apse membership resources

# State of the Market Survey 2022

## Local Authority Refuse Services

Briefing 22-41
October 2022

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

For any enquires in relation to the survey, Wayne may be contacted on:

Tel: 0161 772 1810
Email: wpriestley@apse.org.uk

# Local Authority Refuse Services

# State of the Market 2022

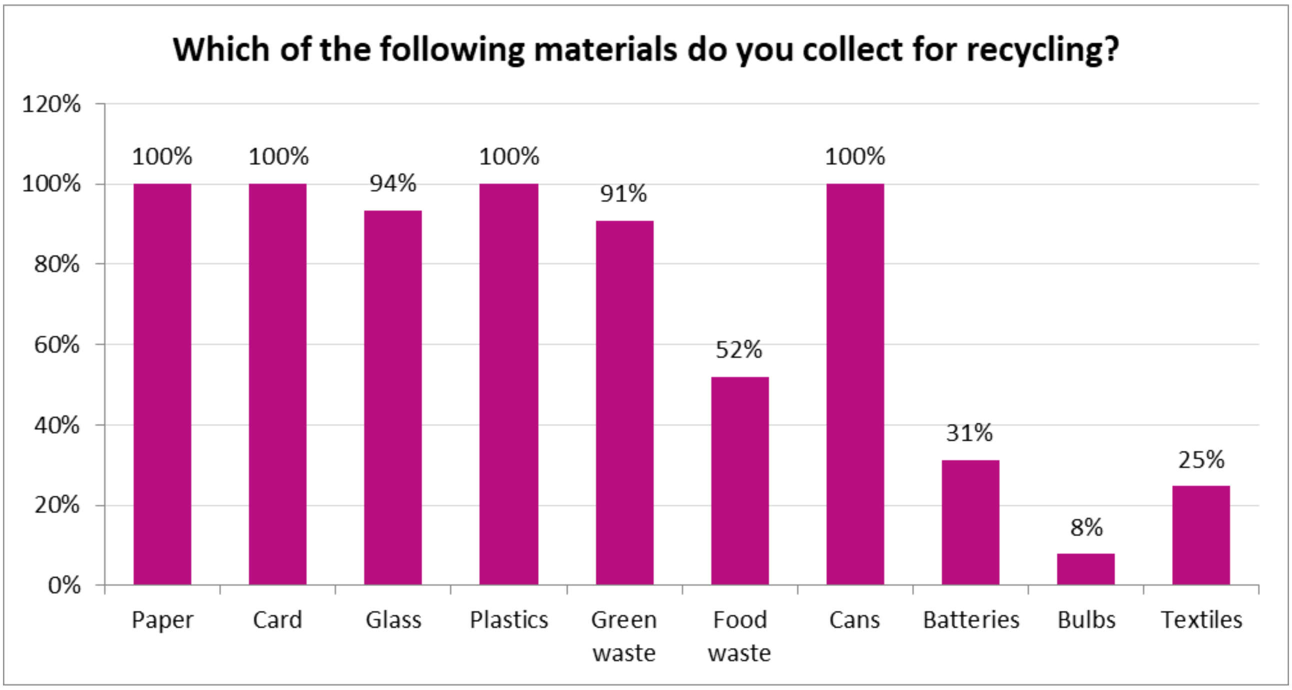
APSE conducted an online survey during July to September 2022. This follows on from the 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2013, 2012, 2011 and 2008 Refuse Collection State of the Market surveys where similar questions were asked to allow for trend comparisons. Over 77 responses were received from local authorities throughout the UK, which considering the current pressures on local authority Managers has shown an increase of 10% over 2021.

This report identifies the key findings of the survey.

