apse membership resources

State of the Market Survey 2020

Local Authority Refuse Services

Briefing 20-84
October 2020

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

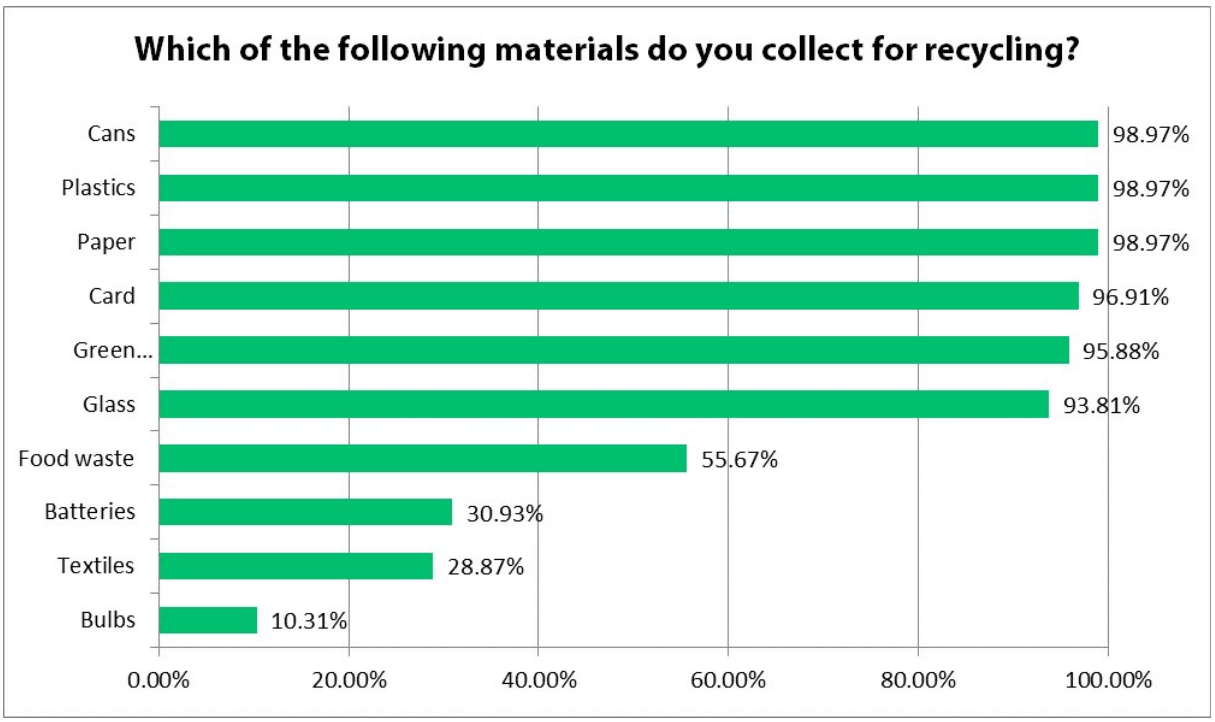
State of the Market 2020

APSE conducted an online survey during May to July 2020. This follows on from the 2019,2018, 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. Almost 100 responses were received from local authorities throughout the UK. This report identifies the key findings of the survey.

Results from the survey

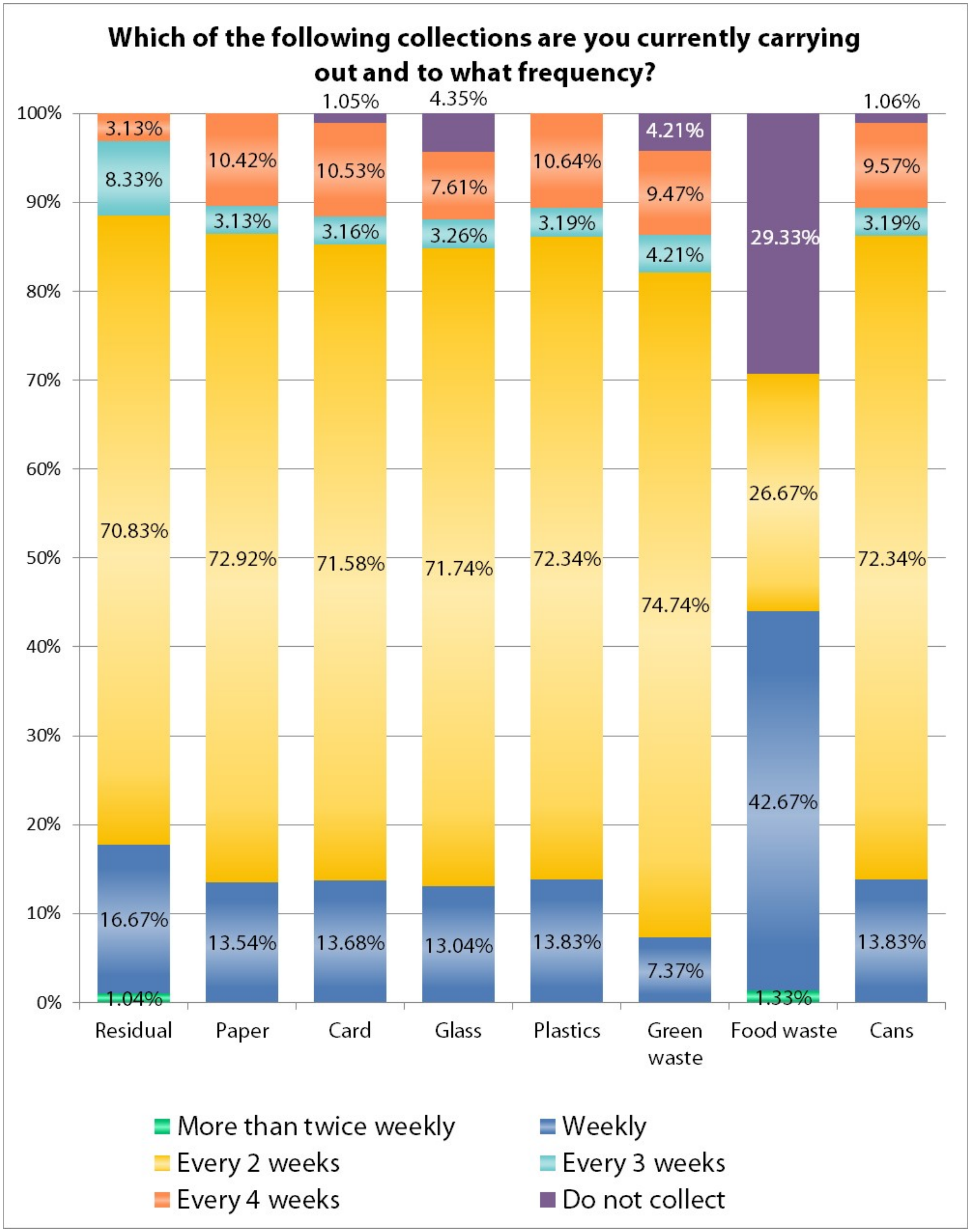
a) Recycling activities

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



The above graph shows that there has been very little change in the number of authorities collecting recyclable. There have been slight falls in food waste and textiles but, these are so low that they are negligible. In addition, world export markets for textiles are volatile and it is perhaps to be expected that textile collection services may sometimes be halted when the price for such materials is low. There is also a growing e-trade of clothing which is affecting the collection levels of both local authority collections and charity shop donations.

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.



Regarding food waste, there has been a slight increase in the number of authorities who say they do not collect food waste from 24% in 2019 to 29% in 2020, which is perhaps somewhat surprising when a good deal of tonnage can be added to the collection rate ultimately increase the overall recycling rate. Glass is now recorded as not being collected by 4% of respondents, which is a slight decrease of 4% on 2019 figures, suggesting more have recently introduced glass collection.

