

Waste and Recycling Budget Scrutiny Task Group

Members of Task Group: Cllr Polly Billington (Chair); Cllr Sharon Patrick (Chair of Living in Hackney Scrutiny Commission and Advisor to Task Group); Cllr Richard Lufkin; Cllr M Can Ozsen; Cllr Gilbert Smyth

Officer support: Tom Thorn, Scrutiny Officer

Findings and recommendations - May 2019

1. Introduction

- 1.1. The Waste and Recycling group was one of four time-limited Budget Scrutiny Task Groups established.
- 1.2. Broadly, it was expected that each would interact with potential decisions helping to inform the budget setting process for the period 2020/21 to 20/22-23.
- 1.3. Where applicable, this would include considering current service models and options for future delivery which through cost savings and or additional income generation which could assist with the delivery of a balanced budget going forward. Each was also intended to help inform and engage Members in the finances of each area.
- 1.4. Each of the groups is expected to present a summary of findings and recommendations report to Scrutiny Panel in July on findings and recommendations.
- 1.5. This task group was established within the context of the current work and issues emerging from North London Waste Authority, particularly in respect of the provision of new facilities.
- 1.6. It was formed at a point when a collective decision had already been made to support the development of the new plant. That position was reached in reflection of the existing plant reaching the end of its economic life, and after extensive investigations found no viable alternative to a significant investment in a new facility.
- 1.7. Given this context, the Task Group set lines of investigation which would add best value. These were focused on gaining insight into the cost implications for Hackney of the new plant, and exploring emerging plans for part-mitigation of these over the longer term.

2. This paper

- 2.1. This paper provides a summary of the Task Group's findings and recommendations. Evidence gathering took place over two meetings, and a site visit to an estate having benefited from improved recycling infrastructure as part of the Council's Estates Recycling Programme.
- 2.2. It is hoped that these can contribute to the finalisation of the Council's Reduction and Recycling Plan (RRP), prior to its review by Cabinet in June and its submission to the GLA in July.
- 2.3. In line with the terms of reference for its work, the main focus of the group has been on the measures in the RRP which are expected to play the greatest role in bringing some mitigation to otherwise escalating waste disposal costs.
- 2.4. We have looked at the range of work focused on improving recycling levels among flats and estates.
- 2.5. We have also explored the rationale for the consideration of significant change to elements of waste collection arrangements for street level properties, and the emerging plan for preparation and delivery in the case of this being moved forward.
- 2.6. As set out, the Group has reached a view that the measures outlined in the RRP to further increase the household recycling rate are fully evidence-based, and that the forecast contributions which each would make to recycling gains have been reached on sound methodology. We have a high degree of confidence in emerging plans for delivery.
- 2.7. We would like to place on record the Group's thanks to both the Cabinet Member for Energy, Waste, Transport and Public Realm and Officers from across the Neighbourhoods and Housing Directorate for having provided a real depth and quality of information to the process. This includes insight gained into the Estates Recycling Programme, jointly led by the Cabinet Member for Housing Services.
- 2.8. For our part, we hope that sharing our broad findings at this point provides some assurance to others on the aspects of the RRP related to household recycling levels, and on the scrutiny applied to them. We also hope that we add some useful suggestions for consideration as the plan enters its final phases of development.

2.9. Section 3 sets out the recommendations and key observations from the group. Section 4 summarises the findings which have informed these.

3. Recommendations

Recommendation 1

Phase 4 of the Estates Recycling Programme is due for completion in 2019/20. This will see delivery of recycling infrastructure improvements to 7 estates. At this stage, no further phases are in place for the programme, although we note from the draft RRP that a further 100 estates will be considered in following years.

We recommend consideration is given to committing to a further infrastructure phase at the earliest possible point. This should be informed by a cost benefit analysis using collated impact data already available/collectable, and progress made in the delivery of Phase 4, within budget.