## Results from the survey

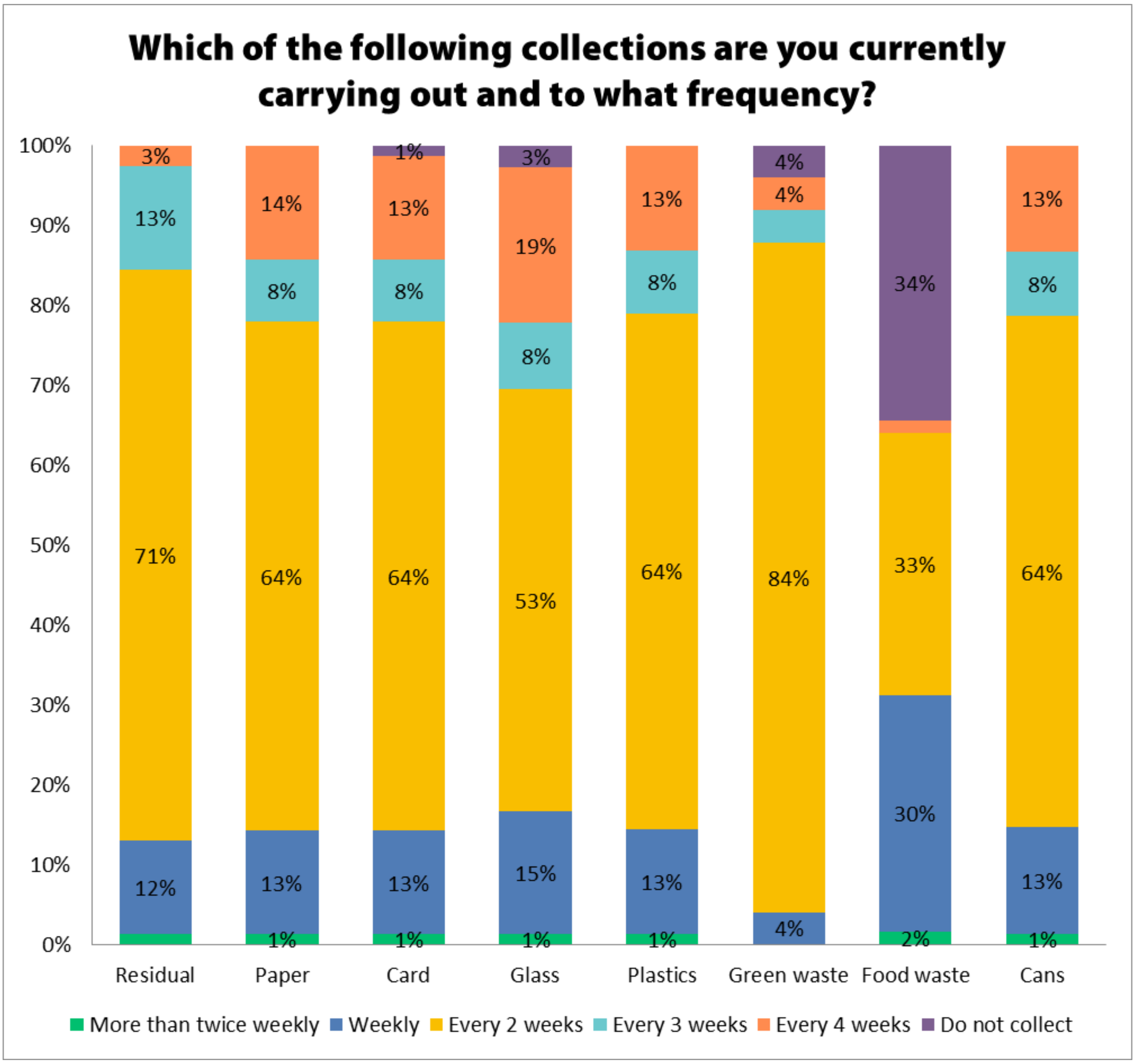
### a) Recycling activities

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 specified types of recyclables. There have been slight increases in card, plastics and batteries and bulbs, the latter two showing there appears to be more of a desire to collect these materials probably relating to more reprocessing markets now being available. Collections of textiles by local authorities is still relatively low but this is no doubt due to the number of alternative outlets for this material via charity shops and the growth of e-trading of clothing.

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 chart below.




Regarding food waste, there is still a large number of authorities who say they do not collect food waste, which is perhaps somewhat surprising when a good deal of recyclable tonnage can be added to the collection rate ultimately increasing the overall recycling rate. This situation will no doubt change when the Governments Resource and Waste Strategy requirements become a reality. Glass is now recorded as not being collected by only 3% of respondents, which is a decrease of 4% on 2021 figures.

What is perhaps most noticeable with regards to collections being made is the increase in the length of time between collections intervals with paper, card, plastics and cans with over 20% of collections being either 3 or 4 weekly.

### 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. With regards to residual waste collections many were looking to reduce the frequency of collections moving more towards fortnightly and three weekly collections rather than weekly collections as has been the norm in the past. A noticeable number were also considering monthly collections of residual waste.

It was notable that the majority of respondents to the survey chose, either not to answer or stated that due to the requirements of Government Waste strategy still being uncertain, they were not making any further decisions with regards to future service delivery methodologies and frequencies of collections.

## a) Collection and disposal methods

51% of respondents indicated that they operate a task and finish system for refuse collection (a decrease from 58% in 2021), 12% use zonal working (collecting all waste from one zone on the same day).

42% operate a 5-day week (a slight decrease from 43% in 2021). 34% continue to operate a 4-day week.

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%

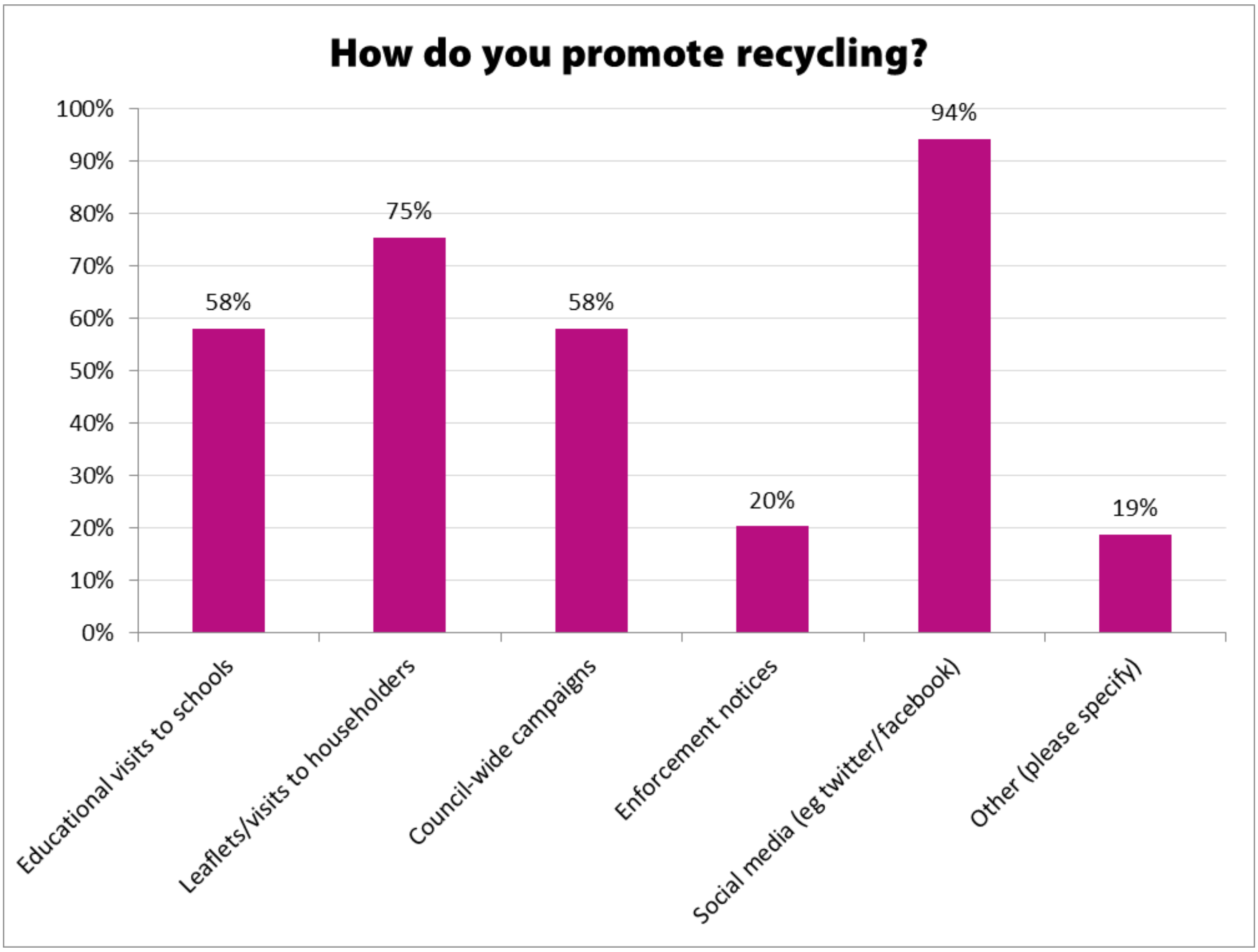
63% operate co-mingled collection system down from 70% in 2021, and 16% operate source segregated collections, up 4% from 2021. 27% of respondents replied that they had a mix of both approaches (e.g., paper/card segregated, cans/plastics/glass co-mingled) which is a significant increase over 2021 when 19% operated such a system. This change could reflect that some authorities are preparing for the requirements of the Resources and Waste Strategy, where greater segregation of recyclable materials will be stipulated.

