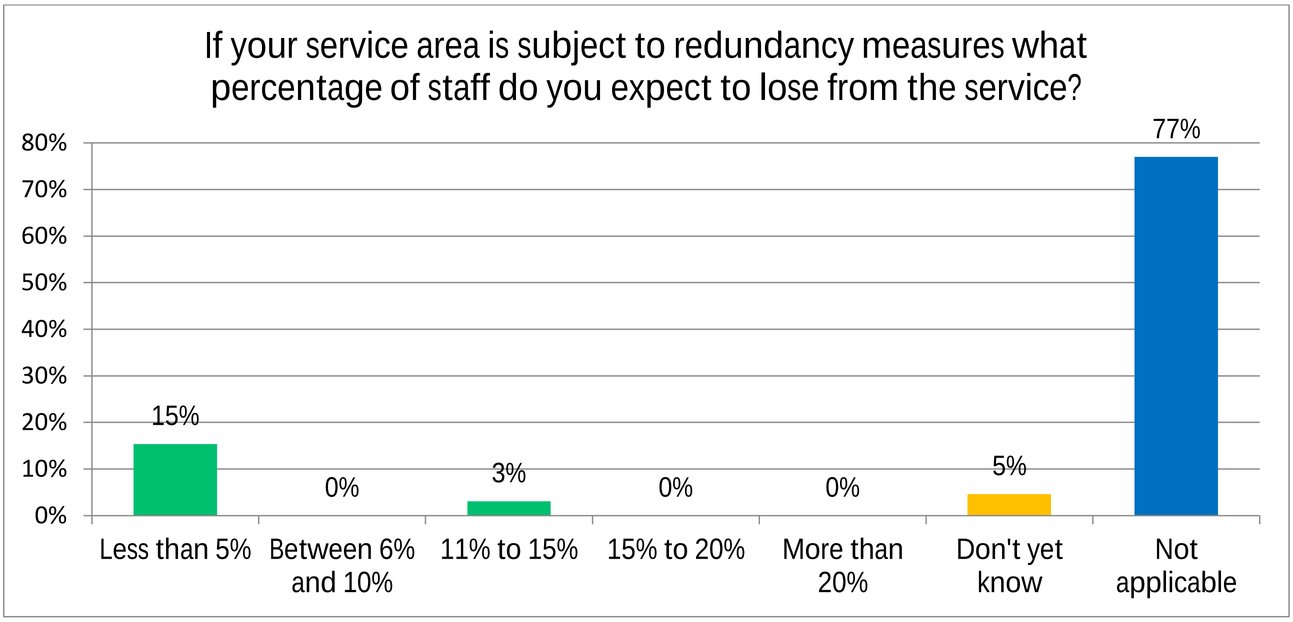
Regarding managing future staffing levels, within the next 12 months 17% expect natural wastage, 13% expect voluntary redundancy, 7% expect to implement a recruitment freeze, and 1.5% expect compulsory redundancy and 72.5% have indicated that they intend to implement none of these. This is a much more welcome picture with reductions in redundancies and natural wastage and many intending to keep staffing levels the same. This perhaps reflects a more settled picture emerging as councils recognise that service quality would suffer if resources as not available to deliver the service.

In addition the budget situation does appear to be a little less worrying than previous years with some services receiving additional funding, both revenue and capital. which as stated previously may be a reflection on the fact service reductions had gone as far as they could without seriously impacting on recycling and residual collection levels.