The cost benefit analysis should include recycling level impact of the infrastructure changes delivered in Phase 2 (data of impact of Phase 4 on recycling levels will not be available until well past March 2020), and also wider benefits (including fire safety improvements, maintenance cost savings achieved through the closure of waste chutes, and less quantifiable aspects including existing estate residents seeing levels of waste and recycling services which match the quality of those available to residents in newer housing).

Recommendation 2

The Task Group recognises the excellent resident engagement underpinning successful delivery of infrastructure change to the estates within Phase 2 of the Estates Recycling Programme.

This involved shaping and piloting solutions around residents views. This included consultation on the locations for new bin stores.

However, it went further than this. We saw or heard examples where - following resident feedback - an existing bin store under a block had been safely extended (rather than a new one built) via the retro-fitting of fire-sprinklers, and where a pilot approach was followed where waste chutes were closed temporarily. A range of bin store designs were used.

We support these approaches. Designing bespoke solutions and approaches were an important element of gaining support for what was the first phase of the programme to have involved infrastructure works. We heard that Hackney was the first London authority to have delivered recycling infrastructure change on such a scale. We support its testing of a range of design options.

However, we also note the higher costs that highly individualised solutions can bring, and the imperative for improving recycling levels across many more of our estates. We see infrastructure change playing a large part in achieving these increases.

We have not explored the costs of the infrastructure elements of the Estate Recycling Programme in detail. However, we heard the cost of the Milton Gardens works was £238,000. This compared to plans to deliver the upcoming Phase 4 (covering 7 estates) within a total budget of £500,000 (an average of around £71,429 per estate).

We heard that efficiencies to enable this lower delivery cost will be secured from revised procurement and contract management arrangements, and establishing a standardised bin store design. We heard that the engagement with residents around solutions would be most focused on locations for uniform bin stores, rather than alternative solutions / approaches.

We support this as it will provide a balance between shaping infrastructure around residents' views, and enabling cost effective delivery of change across more estates.

We recommend that Phase 4 and any future infrastructure phases maintains full balance between shaping solutions around residents views, and avoiding escalating cost. This will best enable the Council to deliver the scale of infrastructure works needed, at the required pace.

Recommendation 3

Members support the Estate Recycling Programme and note its proven capacity to contribute to increased household recycling rates for the borough. We are also supportive of the range of innovative measures being developed to meet the manifesto commitment to further improve recycling on estates.

However, we recommend that future updates to the Living in Hackney Scrutiny Commission explores their impact against that forecast. This is

in terms of their contribution to the borough meeting a 32% recycling target by 2022, and to part-mitigation of rising waste disposal costs.

Recommendation 4

We have explored the Estates Recycling Programme which - among other measures - is making physical infrastructure on the Council's own housing estates more amenable for recycling, through direct delivery and working with other services including Housing Services and Estates Regeneration.

We have also explored a range of measures for improving flats recycling generally, which will incorporate Registered Housing Provider estates and private blocks, as well as the Council's estates.

However, in this short investigation we have not explored any work of Registered Housing Providers operating in Hackney to deliver recycling infrastructure improvements on the estates they manage, nor any work of the Council to provide advice and support on this.

We recommend that a future item at the Living in Hackney Scrutiny Commission explores action being taken by Registered Housing Providers to enable higher levels of recycling on estates they manage, including through infrastructure change to existing sites. We recommend that this item also explores any advisory and support role which the Council plays in this area.

Recommendation 5 (Observation)

Hackney's Reduction and Recycling Plan will set out an intention to consider the introduction of residual waste restrictions and a move to fortnightly collections for eligible kerbside properties, informed by a property survey determining the kerbside properties with the adequate front garden space and consultation and engagement with residents.

Given the evidence summarised below the Task Group is convinced there are significant grounds to consider the implementation of restricted fortnightly collections for residual waste, for properties which are suitable.

Recommendation 6

In any implementation of residual waste restriction, Members support the Council's plans for ongoing impact monitoring and the delivery of interventions

where needed. This is in relation to the impact of restriction on household recycling rates for street level properties (and therefore contributions to waste disposal cost part-mitigation), in all areas of the borough.