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. Few intimated that there would be any changes in the short term citing the following reasons:

- Contract terms and conditions are still in force
- Awaiting outcomes/directions from Resources and Waste Strategy before further decisions taken
- Currently reviewing services so no definite decisions made at this point in time

It was notable that over half of the actual respondents to the survey chose not to answer this question reflecting the uncertainty of both budgetary pressures and the requirements of Government Waste strategy being uncertain. Undoubtedly the impacts of COVID-19 will add further uncertainty to future service delivery methodologies.

a) Collection and disposal methods

56% of respondents indicated that they operate a task and finish system for refuse collection (an increase from 48% in 2019), although it should be noted, several respondents commented that they had re-introduced task and finish as a consequence of working under the problems posed by COVID-19 and that this was only a temporary measure. 26% use zonal working (collecting all waste from one zone on the same day).

54% operate a 5-day week (an increase from 52% in 2019), whereas 19% operate a 4-day week (down from 25% in 2019). 7% of respondents have a double shifting system in place.

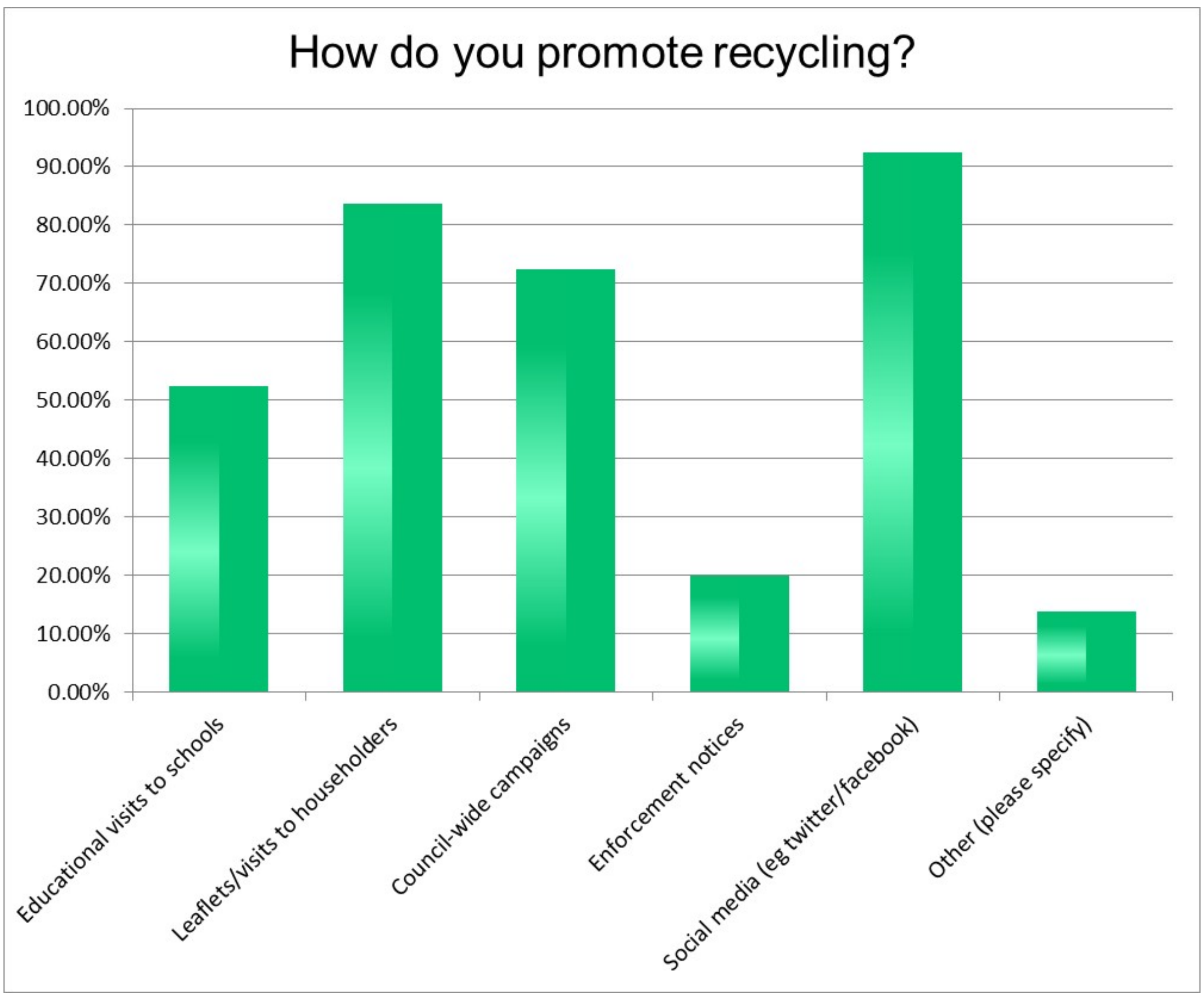
On average, under 5% of containers are replaced each year (including residual, kerbside recycling, green and kitchen waste). However, what was noticeable with responses to this question was that a number of respondents returned replacement rates of over 10%

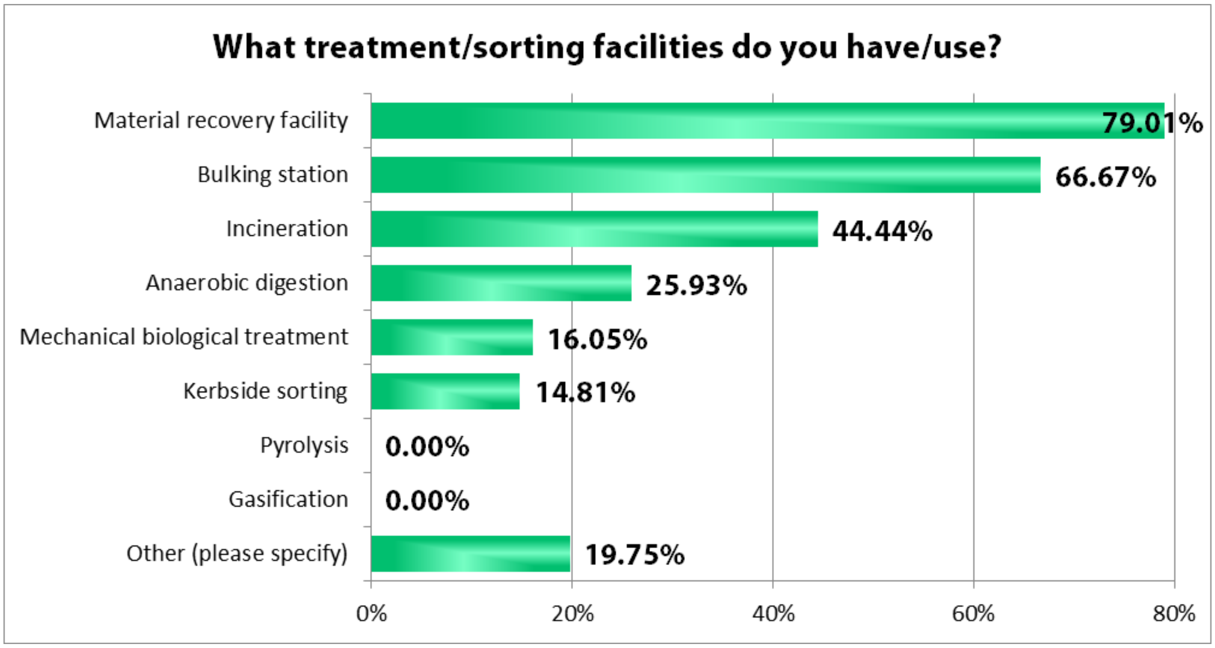
60% operate co-mingled collections down from 64% in 2019, and 16% operate source segregated collections. 28% of respondents replied that they had a mix of both approaches (e.g. paper/card segregated, cans/plastics/glass co-mingled).