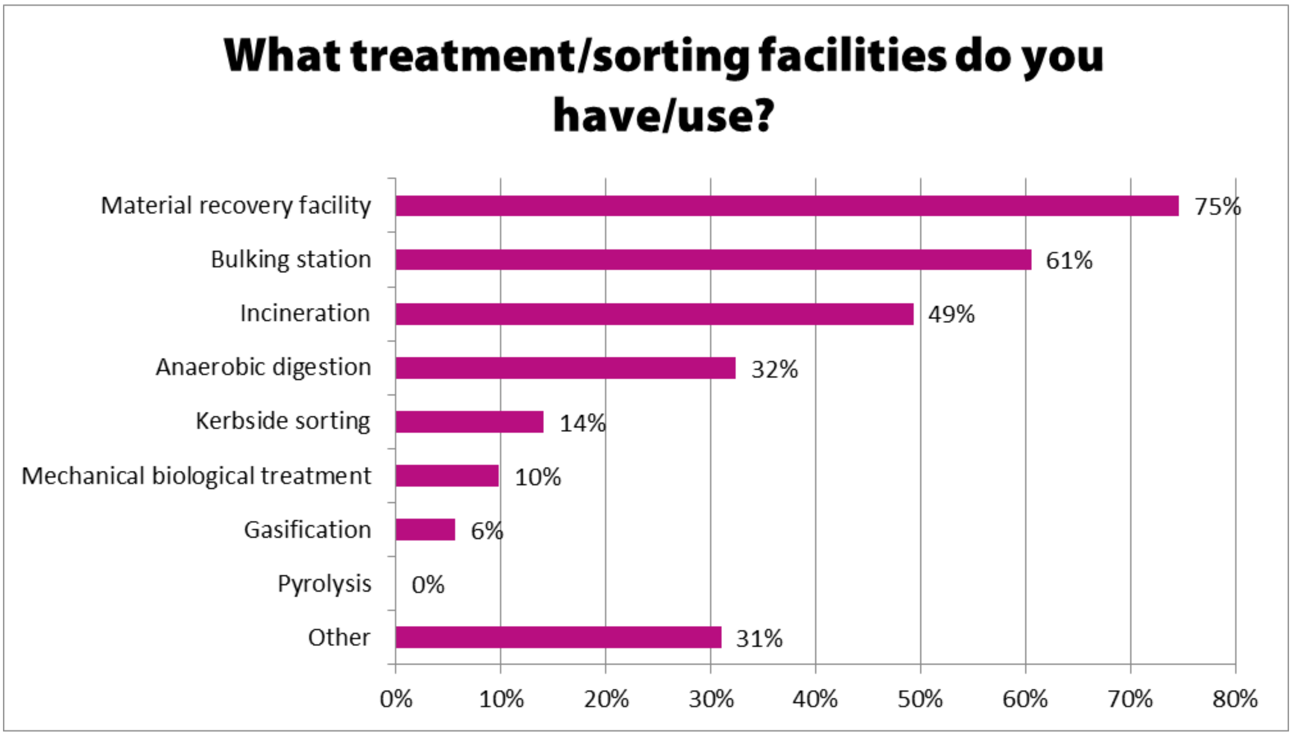
This year we asked whether councils removed side waste, 71% responded that they did not, although some stated they would remove it if it was clearly presented as a recyclable material.

## Promotion of Recycling

The chart below shows a breakdown of the methods used to promote recycling. The use of social media is now clearly the main method used to promote recycling. Other areas of increase include more school visits and the use of enforcement notices.

The use of behavioural change techniques through leafleting, school visits and social media are still the most popular methods used to promote recycling

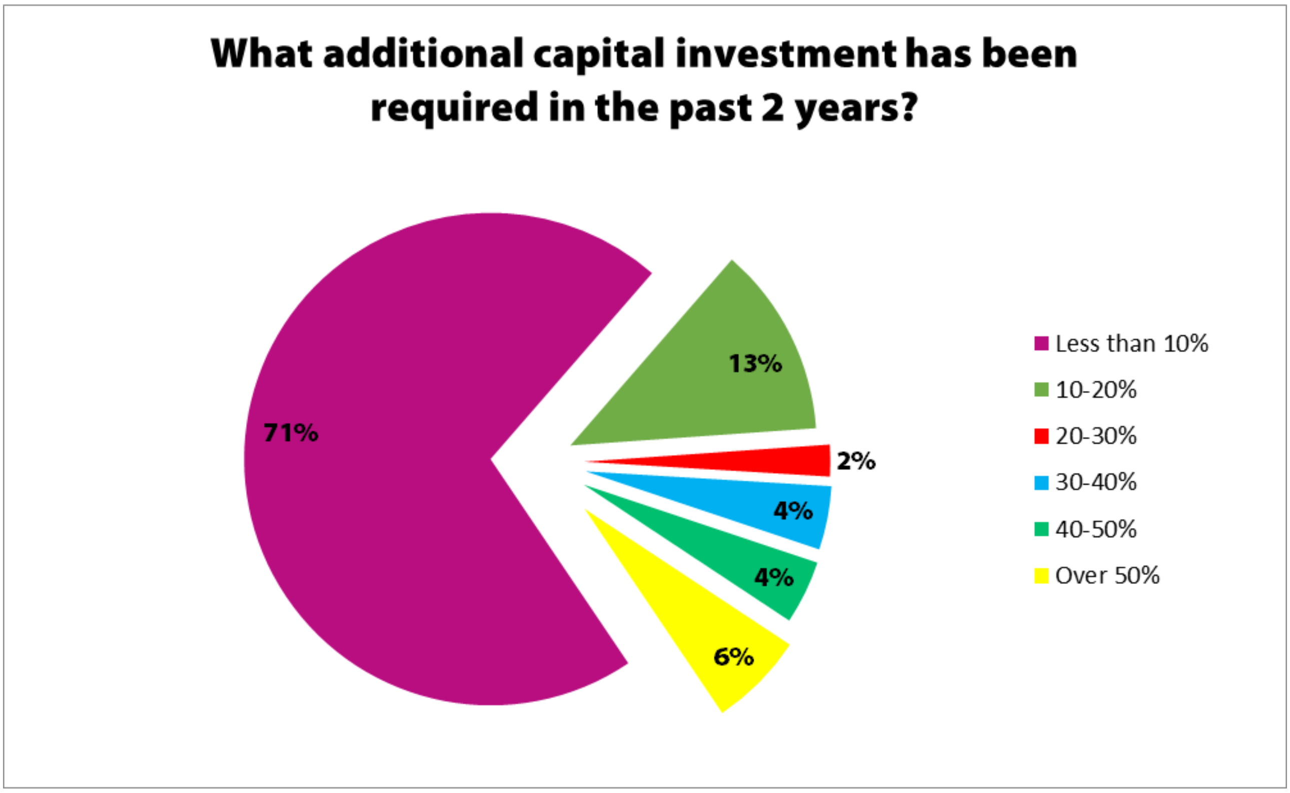





Very little has changed in the methods used regarding sorting facilities.