In the event of implementation, we recommend that future items at the Living in Hackney Scrutiny Commission explore this impact monitoring, and the measures put in place in any cases where the impact (on street level recycling rates) is lower than forecast in any areas of the borough.

Recommendation 7

The estimated costs of residual waste restrictions and fortnightly collections include the assumed procurement of wheelie bins (one for refuse and another for recycling) for those properties coming into the new arrangement. This has been estimated at bringing a cost of £1 million.

A standardised set of wheely bins could support the effective implementation of a restricted model. This would be through the Council (after significant engagement and education programmes and an implementation period) collecting residual waste only when it was contained within the bin, with the lid shut, therefore achieving a restricted model.

However, at the time of our review, discussions were ongoing around whether new wheely bins should be used as the residual restriction mechanism, and also whether this should be coupled with new bins for recycling for the properties coming into a restricted arrangement. We heard there were other options, which would not bring a requirement for this level of investment.

Of the views against procuring at this stage, we heard it was not inconceivable that - considering Government aims to achieve greater standardisation to waste and recycling services - there could be later directives around the containers used for residual waste. In the event of any directives specifying equipment types or colours which differed to those procured at go live, the Council could find itself needing to reinvest in new equipment. It was noted that not procuring the bins at this point would not prevent the Council doing so at a later point.

In any implementation of restricted, fortnightly collections for eligible properties, we would fully support the investment required to make this effective, and for risk to be fully managed.

However, given the scale of these costs, we would urge careful consideration of the need for procurement of wheelie bins, and a full exploration of alternatives.

We recommend that in any implementation of residual waste restriction, careful consideration is given prior to any procurement of wheelie bins, with all other options fully explored.

Recommendation 8

The Group explored the emerging phased Communications Strategy to support explore the possibility of residual waste restrictions and - in the event of go ahead - implementation.

Members are supportive of the overall emerging communications strategy, including the first phase of activity incorporating messaging on recycling the correct materials and avoiding contamination.

From our role as Councillors we know some residents are unclear around the materials they can and can't recycle. We also know that some residents are sceptical around whether items collected for recycling are truly recycled. We appreciate this is likely to be common in all areas of the country.

We heard the Council continued to respond to these issues. It was reaching the end of a review of its current waste and recycling education offer, which it invests substantially in. The review was exploring whether education on recyclable materials and the integrity of collection services within this programme could be improved.

We feel that the final Communications Strategy for any potential and actual service change should draw on this review, and set out a refreshed approach to education.

We recommend that the final Communications Strategy underpinning a move to residual restriction sets out a refreshed approach to communication and education on what, where and how residents can recycle, and on tackling scepticism and misconceptions.

Recommendation 9

Evidence suggests that some of the borough's communities are less likely to participate in recycling schemes than others, which could help to explain lower recycling rates in some areas.

We heard that the service's review of its current waste and recycling education programme was exploring the potential for new education activities, focusing on the groups among whom engagement in recycling services might be lower.

We support this. However, we also see grounds for greater community involvement in the design and delivery of activities seeking to achieve high uptake of recycling among all communities.

That working groups are formed in areas with lower than average street level recycling rates. These should explore the forms of communications and engagement which could best achieve behaviour change in their areas. Ward Councillors should be engaged in this process, and asked to harness their knowledge to secure the involvement of other relevant community stakeholders.

Recommendation 10

We have explored quite closely the risk of residual waste restriction impacting on the high levels of cleanliness achieved in the borough, which there is a manifesto commitment to maintain.

All evidence considered, we have high confidence that the Council would be successful in minimising any impact on cleanliness immediately further to any implementation, and maintaining current levels in the longer term.

This is whilst being clear that an impact on cleanliness should be treated as a key risk of a change.

An impact of residual waste restriction on street cleanliness is a key risk to be managed. We recommend the development of a specific mitigation strategy on this.