Promotion of Recycling

The chart below shows a breakdown of the methods used to promote recycling, the main changes on 2020 is that there has been a decrease in the use of school visits and the use of enforcement notices, which considering some of this data was submitted during the first national 'lockdown' is perhaps not unexpected.,

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.

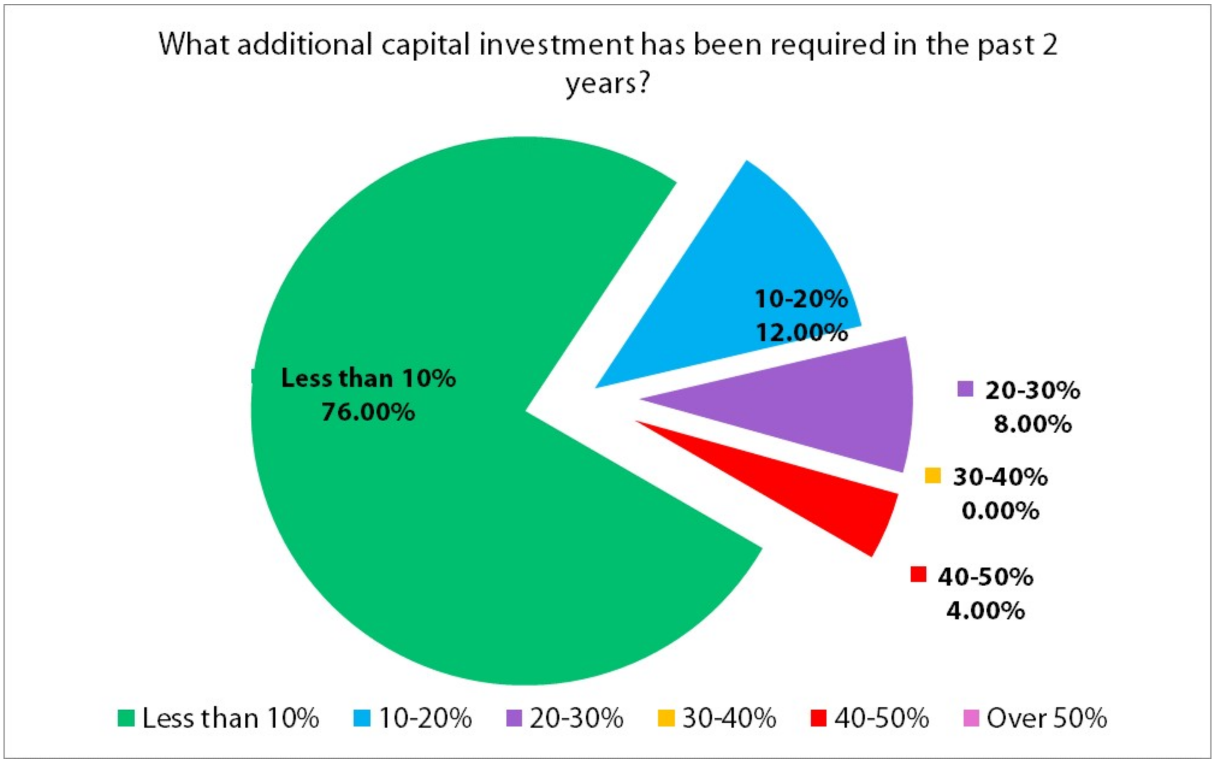




Very little has changed in the methods used regarding sorting facilities although there has been a slight rise in those authorities using material recovery facilities and bulking stations. There has also been a slight fall in those respondents using incineration.

a) 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 technology such as in-cam monitoring.

b) Budgetary consideration

72% of respondents expect their refuse budgets to change over the next year as opposed to 65% in 2019, many citing the costs of COVID-19 as being the main reason for increases.

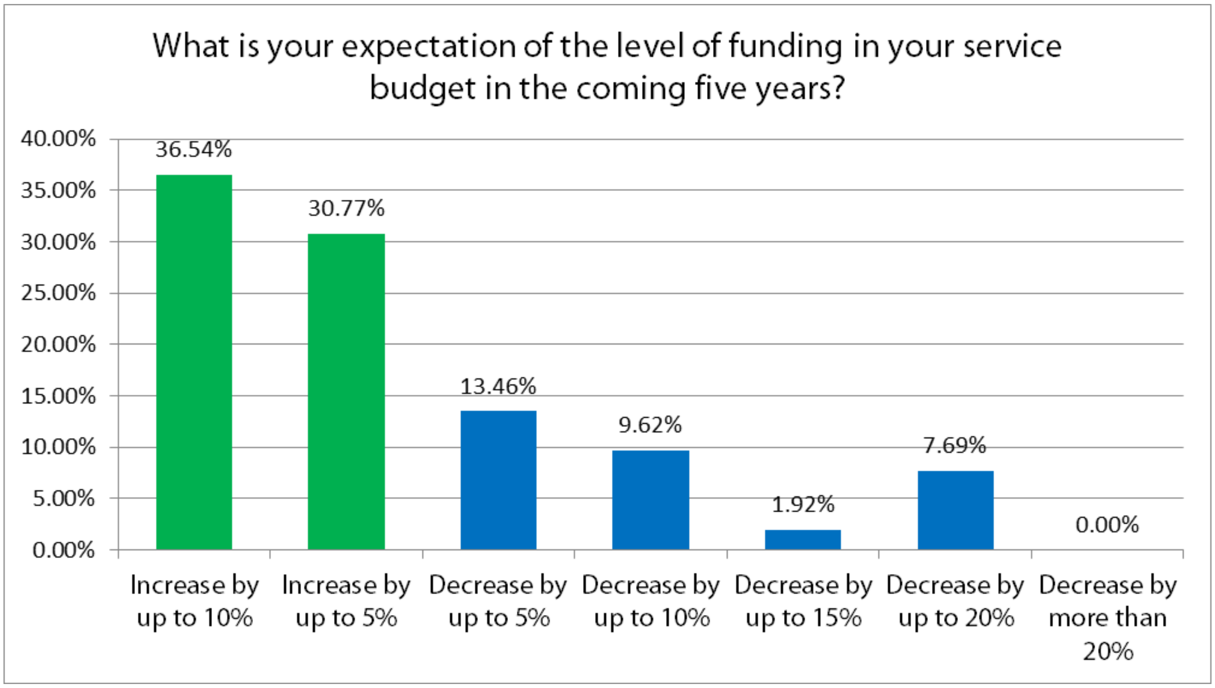
Of those expecting increases, 39% expected increases in revenue and 46% expected an increase in capital.

Of those expecting decreases in budgets, 39% are expecting decreases in revenue and 16% are expecting a decrease in capital.

Where there are budget increases, these 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, (67%) expect to see an increase in their service budgets, as opposed to 2019 when 54% expected to see budget increases. This expectation of increased budgets was explained by some respondents as being the result of the requirements of the new Resources and Waste Strategy (2018) and the requirements placed within it upon local authorities, in particular the possible needs for separate collections.