## Investment in and managing the service

When asked what percentage of 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, covering increased vehicle costs, procuring new and/or additional containers, the provision of a new depot/transfer station infrastructure, demographic growth and technology such as in-cam monitoring.

## a) Budgetary consideration

Over 68% of respondents expect their refuse budgets to change over the next year which reflects a slight decrease on 2021 of 2%

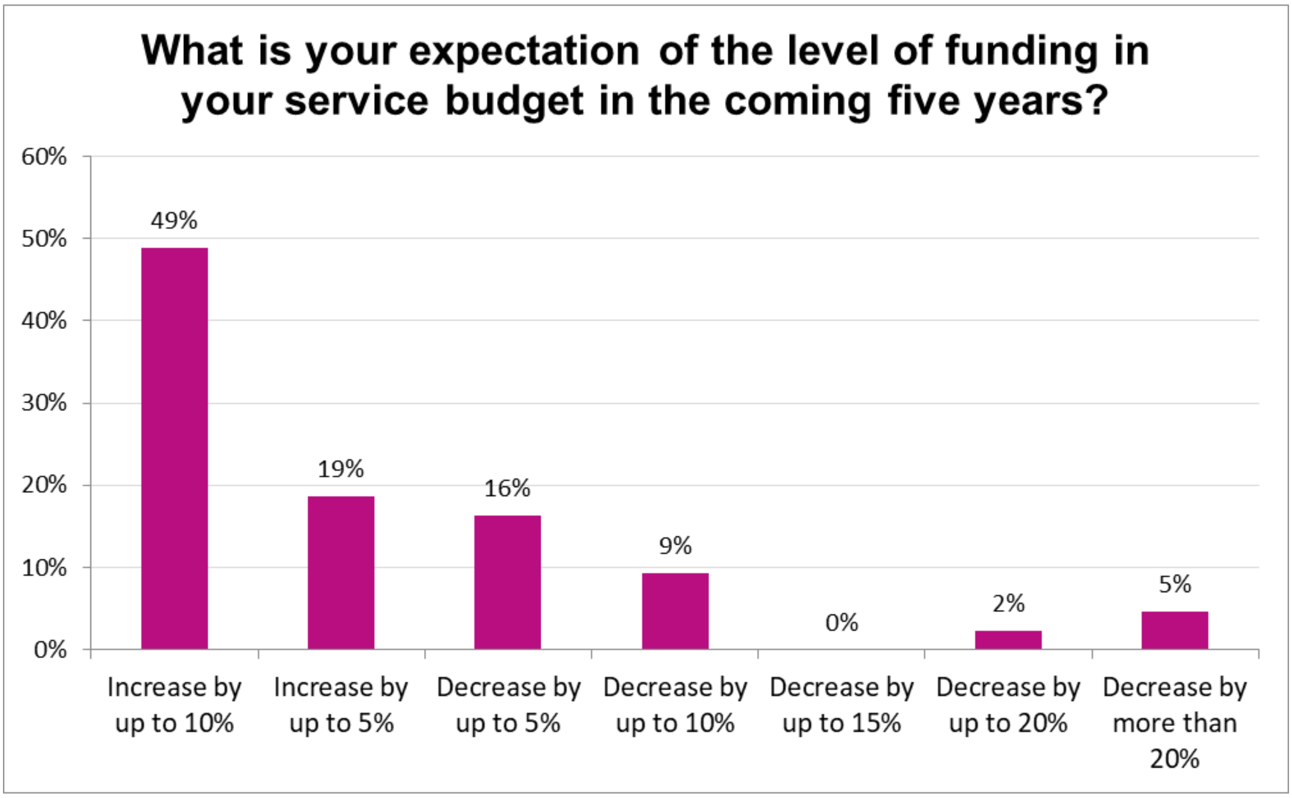
Of those expecting increases, 61% expected increases in revenue and 44% expected an increase in capital. These levels of revenue increase bode well, as expectations were much lower in 2021, being 51% revenue increase however those expecting capital increases has fallen by 10% over 2021. However, this view may need to be revisited as recent financial uncertainties may have as yet untold consequences.

Of those expecting decreases in budgets, 28% are expecting decreases in revenue and 19% are expecting a decrease in capital which mirrors 2021 expectations

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, expect to see an increase in their service 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 collections 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
- Developing electric fleets and supporting charging infrastructure to address climate targets
- Reducing reliance on agency staff through work planning improvements
- Cross-boundary working and joint authority working
- Awaiting outcome of Waste Strategy requirements
- Introduction of 'smart depot' technologies.
- Developing electric fleets and associated infrastructure.

A new efficiency which appeared for the first time was the adoption of an underground bin system and the introduction of on-street bulk bins for new developments and terraced areas.

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** | 92% | 7% | 2% |
| **Trade waste collections to schools and hospitals** | 75% | 10% | 0% |
| **Supply of replacement bins** | 55% | 36% | 7% |
| **Green waste collections** | 54% | 34% | 5% |
| **Food waste collection** | 6% | 48% | 0% |
| **Clinical waste collections** | 4% | 58% | 0% |
| **Additional black bags** | 2% | 36% | 0% |

The results above show that there has been a significant increase in those authorities who charge for green waste collections (42% in 2021). This may be an area of future concern if government proposals on making such services free of charge are finally introduced. Charges for waste collections to schools and hospitals has fallen slightly (82% in 2021) as has the number charging for replacement bins (previously 62%).

In terms of income from areas like trade waste services and its importance to the future financial viability of your service, 29% stated they could not manage financially without this in order to cover the cost-of-service provision (down from 33% in 2021). 16% stated that they need to generate more income to ensure service sustainability (17% in 2021). 36% stated that the additional income is useful but not essential to their service (39% in 2021), and 20% stated that they do not currently raise any additional income. This latter figure shows a rise of 6% over 2021 who said they didn't generate income.

These figures show that there is still a need amongst many authorities to generate additional income to plug budget gaps in service budgets, however, 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.

With the 2018 Waste Directive (including TEEP requirements), 45% are not amending their collection methods as they believe they are already TEEP compliant, and 9% are making amends to ensure they are TEEP compliant; the remaining 45% do not believe it is necessary to review their collection methods as a result of TEEP. This high score may be a reflection of the uncertainty around the future Resource and Waste Strategy requirements.