Recommendation 11 (Observation)

The Task Group's main focus and scrutiny has been applied to the household recycling target Hackney's RRP will set for 2022, and the plans for achieving it. These are the aspects which are most related to the part mitigation of waste disposal cost increases.

All evidence considered, we are supportive of the RRP in respect of its target of a household recycling rate of 32% by 2022, and the emerging plans to achieve this.

4. Legal Comments

4.1 The purpose of this item is for the Commission to understand the rationale for considering fortnightly residual waste collections for eligible properties, to consider the work to increase rates of recycling on estates and to consider the scrutiny work already carried out into the developing plans.

4.2 Under the Greater London Authority Act 2007, local authorities in London must act in general conformity with the Mayor of London's Environment Strategy. A Reduction & Recycling Plan ("RRP") is a way for the Strategy's London-wide objectives, policies and proposals to be reflected and translated into action at the local level in a manner consistent with this duty. The findings of the Waste and Recycling Budget Scrutiny Task Group have contributed to the Council's RRP which was approved by Cabinet last June before submission to the GLA.

4.3 The Director of Public Realm, in consultation with the Lead Member for Energy, Sustainability and Community Services, has been delegated authority from Cabinet to make changes as necessary to the RRP following feedback from the GLA.

5. Finance Comments

5.1 The current annual cost to the Council of waste collection and disposal is £13.9m. The 2019/20 service budget for refuse collection and co-mingled recycling is £6.9m, and the waste disposal cost, waste levy payment to North London Waste Authority (NLWA), is £7m.

5.2 As outlined in the Council's Medium Term Planning Forecast the cost of the waste disposal levy is expected to rise significantly over the medium term to long term as new waste management infrastructure is constructed over the next seven years. The predicted increase based on current service performance - waste tonnage per household and recycling performance is just over 30% on the 2018/19 cost. It is, therefore, vital for the Council to mitigate this additional cost as far as possible and diverting waste from landfill, i.e. increasing our recycling rate, will have the most significant impact.

5.3 In June, Cabinet approved the Council's Reduction and Recycling Plan (RRP) and work plan for submission to the GLA which included the commitment to consider a move to fortnightly residual waste collections and continue the work to improve recycling on housing estates. The recommendations from this report can be incorporated into the plans to deliver the RRP objectives. It is accepted that the actions to deliver the RRP objectives will require significant investment by the Council both for General Fund services and for infrastructure investments on the Council's housing estates. The investment

requirements to deliver the RRP will be considered and identified as part of the Council's financial planning and budget setting process.

6. Headline findings

Rising cost of waste disposal and means for mitigation

- 6.1. The development of the new NLWA Energy Recovery Facility will bring significant increases in waste disposal costs for the Council.
- 6.2. Based on no changes being made to operations, they are forecast to be 30% higher in 2021/22 compared to 2018/19; rising from £6.7 million to £10.4 million.
- 6.3. The Council can mitigate the impact of the development on disposal costs only by reducing residual waste volumes and/or the share that residual waste takes of its waste pool (therefore increasing the recycling rate).
- 6.4. Its initial Reduction and Recycling Plan will set a target of increasing recycling from the current level of 27.4% to 32% by 2022/23. Achieving this increase would be expected to reduce the cost increases in disposal costs otherwise forecast, by £250,000 annually.
- 6.5. Driving up recycling rates will help to mitigate but not prevent significantly higher disposal costs which the Council will need to manage into the long term.
- 6.6. It is also important to note that achieving this level of increase would involve the enactment of service change with significant implementation cost; the largest element estimated at £3.2 million.
- 6.7. We have reviewed the emerging implementation plan for change and the evidence supporting the forecast impact on disposal costs. Based on this we judge there is high assurance that costs would be recouped and return on investment achieved, over the longer term. We cover financial implications of service change at a later point.

Challenge of achieving 4% increase in recycling rates

- 6.8. Hackney has delivered fundamental improvements in its household recycling rates, from 1% in 1998 to 27.4% in 2017/18.