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.
- Introducing payment by weight for commercial waste
- 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
- Reducing reliance on agency staff through work planning improvements
- Cross-boundary working and joint authority working
- Awaiting outcome of Waste Strategy requirements

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	88%	11%	0%
Trade waste collections to schools and hospitals	80%	0%	2%
Green waste collections	38%	50%	9%
Supply of replacement bins	60%	29%	8%
Additional black bags	5%	40%	0%
Clinical waste collections	2%	55%	0%
Food waste collection	0%	56%	2%

The results above show that there has been an increase in those authorities charging for trade waste collections to schools and hospitals (previously 73%) and replacement bins (previously 48%). Fewer authorities are now charging green waste collections

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 (down from 28 % in 2019). 15% stated that they need to generate more income to ensure service sustainability (22% in 2019).43% stated that the additional income is useful but not essential to their service and 13% stated that they do not currently raise any additional income. This latter figure shows a drop from 23% in 2019 who said they didn't generate income. This shows there has been a growing need to generation to plug the gaps in service budgets, but as has been seen in previous graphs, many authorities refuse services are anticipating both capital and revenue budget increases over the next 5 years. This increase in budgets is perhaps a recognition that the cuts being forced onto front-line services have reached a 'tipping point,' which would have led to serious impacts on both the public and local environmental quality. This potential return to more realistic levels of funding is perhaps an acknowledgement of this fact. In addition, the new Resources and Waste Strategy which will also place additional responsibilities upon local authority waste services for which additional funding will need to be provided. However, with the recent impact of COVID-19, many authorities expectations may not be met as local authority Treasurers try to meet the additional costs of the pandemic.

With the 2018 Waste Directive (including TEEP requirements), 53% are not amending their collection methods as they believe they are already TEEP compliant, and 10% are making amends to ensure they are TEEP compliant; the remaining 37% do not believe it is necessary to review their collection methods as a result of TEEP.

When asked about recycling contamination levels 15% stated they had levels under 5%, a worrying fall from 27% in 2019. 35% reported levels between 5-10% (23% in 2019), 22% reported levels between 10-15% ,17% reported contamination levels of 15-20% (22% in 2019) and a further 7% reported contamination levels of over 20% (8% in 2019).What we see is that the more difficult task of keeping levels under 5% is proving challenging but in most other areas reduced levels of contamination have been made.

With regards to addressing contamination levels 60% of respondents used information campaigns, 19% home visits, 1% enforcement action and 20% remove contaminated recycling bins. These results appear to suggest removing bins is far more effective, or a more popular option than enforcement as previously enforcement was used by 12% of respondents.

13% responded 'yes' to the question on whether they had or have a planned reduction in recycling credits from their waste disposal authority; 37% answered 'no' and 50% didn't know.

e) Staffing

Regarding managing future staffing levels, within the next 12 months 17% expect natural wastage, 10% expect voluntary redundancy, 12% expect to implement a recruitment freeze, and under 2% expect compulsory redundancy. 72% have indicated that they intend to implement none of these.

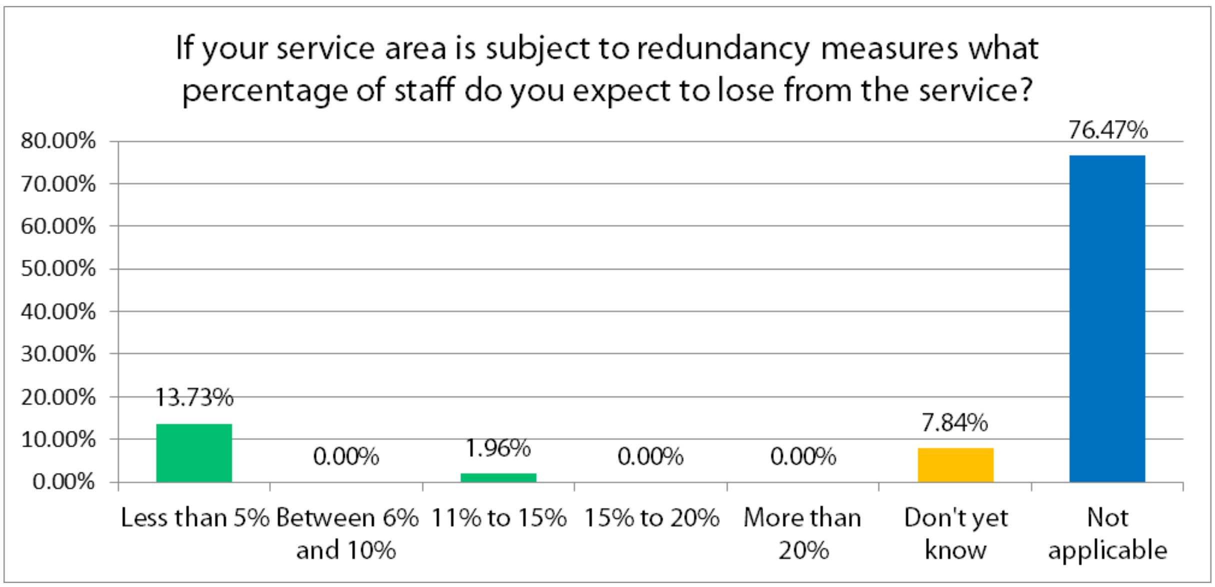
This is a much more welcome picture with reductions in natural wastage and many intending to keep staffing levels the same, although small it is noticeable that the percentage expecting to implement recruitment freezes has risen by 4.5%, perhaps reflecting the current uncertainty caused by changing legislative expectations and the COVID-19 impacts. However, the results perhaps reflect 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, as well as the implications of meeting the new Resources and Waste Strategy. But again, this has to be balanced against the future impacts of COVID-19 and its longer- term effect on wider council budgets.

Answer Options	Results from 2020	Results from 2019	Results from 2018
Natural wastage	17.2%	18.1%	17.4%
Recruitment freeze	12.1%	7.5%	7.3%

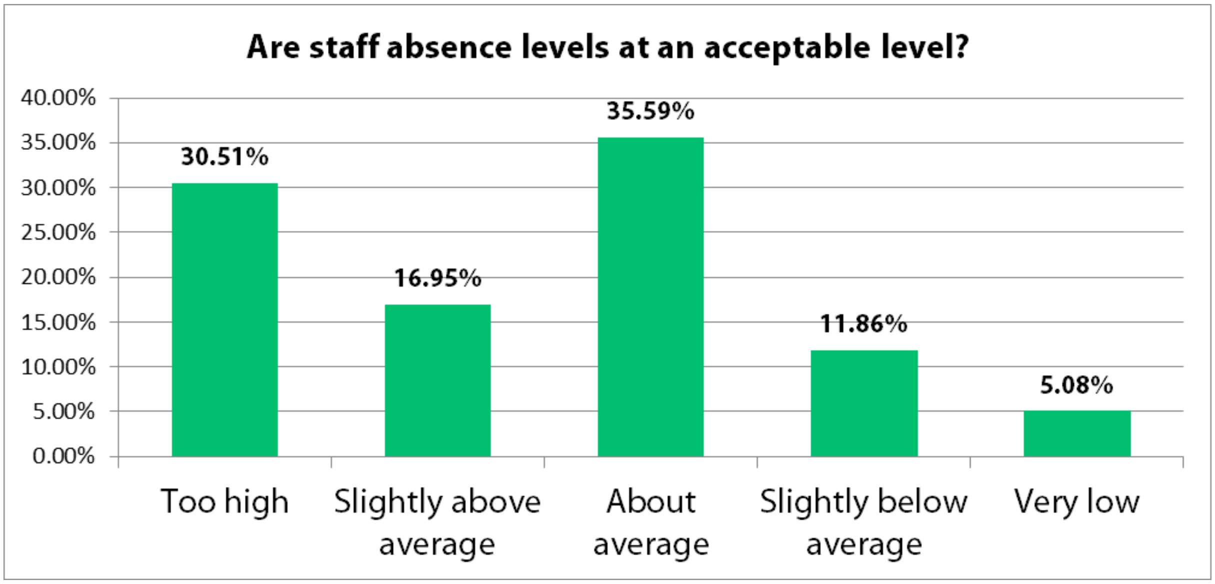
Voluntary redundancy	10.3%	12.8%	13.0%
Compulsory redundancy	1.7%	3.2%	1.5%
None of these	72.4%	74.5%	72.5%

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.