When asked about recycling contamination levels 15% stated they had levels under 5%, a slight decrease from 17% in 2021. 26% reported levels between 5-10%, the same rate as 2021. 34% reported levels between 10-15% as significant rise from 22% in 2021, 17% reported contamination levels of 15-20% (24%% in 2021) and a further 7% reported contamination levels of over 20% the same as in 2021. Therefore what we see, is that levels of contamination have decreased slightly particularly in the 15-20% contamination range which probably accounts for more respondents now reporting 10-15% levels. The period under review would still be impacted to some degree by the pandemic and the associated interruptions in waste collections, and therefore these figures may not be unexpected.

With regards to addressing contamination levels 56% of respondents used information campaigns, 25% carried out home visits which is a considerable increase on 2021 when the figure was 8%. 2% carried out enforcement action and 17% remove contaminated recycling bins. These results appear to suggest carrying out home visits and if necessary, removing bins is far more effective, or a more popular option than enforcement.

9% responded ‘yes’ to the question on whether they had or have a planned reduction in recycling credits from their waste disposal authority; 36% answered ‘no’ and 54% didn’t know.

## e) Staffing

Regarding managing future staffing levels, within the next 12 months 9% expect natural wastage (17% in 2021), 2% expect voluntary redundancy (10% in 2021), 15% expect to implement a recruitment freeze (12% in 2021), and none reported compulsory redundancy as an option. 81% have indicated that they intend to implement none of these.

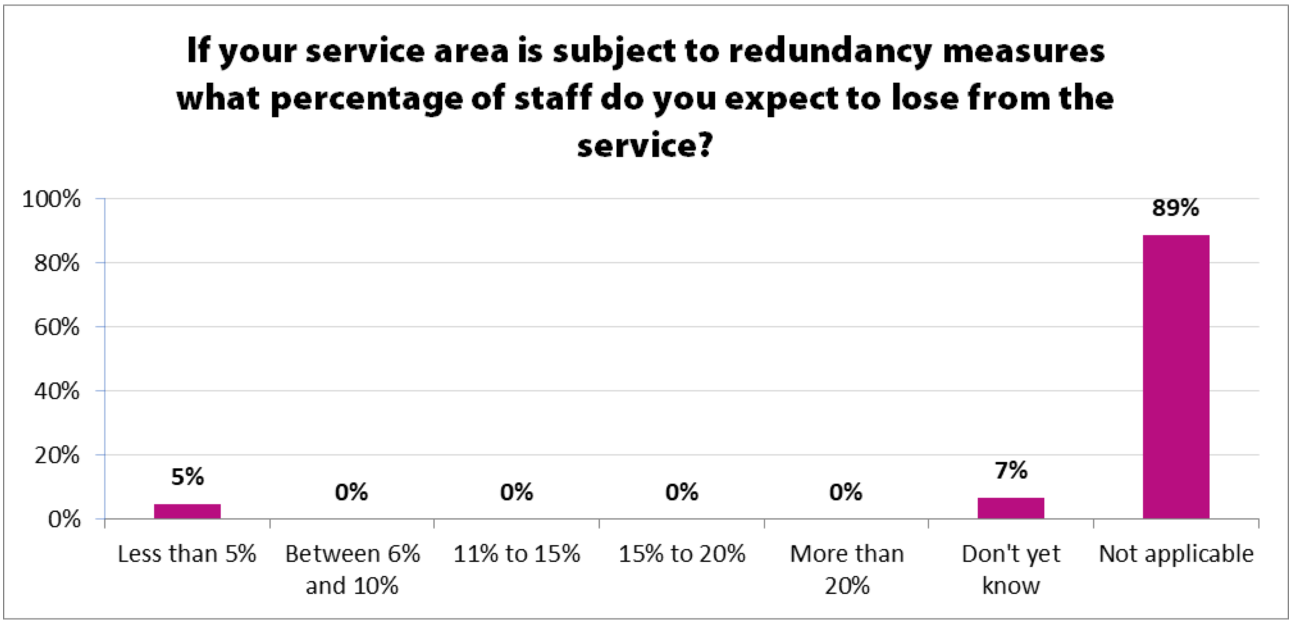
This is a much more welcome picture with reductions in natural wastage and many intending to keep staffing levels the same, although small it is noticeable that the percentage expecting to implement recruitment freezes has risen by 3%, perhaps reflecting the current uncertainty caused by changing legislative expectations and the post-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.

.

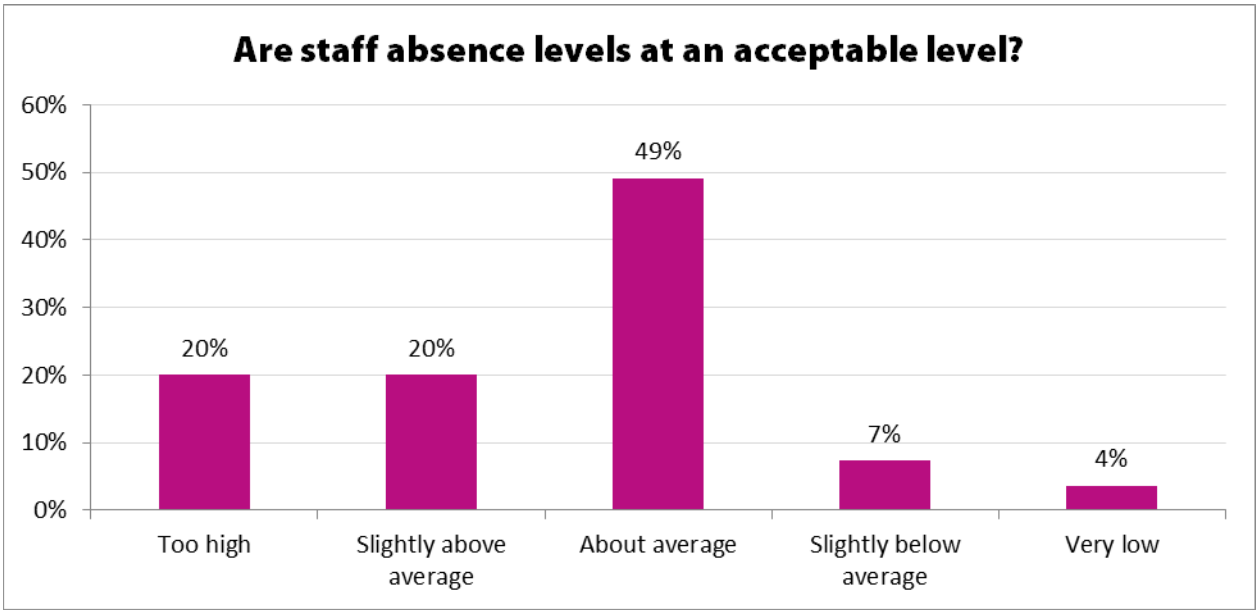
| Answer Options | Results from 2022 | Results from 2021 | Results from 2020 |
|---|---|---|---|
| Natural wastage | 9.4% | 10.2% | 17.2% |
| Recruitment freeze | 15.1% | 10.2% | 12.1% |
| Voluntary redundancy | 1.9% | 6.1% | 10.3% |
| Compulsory redundancy | 0.0% | 4.1% | 1.7% |
| None of these | 81.1% | 81.6% | 72.4% |

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 were, and whether they thought absence was at an acceptable level. The graph below shows the replies received.