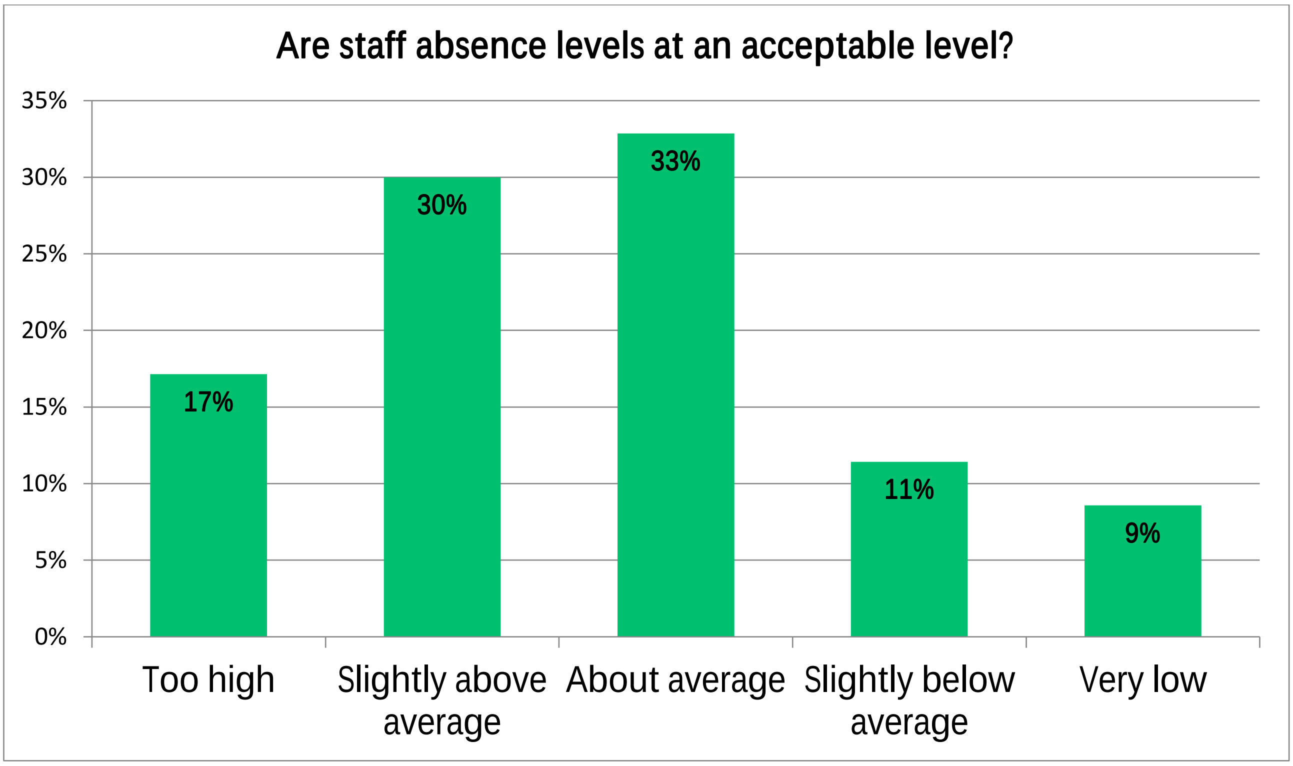
The results from the 2017 and 2016 Refuse State of the Market surveys have been provided below for comparison.

| Answer Options | Results from 2018 | Results from 2017 | Results from 2016 |
|---|---|---|---|
| Natural wastage | 17.4% | 30.0% | 34.3% |
| Recruitment freeze | 7.3% | 8.6% | 13.4% |
| Voluntary redundancy | 13.0% | 17.1% | 32.8% |
| Compulsory redundancy | 1.5% | 7.1% | 7.5% |
| None of these | 72.5% | 62.9% | 43.3% |

Of those services who expect to be subject to redundancy measures, they expect to lose the following percentage of staff from the service:




Members were asked what their staff absence levels are, and whether they thought this was an acceptable level. The graph below shows the replies received.