Of real significance is that the impression of overall staff absence has improved. In 2019 42% reported that staff absence was too high, this has fallen to just over 30% in 2020. Similarly, the view of staff absence being about average has also risen from 29% to 36%, showing a greater satisfaction with levels of staff absence. These result tie in with data received through APSE's Performance Networks returns which suggests that on the whole absence levels are not an issue.



With regards to training budgets, only 3% envisaged an increase in the training budget over the next 12 months, as opposed to only almost 10% in 2019. 5% stated that their training budget would will decrease as opposed to 11% in 2019. 91% stated that their training budgets were likely to remain the same.

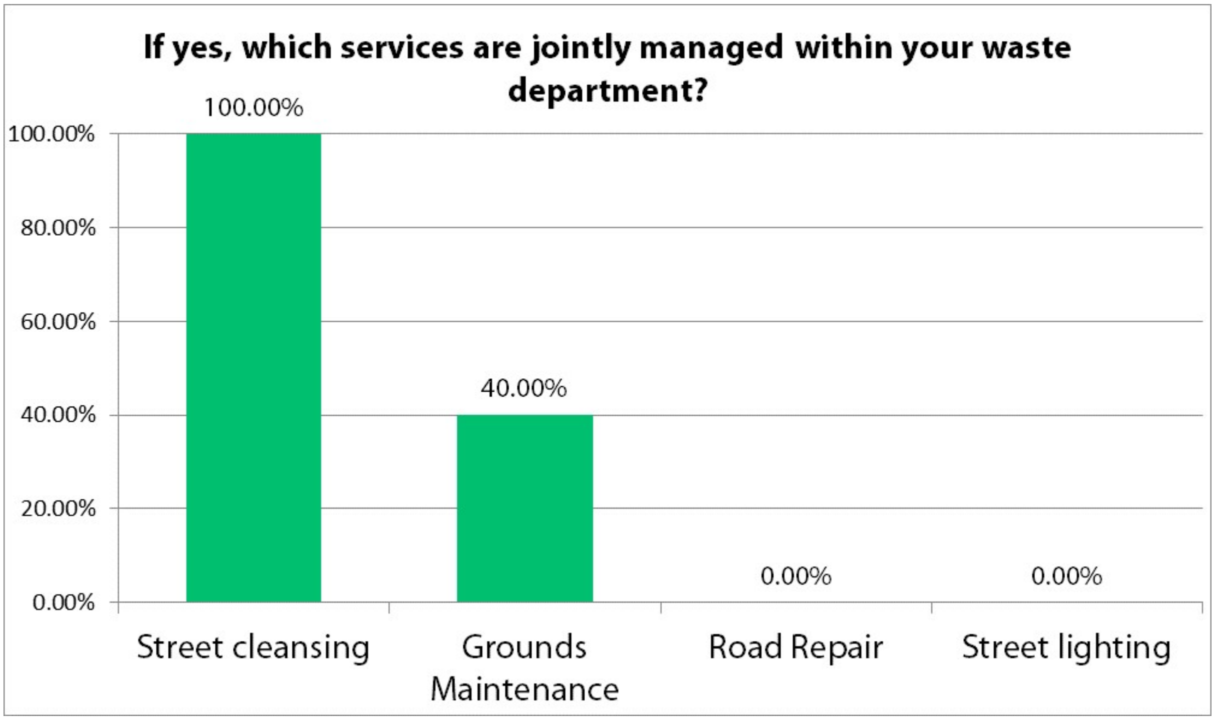
f) Service provision

From respondent's information over 75% currently manage their service in-house, approximately 20% have external providers and the remaining percentage operate their services via joint waste operations. Of those who have external contracts, over 70% offer at least a 7-year contract period with the option to extend the contract.

78% of respondents expect their service to be managed in-house over the next 2-3 years which is an increase on 2019 when the figure was 72%. 18% stated that they expected their service to be managed externally, whilst less than 2% expected their service to be managed by joint waste authorities.

44% of respondents indicated that their refuse service is integrated with other service areas (55% in 2019.

Of those who reported having integrated services, the table shows those services most commonly integrated with the refuse service.



Of those respondents who indicated that they aren't integrated with other service areas at the moment, 22% 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.

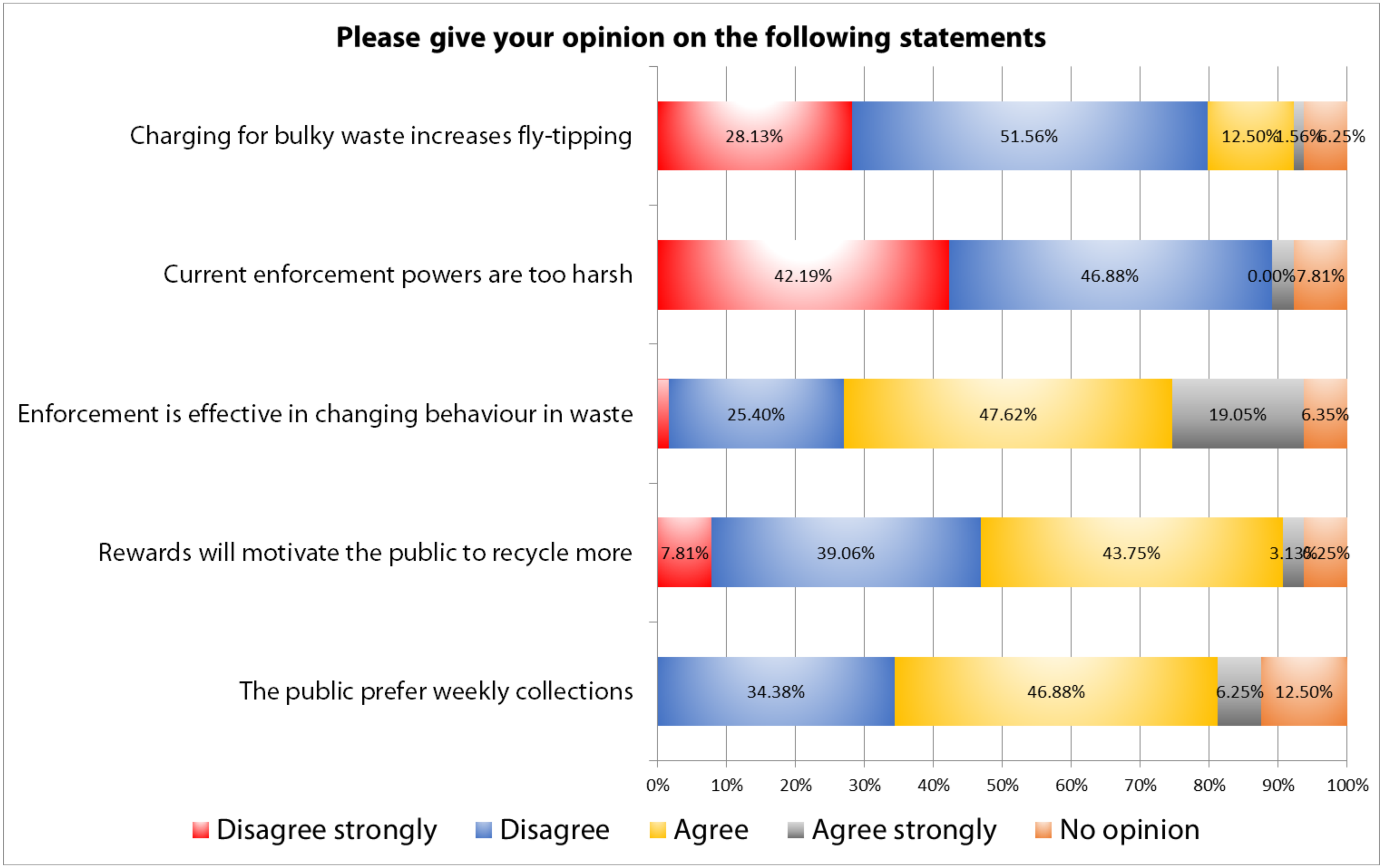
g) Your opinions

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 89% of respondents stating that they agree, or strongly agree, that enforcement powers are not too harsh and that 67% agree, or strongly agree, that enforcement does help change public behaviour in relation to waste, although this last figure has fallen from the results gained in 2019 when it stood at 82%. Interestingly, 80% 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.