- 6.9. These have been underpinned by an expansion in recycling service provision over that period, complemented by a wide range of initiatives.
- 6.10. Recent increases have been modest (most recently 0.4% year on year). This reflects both the limited further gains to be made from recycling service improvement, and the increasing share of housing stock comprised of estates and flats.
- 6.11. The generally plateauing recycling rate highlights the level of ambition and stretch which a targeted increase of 4% by 2022 constitutes.
- 6.12. We have reviewed convincing evidence pointing to the achieving of this level being contingent on both further improvement to recycling on estates, and the implementation of residual waste restriction for eligible kerbside properties.
- 6.13. Methods through which a restriction can be delivered includes a move from a weekly residual waste collection service without capacity limits, to a fortnightly collection model with volume restrictions applied.

Regional policy drivers for step change in household recycling rate - London Environment Strategy's targets for London, and for Reduction and Recycling Plans setting out contributions

- 6.14. The Mayor of London's Environment Strategy sets household recycling rate targets for London; of 42% by 2022, and 45% by 2025.
- 6.15. The Strategy requires boroughs to submit Reduction and Recycling Plans (RRPs) setting out - among other measures - planned contributions to these recycling targets for London and the means through which these contributions will be achieved.
- 6.16. The Strategy's targets for London are informed by modelling attempting to assess what maximum contribution each London borough could make to an overall rate for London (carried out within an appreciation that optimum levels of recycling will differ for each borough depending on a range of characteristics).
- 6.17. Evidence strongly points to an effective implementation of restrictions to residual waste services having the capacity to substantially drive up recycling rates.

- 6.18. Reflecting this, the London wide recycling targets in the Strategy are predicated on all London boroughs having introduced residual waste restriction by 2022.
- 6.19. The Council's own modelling and commissioned research strongly suggests that increasing Hackney's household recycling to levels even close to those forecast as being possible by the GLA-commissioned modelling (there are legitimate concerns around this modelling), would be contingent on restrictions to residual waste for eligible properties, alongside driving further improvement in estates recycling.
- 6.20. In developing their RRP, boroughs will decide their own recycling targets and plans to achieve them. However, they have a duty to act in general conformity with the Environment Strategy.
- 6.21. Hackney's RRP will set a household recycling target of 32% by 2022.
- 6.22. This target has been informed by separate detailed modelling to forecast annual recycling returns by 2022 from three broad interventions; the upcoming phase of the Estates Recycling Programme, the programme of work tied to the manifesto commitment to further improve recycling on estates, and a move to a restricted, fortnightly collection model.
- 6.23. We have explored and have confidence in the methodology of this modelling. We see the target as stretching and ambitious, while also being grounded within strong and sound evidence.

Local commitments

- 6.24. Aside from the financial and regional external policy drivers to further increase recycling rates, there is a clear local focus on achieving greater environmental sustainability. Hackney is a leader in this area.
- 6.25. Decreasing the shares of the waste stream which non recyclable waste accounts for, is consistent with this agenda.

National policy direction

- 6.26. Four consultations released by Government in February propose changes to the waste and recycling system.
- 6.27. While these new approaches are in the early stages of development, the Task Group has noted the broad direction of travel which they set out;

towards enabling greater recycling, cutting plastic pollution, and moving towards a more circular economy.

- 6.28. These aims are not inconsistent with the Council's own. Hackney already largely delivers the services which they would require of other authorities.
- 6.29. However, they have been reviewed by the Task Group to highlight the direction of travel at a national level. Given this, we agreed that increasing recycling at this point would both best mitigate known waste disposal cost increases, and also enable the Council to be ahead of the curve prior to any potential further increases further down the line.
- 6.30. The Council will continue to need to keep abreast of and interact with developments with any potential implications for the shape, nature and financing of its operations.