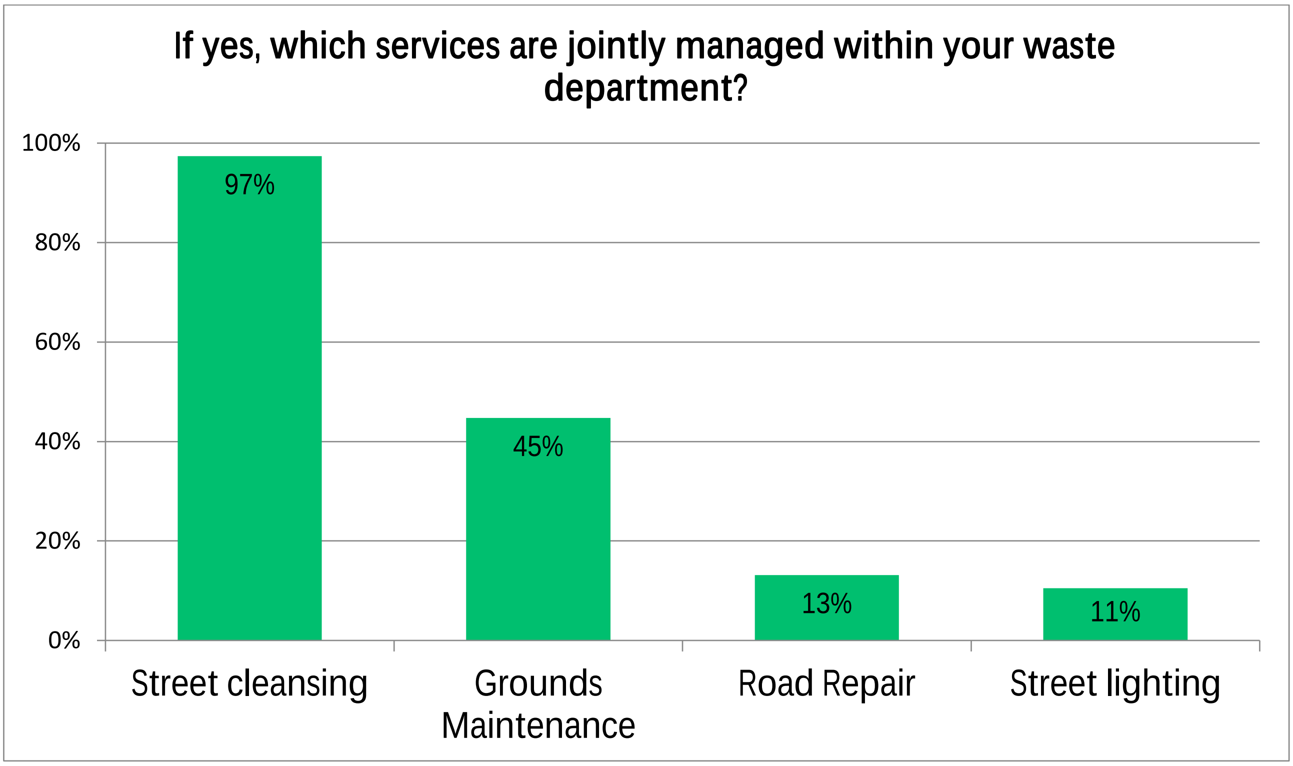



With regards to training budgets, 6% envisaged an increase in the training budget over the next 12 months with 11% stating that this will decrease and 83% stating this will stay the same These results show a slight improvement on previous years.

## f) Service provision

56% currently manage their service in-house, 8% via joint waste authorities and 22% are external. Of those respondents whose service is managed externally, the survey asked how long the contract is for and the majority were for '7-10 years' (48%), but the rest were relatively evenly split between 'up to 5 years' (15%), '5-7 years' (22%) and '10+ years' (15%). 60% indicated that they have an option to extend the contract. 56% expect their service to be managed in-house over the next 2-3 years, 22% stated that they expected their service to be managed externally and 8% expected their service to be managed by joint waste authorities.

51% of respondents indicated that their refuse service is integrated with other service areas (62% in 2017) and of those this includes the following services being jointly managed:



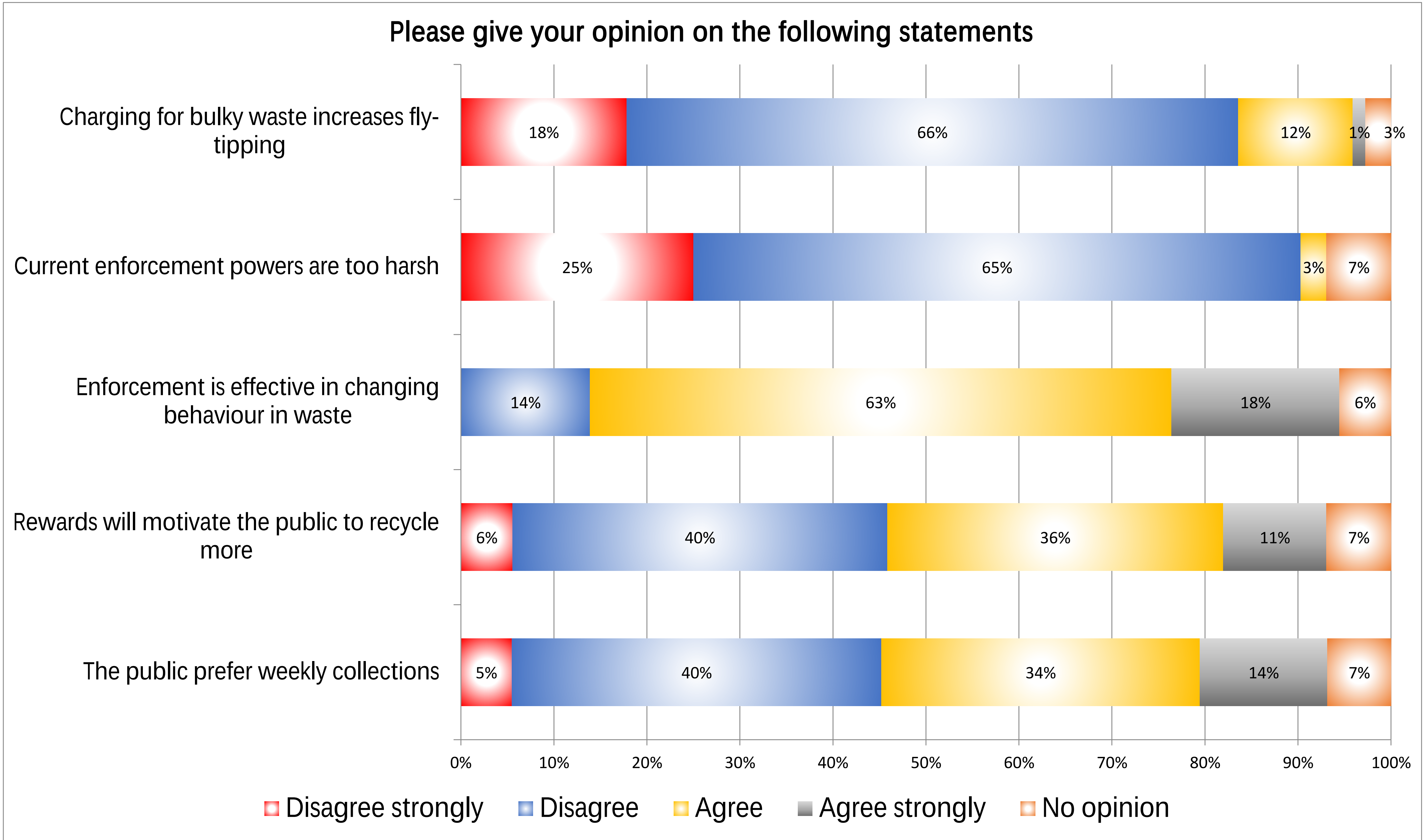

Of those respondents who indicated that they aren't integrated with other service areas at the moment, 26% expect to become part of an integrated street scene service in the near future. This constant change in percentages in services being considered for integration is probably a reflection of the constant reviewing of departmental structures.

## g) Your opinions

The chart overleaf shows the breakdown of respondents who agree/disagree with a series of service statements:

From the results it does appear that there is a general view that respondents believe that people should be made responsible for the waste they produce by 93% of respondents stating that they agree, or strongly agree, that enforcement powers are not too harsh and that 94% agree, or strongly agree, that enforcement does help change public behaviour in relation to waste Interestingly. 96% of respondents did not agree that charging for bulky waste removal promoted fly-tipping, which suggest they believe as stated previously, that the public should be made responsible for correctly disposing of their waste for which a charge should be made. Coupled to this, is the view that rewards are effective in making the public recycle more. 54% agreed with this fact which is an increase over 2017 figure of 48%, perhaps suggesting that the view is that we should now consider the use of rewards to promote better levels of recycling.

The number who disagree that the public prefer a weekly refuse collection has fallen from 50% in 2017, to 45% in 2018. This fall may be a concern about the greater use of 3 weekly residual collections and possible public dissatisfaction with the reduced residual collection service.