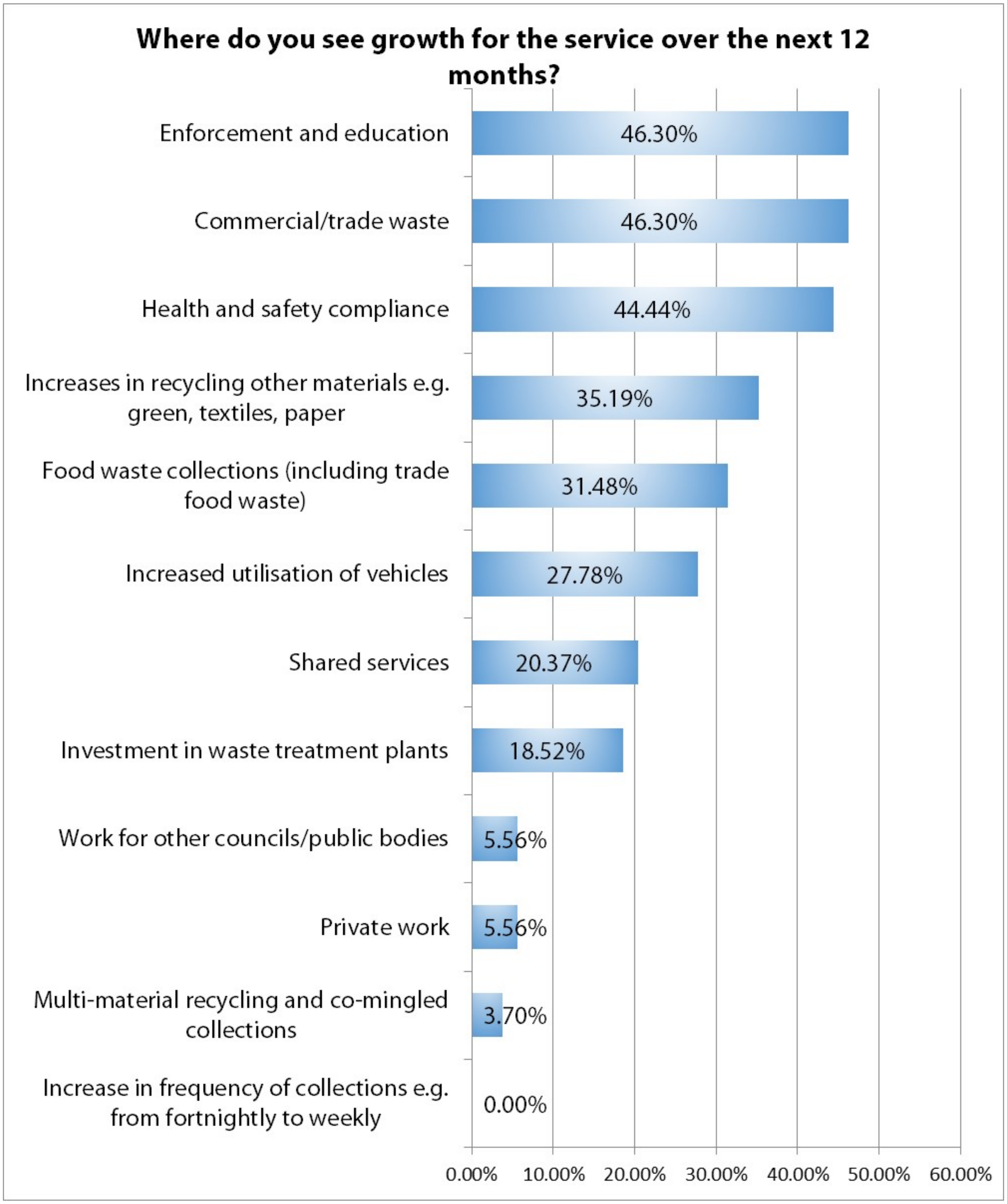
Regarding the view of whether rewards are effective in making the public recycle more, 47% agreed with this and 47% disagreed with this so clearly there is a split on the effectiveness of rewards.

The number who disagree that the public prefer a weekly refuse collection has fallen from 45% in 2017, to 34% in 2020. This fall may be a concern about the greater use of 3 and 4 weekly residual collections and possible public dissatisfaction with the reduced residual waste collection service.