Focus on RRP related to household recycling rates

- 6.31. The Group reviewed a first full draft of the Council's RRP at its second meeting.
- 6.32. It is a detailed document, setting out baseline performance data and targets on a range of relevant measures.
- 6.33. Partly reflecting the Council's strong sustainability commitments which pre-existed the London Environment Strategy, it sets out a wide range of current and planned actions which are consistent with the Strategy's policy objectives.
- 6.34. For example, the actions include the substantial work to procure new waste collection vehicles with latest emission technologies, and the leading role the Council is taking on the piloting and testing of cleaner fuels. These are at advanced stages and further build upon the recognition received by the borough for its historical and current work on fleet sustainability.
- 6.35. The RRP is wide in breadth. However within the time and resource available, and given the Task Group's stated aims, focus has been on planned activities with greatest capacity for mitigating waste disposal cost increases and - within this - the emerging plans around delivery and management of risk.

RRP measures to achieve 32% recycling target - Improvements in flats and estates recycling

- 6.36. We have explored the range of work focused on improving recycling levels among flats and estates.
- 6.37. As is the case for other areas, Hackney's estates-based properties bring a downward pull on recycling rates for the borough. The recycling rate from estates - which are taking an increasing share of housing stock - is estimated at 14%. This compares to a rate from street level properties (excluding garden waste to enable fair comparison) of 32%.
- 6.38. The Council has been successful in initiatives to improve recycling on estates, and has clear plans to continue and build upon these.
- 6.39. **Estates Recycling Programme.** The Estates Recycling corporate Programme has been in place since 2015. It is now entering its 4th phase, with each phase building on and learning from previous ones.
- 6.40. We have gained an insight into the different phases.
- 6.41. The first saw a range of softer interventions piloted on 8 estates, with their impact monitored. This included communications, delivery of reusable bags, and improving recycling bin provision where it was possible to do so without carrying out infrastructure works.
- 6.42. This had helped the Council identify which softer interventions were most effective and to deliver these in more cases. It had been successful.
- 6.43. However, it was also the case that - in general - residents of some older blocks would only see the ease of access to recycling services available to those living in newer ones, through infrastructure change to estates.
- 6.44. Phase 2 saw infrastructure interventions, with chute closures and the delivery of larger bin stores allowing for adequate numbers of waste, dry recycling and food waste bins enabling residents to dispose of their waste and recycling at the same time. Hackney was the first authority in London to deliver recycling infrastructure change on this scale. Following the changes - at points when it was possible - collection frequencies for residual waste were reduced. Phase 2 was delivered to the Milton Gardens and Geffrye estates and - in part - Broadway House.

- 6.45. Phase 3 involved an external consultancy completing a full set of inventories for 175 estates, producing data on the numbers and locations of bins and their proximities to homes, capacities required, numbers and locations of noticeboards, and a range of others. This helped inform a range of soft interventions including more effective displays of information, and also possible locations for new recycling bins which would not rely on infrastructure works.
- 6.46. Phase 4 will cover infrastructure works to 7 estates in 2019/20. Monitoring of the impact of these changes would not be complete before March 2020. Officers understood that the progress made against the Phase 4 plans and alongside the ongoing impact on recycling levels of the infrastructure delivered on Phase 2 would help to inform funding decisions on further infrastructure phases of the programme.
- 6.47. The forecast contribution that Phase 4 will deliver (which helps to inform the overall 32% target for 2022) has been based on the average impact on recycling levels which was seen on the two estates seeing full infrastructure change in Phase 2.
- 6.48. The focus of this Task Group has been shaped around the development of the RRP. Therefore - with the forecast contributions of the Estate Recycling Programme towards reaching a 32% household recycling target by 2022 being based on expected gains from the upcoming infrastructure phase - our testing of the programme has concentrated mainly on the capacity of this phase and any future similar ones to contribute effectively.
- 6.49. The capacity which the effective delivery of infrastructure change has to drive up recycling was evidenced to Task Group via a site visit to Milton Gardens Estate, one of the estates within Phase 2.
- 6.50. The changes had seen the delivery of 18 bin stores. These accommodated separate bins for waste, food waste and recycling. Each block now had its own dedicated provision. Alongside this, 29 waste chutes (and the 'hoppers' feeding them) were closed.
- 6.51. The impact of infrastructure change had allowed for service change, enacted at a later point. With the improved recycling provision and the behaviour change it helped to secure, the Council had been able to remove a third weekly residual waste collection, without the gains made on environmental quality from the programme being lost. This measure in

itself appeared to have helped prompt still further engagement in recycling.