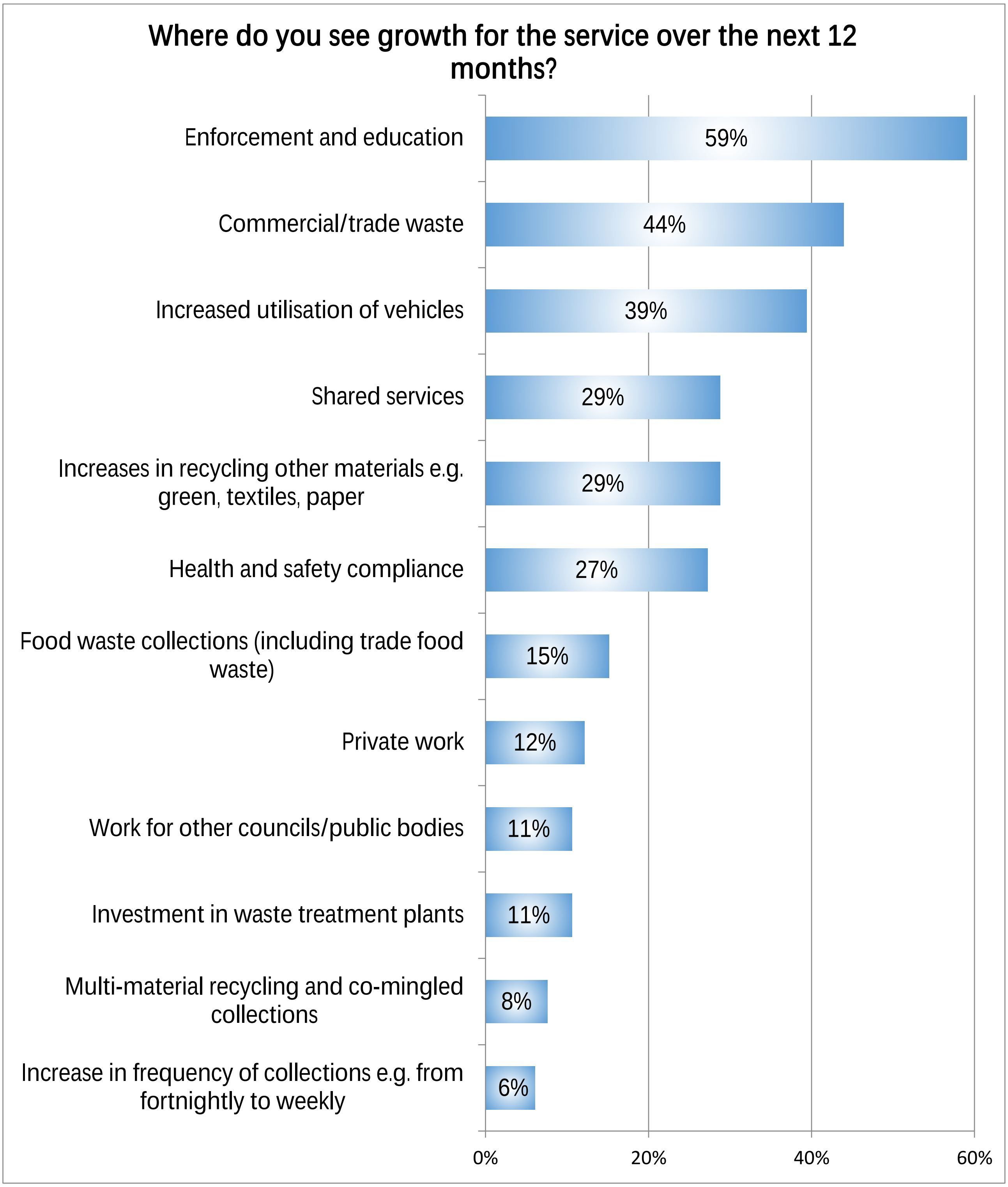
Please give your opinion on the following statements
Charging for bulky waste increases fly-tipping
Current enforcement powers are too harsh
Enforcement is effective in changing behaviour in waste
Rewards will motivate the public to recycle more
The public prefer weekly collections
18%
66%
12%
1%
3%
25%
65%
3%
7%
14%
63%
18%
6%
6%
40%
36%
11%
7%
5%
40%
34%
14%
7%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Disagree strongly
Disagree
Agree
Agree strongly
No opinion