Of real significance is that the impression of overall staff absence has got worse which was shown in 2021 has now changed in 2022. In 2021, 30% reported that staff absence was too high, this has fallen to around 20% in 2022. Similarly, the view of staff absence being about average has also risen from 36% in 2021 to 49% in 2022 showing a better level of staff attendance in 2022, which considering the reduction in COVID cases and the mass inoculation programme is perhaps not unexpected.




With regards to training budgets, 11% envisaged an increase in the training budget over the next 12 months which is a 2% decrease on 2021 perhaps a reflection on the need to provide less upskilling training now that the COVID pandemic is impacting less severely. Only 7% stated that. Their budge will decrease., whilst 84% stated that their training budgets were likely to remain the same.

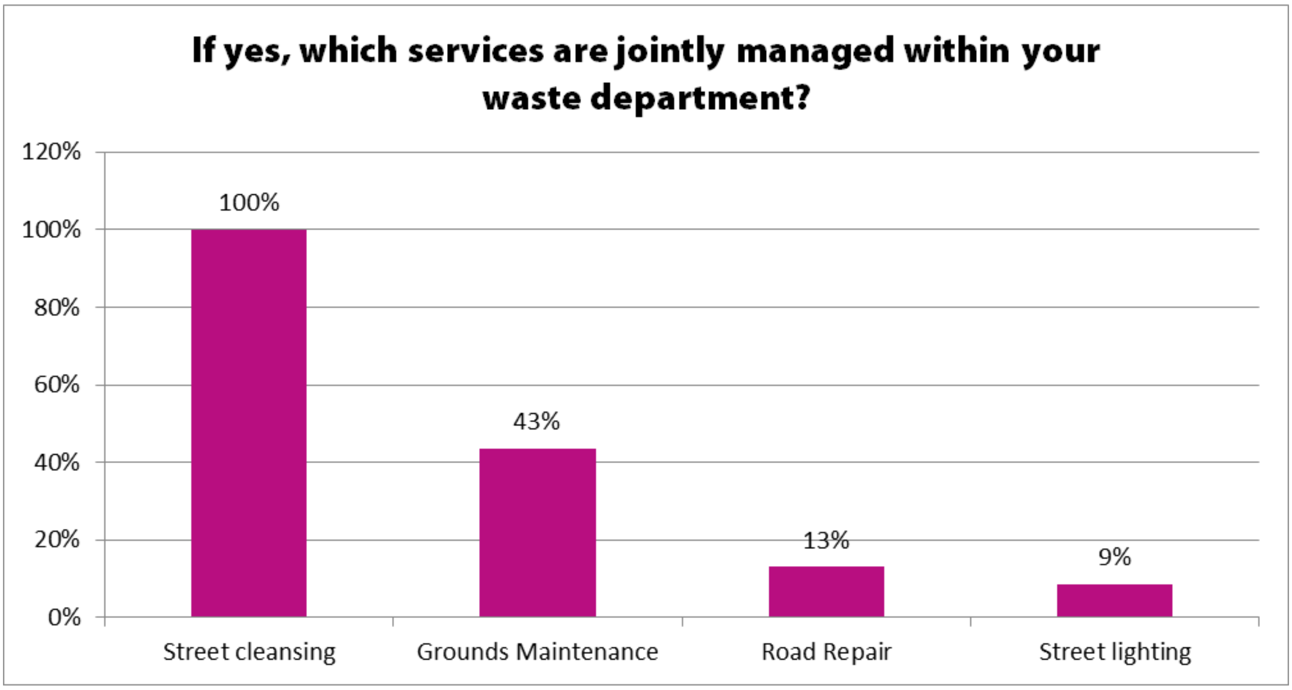
## f) Service provision

From respondent's information over 78% 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 27% offer at least a 7-

year contract period whilst 60% offer 7 – 10 years contracts. 70% who have external contracts offer the option to extend the contract.

70% of respondents expect their service to be managed in-house over the next 2-3 years which is a decrease over 2021 when the figure was 79%. 16% stated that they expected their service to be managed externally, whilst only 5% expected their service to be managed by joint waste authorities.

42% of respondents indicated that their refuse service is integrated with other service areas (57% in 2021).
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, 15% expect to become part of an integrated street scene service in the near future which is a 7% fall on 2021.

## Your opinions

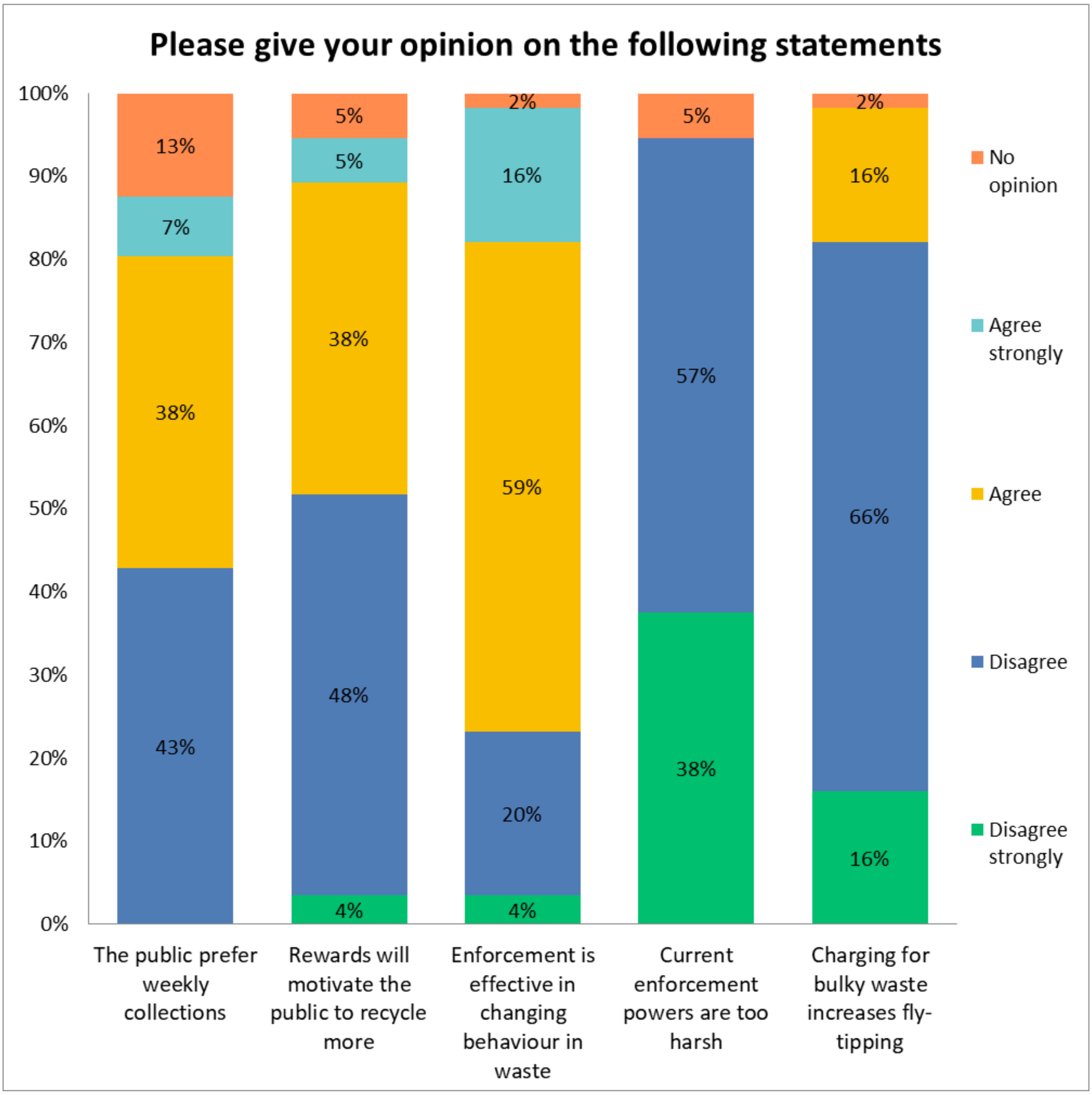
The chart overleaf shows the breakdown of respondents who agree / disagree with a series of service statements:

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 95% of respondents stating that they agree, or strongly agree, that enforcement powers are not too harsh and that 75% agree, or strongly agree, that enforcement does help change public behaviour in relation to waste.

82% 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.

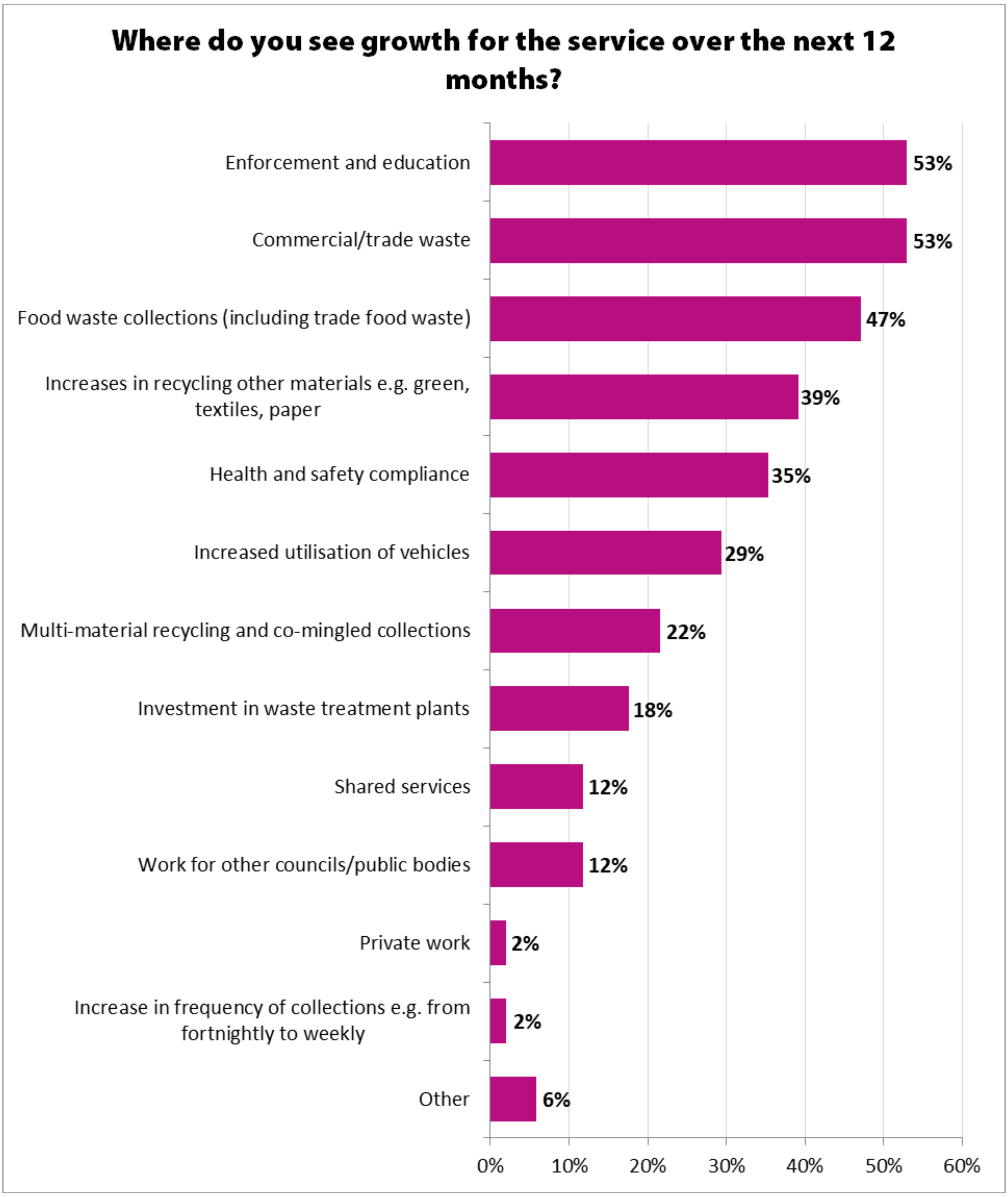
Regarding the view of whether rewards are effective in making the public recycle more, 43% agreed with this and 57% disagreed, perhaps a reflection of the difficulty in identifying the rewards which would bring about increased recycling.

The number who disagree that the public prefer a weekly refuse collection has risen to 43% (30% in 2021), This increased figure may be a reflection of the growing acceptance of alternate weekly collections for recyclables and greater use of 3 and 4 weekly residual collections and some recyclable collections which are now common across the UK.