- 6.52. The programme helped to secure significant improvements in recycling. Monitoring over 12 month periods showed an annual increase in the dry recycling rate for Milton Gardens Estate from 8.9% to 17.5%, after the works and the removal of a third weekly residual waste collection. When food waste was included - and based on 10 months of monitoring - the overall recycling rate was found to have increased from 12.7% to 24.2%.
- 6.53. We heard the recycling gains at Milton Gardens delivered an avoidance on disposal costs (based on current levy pricing) of £8,268 a year.
- 6.54. Based on these gains, Officers estimated that rolling out similar recycling infrastructure changes to all Hackney Housing estates would deliver downward pressure on disposal costs of £447,414 annually (again based on current levy pricing).
- 6.55. We understand that the amounts secured in cost mitigation will and would accelerate as charges applied within the NLWA waste levy rise significantly in upcoming years.
- 6.56. It is important to note that the calculations on disposal cost mitigation which borough-wide roll out would achieve, were based on all estates seeing the same uplift in recycling as a result of infrastructure change.
- 6.57. This could not be guaranteed; we heard that the recycling level gains from the infrastructure changes on the Geffrye Estate - although still significant - were slightly lower than at Milton Gardens (mainly due to a lower change secured on the Geffrye in food waste recycling).
- 6.58. However, evidence does strongly point to the ability of effective infrastructure change to drive up recycling on estates, and to the financial benefits of delivery accelerating over forthcoming years.
- 6.59. While Phase 4 of the Programme will see the delivery of recycling infrastructure improvements to 7 estates in 2019/20, no further phases are in place for the programme (although we do note from the draft RRP that a further 100 estates will be considered in following years).
- 6.60. We heard that Officers were regularly reporting to the board on progress made against the Phase 4 plans. We heard that this alongside the

ongoing impact on recycling levels of the infrastructure delivered on Phase 2 (data of impact of Phase 4 on recycling levels would not be available before March 2020) would help to inform funding decisions on infrastructure phases after 2019/20.

- 6.61. We appreciate the need for ongoing impact monitoring of infrastructure phases of the Estate Recycling Programme and their delivery against cost to provide justification for capital investment in any further phases.
- 6.62. However, we see benefit to providing greater certainty on the Programme's future post 2019/20, at the earliest possible point. We heard that evidence shown to us on the impact of the programme on levels of recycling was powerful. We see a continued, dedicated programme being relevant to local commitments around recycling and sustainability, to meeting the challenge of rising waste disposal costs, and also the national and regional direction of travel on waste and recycling policy.

Recommendation 1 - Phase 4 of the Estates Recycling Programme is due for completion in 2019/20. This will see delivery of recycling infrastructure improvements to 7 estates. At this stage, no further phases are in place for the programme, although we note from the draft RRP that a further 100 estates will be considered in following years.

We recommend consideration is given to committing to a further infrastructure phase at the earliest possible point. This should be informed by a cost benefit analysis using collated impact data already available/collectable, and progress made in the delivery of Phase 4, within budget.

The cost benefit analysis should include recycling level impact of the infrastructure changes delivered in Phase 2 (data of impact of Phase 4 on recycling levels will not be available until well past March 2020), and also wider benefits (including fire safety improvements, maintenance cost savings achieved through the closure of waste chutes, and less quantifiable aspects including existing estate residents seeing levels of waste and recycling services which match the quality of those available to residents in newer housing).