## h) Future areas of work and service reviews

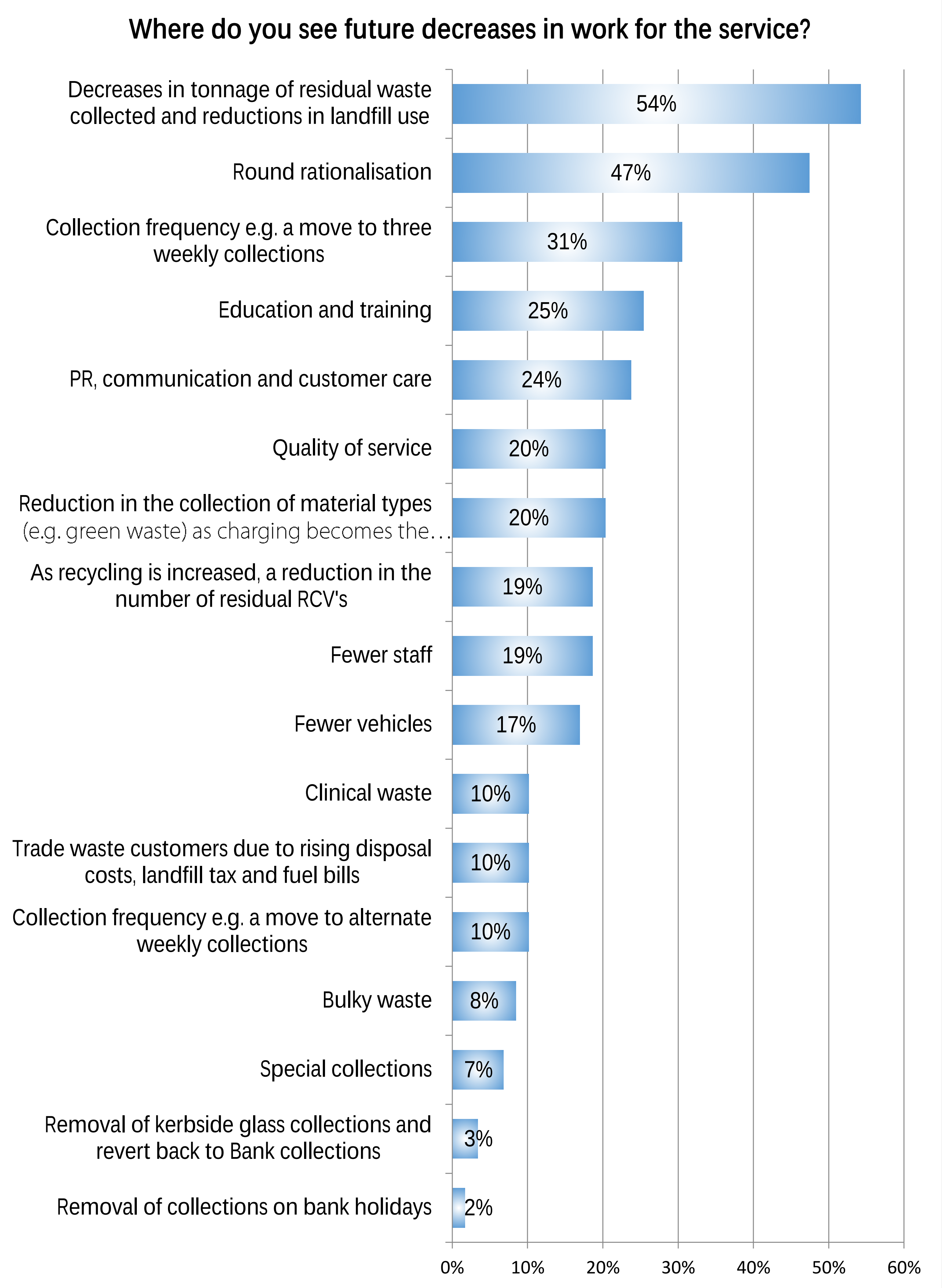
Respondents were asked where they see growth for the service over the next 12 months.

Noticeable decreases on 2018 were in relation to a reduced emphasis on commercial trade waste, working for other councils/public bodies and private work. There has been significant increases in work around developing MRF's and increasing the additional types of recyclable materials.

A summary of responses are included in the chart below:-



Respondents were also asked where they see future decreases in work for the service. The responses included:



The notable changes from 2017, included fewer respondents reporting there would be a reduction in staff or vehicles alongside the suggestion that future refuse collection frequencies could see three weekly collections become the norm mode of operation. Also fewer respondents felt training budgets would be reduced.