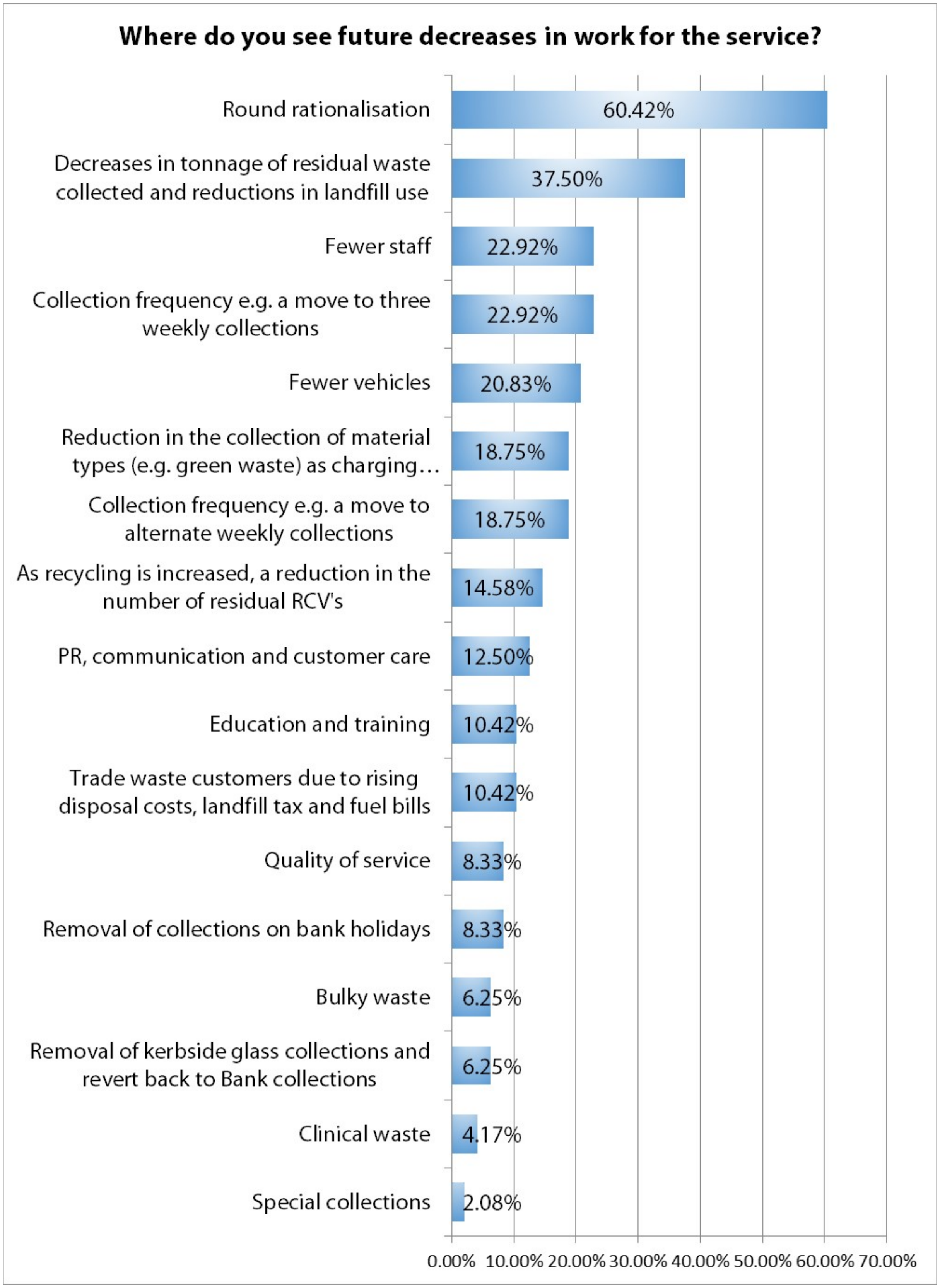

Please give your opinion on the following statements
Charging for bulky waste increases fly-tipping
Current enforcement powers are too harsh
Enforcement is effective in changing behaviour in waste
Rewards will motivate the public to recycle more
The public prefer weekly collections
28.13%
51.56%
12.50%
1.56%
6.25%
42.19%
46.88%
0.00%
7.81%
25.40%
47.62%
19.05%
6.35%
7.81%
39.06%
43.75%
3.13%
6.25%
34.38%
46.88%
6.25%
12.50%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Disagree strongly
Disagree
Agree
Agree strongly
No opinion

h) Future areas of work growth and service reviews

Respondents were asked where they see growth for the service over the next 12 months. 2020 results see little change from 2019, many growth areas remaining the same. The main increases seen in investment in waste treatment plants which clearly relates to the expectations of recycling more recyclable waste. Health and safety compliance also sems to have become more of a priority over the last 12 months but this may have been driven by the onset of the pandemic and the need for crew and staff safety.



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



Those areas where people are expecting reductions in work, relate very much to efficiencies brought about by round rationalisation and reduced frequencies of residual waste collection brought about by the adoption of a three- weekly collection. This reduction is also reflected in the reductions in dealing with residual waste and landfill as improve recycling collection levels.

When asked if respondents had undertaken a service review recently, 27% stated that they have completed this, 23% stated that they have a review which is underway and 34% stated that they will be doing so in the next 1-2 years. 14% 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	81%
Service re-design	67%
Utilisation of vehicles	65%
Review of working time/rota's	50%
Review of productivity/work study	44%
Income generation capacity	40%
GPS tracking	31%
CRM handhelds	25%
Eco drive vehicle monitors	17%
Using systems thinking techniques	17%
Other	10%

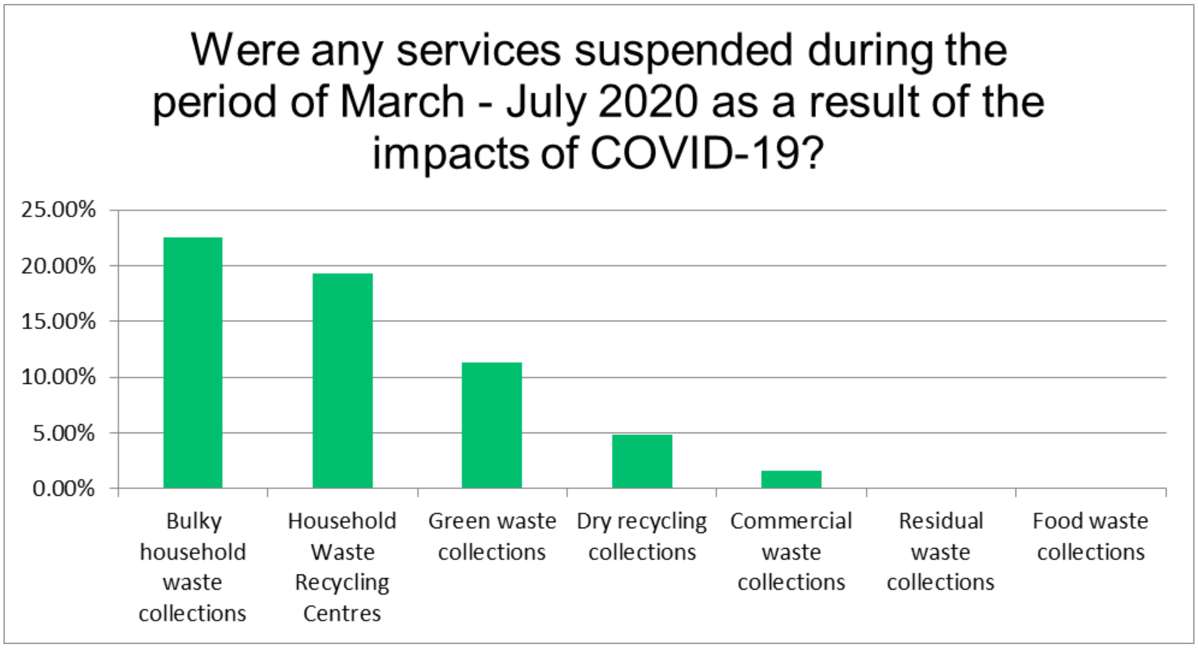
i) The impacts of Covid-19

Clearly some of the information contained within the survey would have been collated in pre-pandemic operating conditions. However, as the survey was carried out during the period of the first national lockdown there was the opportunity to include questions relating to how COVID-19 was impacting on services.

APSE carried out a significant amount of survey work during this period which was shared with members, Government and the media to help assess the impacts of the pandemic.

The APSE report on how services were coping with the pandemic and what procedures they were introducing to remobilise their services may be of interest to members and can be found at the following link https://www.apse.org.uk/apse/index.cfm/news/articles/2020/covid-19-apse-information-hub/remobilisation-reports/waste-refuse-and-street-cleansing/apse-waste-refuse-and-street-cleansing-remobilisation-report/

Results of the questions included in this year's survey which address the impacts of COVID-19 are shown in tabular form below.



Clearly most councils decided to concentrate on the delivery of residual waste collections and commercial waste collections to ensure both households and businesses did have at least one regular waste collection service.

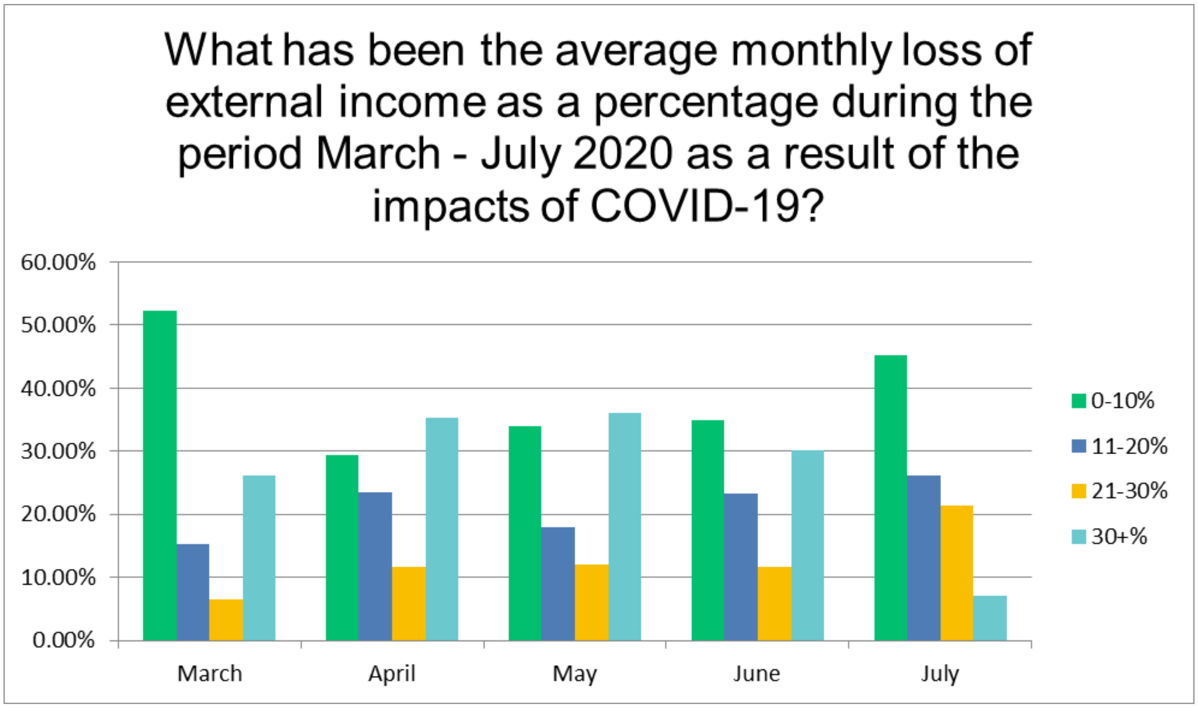
Most Councils were also able to keep a good deal of their recycling services operational.