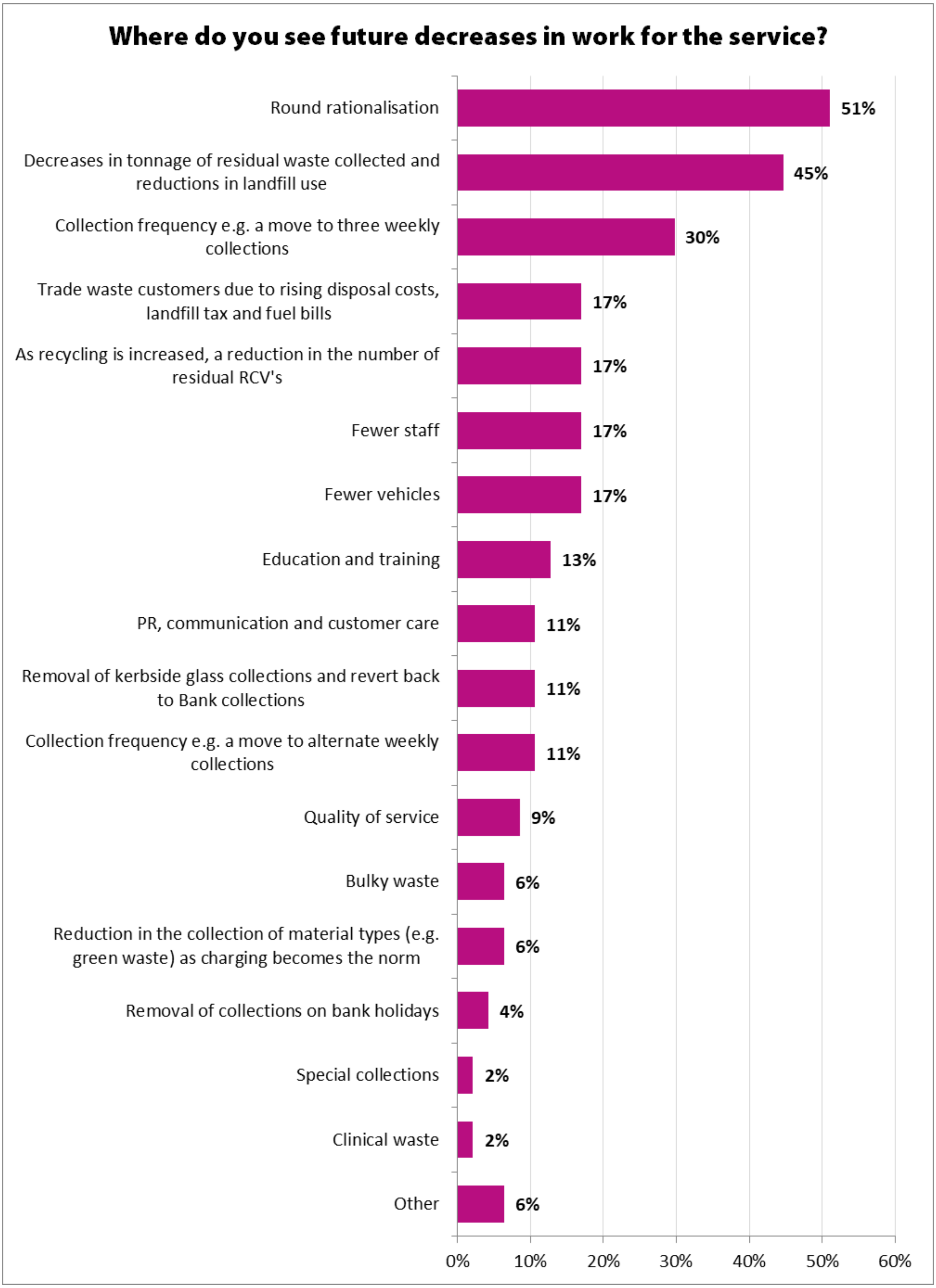


### g) Future areas of work growth and service reviews

Respondents were asked where they see growth for the service over the next 12 months. 2022 results see little change from 2021, in the main, many growth areas have remained the same.




Respondents were also asked where they see future decreases in work for the service. 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 recycling collection levels increase.



When asked if respondents had undertaken a service review recently, 34% stated that they have completed this, 32% stated that they have a review which is underway and 26% stated that they will be doing so in the next 1-2 years. 8% 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** | **80%** |
| **GPS tracking** | **26%** |
| **CRM handhelds** | **26%** |
| **Eco drive vehicle monitors** | **22%** |
| **Review of productivity/work study** | **54%** |
| **Utilisation of vehicles** | **59%** |
| **Review of working time/rota's** | **43%** |
| **Service re-design** | **63%** |
| **Using systems thinking techniques** | **15%** |
| **Income generation capacity** | **33%** |
| **Other (please specify)** | **9%** |

### h) The impacts of Covid-19

Clearly some of the information contained within the survey has been collated in pandemic operating conditions, and therefore until a full year of figures in non-COVID conditions are collected there may still be some anomalies.

## 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. It is clear the needs of the strategy are being considered by local authorities, but without further clarity particularly with regards to the financing of additional waste and recycling collection infrastructure, many are still waiting before actions are taken.

With regards to the collection and recycling of waste, more local authorities are still taking action to reduce their residual collection services via changing the frequency of recyclable waste collections with the aim of both driving up recycling rates, and reducing collection costs.

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 (2017 figures),, refuse and recycling services have fared marginally better than expected, and this year's returns suggest this will continue to improve with a high proportion of local authorities expecting increases in both their capital and revenue budgets over the coming years. 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.

Unfortunately delays in implementing the Extended Producer Responsibility (EPR) requirements means that the funds expected to be raised through this initiative to fund the aims of the strategy are not being delivered to local authorities, and at a recent APSE networking meeting, many attendees commented that these delays are causing a state of limbo in relation to innovation, investments and improving recycling rates, as well as impacting on the ability to develop and agree future service delivery contracts.

Added to the above concerns is the recent volatility in both UK and world markets has caused significant increases in the rate of inflation and together with rising energy costs has resulted in higher costs to the waste sector and by association already overstretched council budgets. Recent surveys have indicated that almost two fifths of councils may need to scale-back their waste collection services, including the types of recyclable materials they collect.

It is also worth noting that concerns over costs may also affect the ability for local authorities to deliver on their environmental agendas, for as more local authorities report that they have declared a Climate Emergency, then refuse and recycling services will have a fundamental role to play in reducing the carbon footprint of the council by using more environmentally sustainable vehicles, promoting waste reduction and increasing recycling and through more re-use and repair schemes move towards creating a more circular economy, all of which require additional funding from Government to achieve.

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 the constantly changing world of waste collection and treatment.

Despite the current period of uncertainty, the statutory nature of refuse and recycling 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.

. 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

Climate Change and Renewable Energy network

Environmental Health

Housing and Building Maintenance

Commercialisation network

Parks and Horticulture

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 2022, please contact Wayne Priestley Principal Advisor for Environmental Services at wpriestley@apse.org.uk