27% indicated that they have income generation schemes from their waste service other than trade waste. Of these, the majority relate to selling recycling materials. Others generate income through renewable energy and solid fuel recovery. Other responses noted in the comments included hiring out communal wheeled bins, landfill gas sales, chargeable garden waste collections and sale of new bins including delivery charges.

When asked if respondents had undertaken a service review recently, 32% stated that they have completed this, 39% stated that they have a review which is underway and 18% stated that they will be doing so in the next 1-2 years. Only 4% said 'no' and they won't be undertaking a review in the next 1-2 years.

Respondents stated that the reviews involved the following:

| | |
|---|---|
| Route optimisation | 85% |
| Utilisation of vehicles | 57% |
| GPS tracking | 49% |
| Service re-design | 45% |
| Income generation capacity | 38% |
| CRM handhelds | 34% |
| Review of working time/rota's | 34% |
| Review of productivity/work study | 32% |
| Using systems thinking techniques | 13% |
| Eco drive vehicle monitors | 11% |
| Other | 8% |

## APSE comment

It is clear from the above charts relating to the future of services, that reducing service delivery costs whilst increasing income generation still remains the focus of service managers across the UK. With regards to the collection and recycling of waste, more local authorities are reducing their residual collection services and indeed the frequency of recyclable waste collections with the aim of both driving up recycling rates, and reduce collection costs. Results for 2018 have shown that **over 60% of respondents are considering three weekly residual waste collections in the next 2 years and 6% are looking at introducing 4 weekly collection system for residual waste.,** with a view to increasing recycling levels.

Despite concerns over TEEP requirements, most local authorities still continue to collect recyclables as co-mingled, rather than separate collections of materials. There has been a big improvement in the number of local authorities collecting food waste. Now almost 80% are now collecting, some even weekly which may be a result of public pressure. The main point which needs to be emphasised is that with regards to collecting more recyclables, it is the quality of materials collected which will need to become a major focus if new recycling services are to be successful and affordable.

Whilst overall funding reductions in the collective area of 'neighbourhood services' has shown significant decreases in total service expenditure, amounting to £3.1billion for England alone, refuse and recycling services have fared marginally better than expected., and this year's returns suggest this will continue to improve. As stated previously, the threat of increased landfill costs and taxes from failing to increase recycling targets, the need to achieve service efficiencies and potential public dissatisfaction with reduced residual waste collections will require improved recycling services to counteract these concerns by collecting more and better quality recyclables, in some cases more frequently than at present.

An important element which has come out of the survey is that in-house provision has risen and for the second year in succession, fewer local authorities are expecting services to be externalised. Equally fewer authorities are expecting to have to cut staff and vehicle numbers. Perhaps one of the key findings of the report is that income generation appears to be of slightly less importance as service budgets seem to becoming healthier although not returning to the pre-austerity levels of funding.

The statutory nature of refuse collection services and their impact on cross–cutting agendas, means that their role will always have significant strategic priority for many local authorities and as such the future of service delivery methodologies will never be far from being on local and national priorities. It is hoped therefore that the information contained within the findings of this survey will prove helpful in assisting local authorities to make future decisions in this service area.

# The Association for Public Service Excellence

APSE member authorities have access to a wide range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers and heads of service, together with trade union representatives to discuss service specific issues, innovation and new ways of delivering continuous improvement. The advisory groups are an excellent forum for sharing ideas and discussing topical service issues with colleagues from other councils throughout the UK.

Advisory groups are a free service included as part of your authority's membership of APSE and all end with an informal lunch to facilitate networking with peers in other councils. If you do not currently receive details about APSE advisory group meetings and would like to be added to our list of contacts for your service area, please email enquiries@apse.org.uk.

Our national advisory groups include:

Facilities Management & Building Cleaning

Catering

Cemeteries and Crematoria Services

Environmental Health

Housing and Building Maintenance

Commercialisation network

Parks and Horticulture

Renewables and Climate Change

Roads highways and street lighting

Sports and Leisure

Vehicle maintenance and transport

Waste, Refuse and Street scene

If you require any further information on the findings of this State of the Market survey 2018 please contact Wayne Priestley Principal Advisor for Environmental Services at wpriestley@apse.org.uk