The main services which were 'sacrificed' during the lockdown period have been green waste collections, Bulky household waste collections and the closure of Household Waste Recycling Centres, the latter service being the most controversial with the media who reported significant increases in fly-tipping as a result, however, this was to some extent exaggerated and was often localised. All of these services have since been re-introduced.

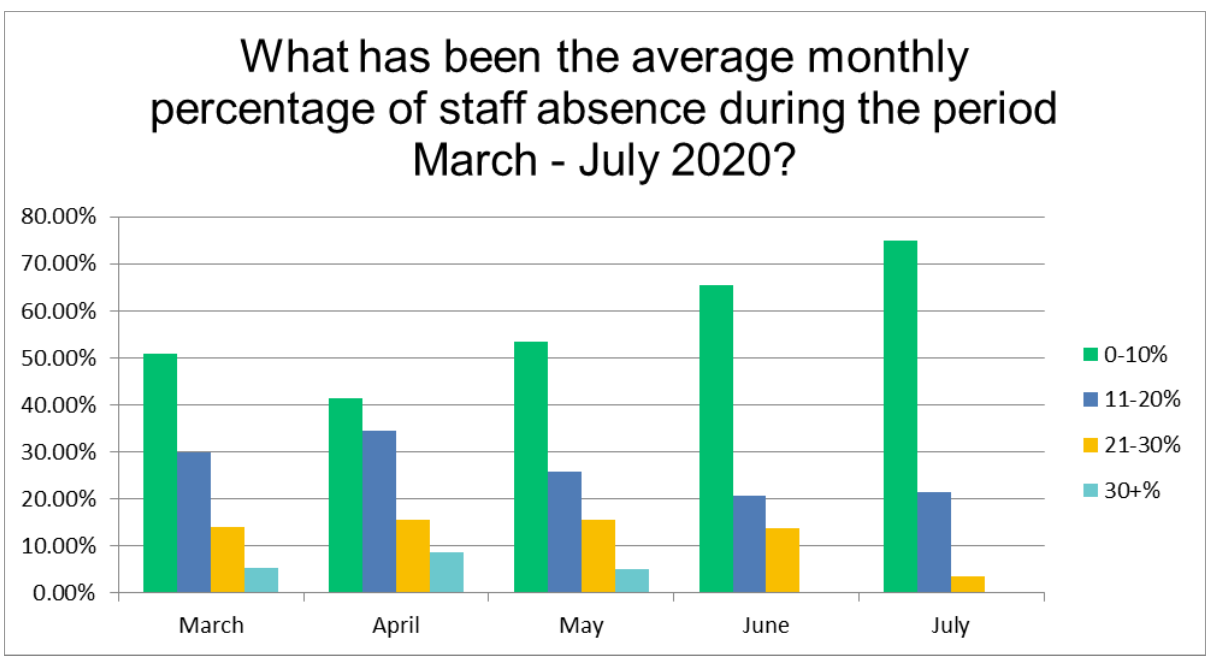
However, should there be a second wave then it is likely the same approach would be again taken.

With regards to loss of income derived from refuse collection and recycling services, the chart below highlights the percentage losses of income over the months March to July 2020.

The chart shows that losses of over 30% were particularly high during the April to May period, but these losses have since reduced with most respondents by the end of the survey period now experiencing losses of under 10%.



The final question relating to the impacts of COVID-19 looked at staff absence levels during the main period of lock-down. March, April and May saw the peak of staff absences, with almost a third of respondents reporting staff absence levels of 30% plus. However, by the July reporting period most local authorities' absence levels were under 10% with under7& reporting staff absence levels of 30%



APSE comment

It is clear from the survey charts and data relating to the future of services, that whilst reducing service delivery costs and increasing income generation still remains important for service managers across the UK., there are signs that serious consideration is now being given to the impacts of the Resources and Waste Strategy (2018) will have on local authority waste services.

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 reducing collection costs. Results for 2020 have shown that of respondents who did reply almost half will be implementing three weekly or monthly residual waste collections in the next 2 years 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. The main point which needs to be emphasised is that although more authorities are collecting a wider range of recyclable materials, it is the quality of materials collected which will need to become the major focus if new recycling services are to find end markets for what they collect. This is a key requirement of the Resources and Waste Strategy through its aim to implement more consistent recycling collections to drive up the amount and quality of materials collected.

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. This has been given an even greater commitment by Government who have promised to provide additional funding to deliver their Resources and Waste Strategy and much of this funding will be provided to local authorities to improve recycling collection infrastructures.

As stated previously, local authorities face the threat of increased landfill costs and taxes from failing to increase recycling targets, together with the need to achieve service efficiencies and allay potential public dissatisfaction with reduced residual waste collections. Now with the demands of the Resources and Waste Strategy (2018), they will be will required to further improve recycling services to counteract these concerns by collecting more and better-quality recyclables, in some cases more frequently than at present for which they will need additional government funding.

An important element which has come out of the survey is that in-house provision has risen and for the third year in succession, and 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.

It is also worth noting, that as more than 50% of local authorities are reporting that they have declared a Climate Emergency, refuse and recycling services will have a fundamental role to play in reducing the carbon footprint of the council. They will also have a much bigger role to play in reducing greenhouse gas emissions and reducing waste and increasing recycling to support a circular economy approach. These issues raise challenges for the sector and indeed the availability of financial resources to deliver meaningful action on climate change. The networking and sharing of best practice through the APSE Advisory Group network will be even more critical in the coming years to ensure that the sector stays well-briefed on the latest developments and collaborative action and sharing information on each other's responses to their Climate Emergency Declarations.

Finally, some of the data supplied by respondents was done so during the current pandemic and as such there has been a reticence to answer all the questions posed due to an uncertainty as to how future budgets will be affected by the impacts of COVID-19. As a consequence, there has been some evidence of a hiatus in decision making for the future. Therefore, the survey's results need to be considered against how future budgetary demands may affect plans which were put in place before the pandemic and whether these will be affordable or deliverable over the coming 12 months.

The survey due to be carried out in 2021 will perhaps give members a better understanding of the impacts of COVID-19 on the service as well as how the proposals contained within the Resources and Waste Strategy may need to be modified.

Despite the current period of uncertainty, the statutory nature of refuse collection services and their impact on cross–cutting agendas, means that their role will always be a 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 agendas. 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. Pre COVID - 19 Advisory Groups would end with an informal lunch to facilitate networking with peers, unfortunately due to the current restrictions on social distancing, this is now not possible. However, through the use of Microsoft Teams online meetings platform there are still ample opportunities for networking and the exchange of ideas.

. 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 2020 please contact Wayne Priestley Principal Advisor for Environmental Services at wpriestley@apse.org.uk