- 6.63. It is clear that extensive engagement ensured that plans and approaches around infrastructure change in Phase 2 of the programme were developed in full dialogue with residents.

- 6.64. This enabled the service to reach final decisions which considered views within wider factors including fire safety, guidance around the minimum distance of refuse provision from residents' windows, and ease of access for waste crews.
- 6.65. The greatest engagement of residents was in relation to where expanded bin stores would be located. For example, through speaking to residents on one estate Officers had found that an area they were provisionally considering for a bin store was used by a community music group. This allowed for this option being discounted at an early point, and joint work on identifying a suitable place.
- 6.66. However, it went further with this. The solutions at Milton Gardens Estate included an existing bin store at the bottom of a waste chute being expanded, rather than a new bin store being built in the vicinity of the block, as initially planned. This followed engagement with residents of a block who opposed the initial proposal. The solution - given the proximity of the expanded bin store to the block - was enabled by the retro-fitting of sprinklers as a fire safety measure. This had brought considerable expense.
- 6.67. At Milton Gardens, we also saw how the design of new bin stores ranged from fencing material to brick material, to a mixture of these. This allowed the service to live test a range of solutions to ensure that they met residents' requirements whilst also meeting wider criteria.
- 6.68. At Broadway House, we heard the service had worked closely with a TRA which was initially sceptical around infrastructure changes. This had resulted in agreement that a pilot approach would be followed where waste 'hoppers' (the holes through which items were deposited into the waste chute) were closed via locks, rather than being permanently sealed.
- 6.69. Following this trial, residents were now generally supportive of making these changes permanent, and a new bin store being provided to better accommodate all container types. Officers felt that this buy in had been secured partly due to the wider benefits which residents saw from the closure of waste chutes. They no longer saw waste chute blockages. Due to better capture of information, Officers were able to advise the TRA of the costs to the authority of unblocking chutes (£75,000) a year which could otherwise be spent on other areas such as gardening and cleaning.

This was aside from the time that estate cleaners spent trying to clear chutes which they would have otherwise been able to spend on other duties.

- 6.70. The Task Group welcomed the wide engagement which supported the delivery of Phase 2, including the more innovative solutions and approaches which were developed to shape the changes around residents' views. This was an important element of making the first major recycling infrastructure projects in London, successful.
- 6.71. However, we also understand it to have brought significant development costs. In this short investigation we have not explored the costs of the infrastructure elements of the Estate Recycling Programme in detail. However, we heard the cost of the Milton Gardens works was £238,000.
- 6.72. This compared to plans to deliver the upcoming Phase 4 (covering 7 estates) within a total budget of £500,000 (an average of around £71,429 per estate).
- 6.73. We heard that efficiencies to enable this lower delivery cost will be secured from revised procurement and contract management arrangements, and establishing a standardised bin store design.
- 6.74. We support this. Our investigation has highlighted the financial and policy imperatives to drive up estate recycling rates from their low bases, across all of our estates. Given the changes secured on the Phase 2 estates, we see infrastructure change as an important part of meeting this challenge.
- 6.75. Close engagement with residents was a crucial part of the success of the infrastructure change delivered. We heard and welcomed the plans for full engagement during the upcoming Phase 4.
- 6.76. However, for Phase 4 and any further infrastructure phases, we see a need for fuller balance between shaping solutions around residents needs, and the most cost effective delivery. This will better allow for improvements to be delivered across all of our estates, at the right speed.

Recommendation 2 - The Task Group recognises the excellent resident engagement underpinning successful delivery of infrastructure change to the estates within Phase 2 of the Estates Recycling Programme.

This involved close dialogue on locations for new bin stores. However, it went significantly further. On one estate and in response to residents' feedback, Officers designed an innovative solution which enabled an existing bin store under a block to be safely extended rather than a new bin store constructed. On another, a pilot approach was followed where chutes were closed temporarily so residents could test the benefits.

We also saw how the design of new bin stores ranged from fencing material to brick material, to a mixture of these. This enabled the service to live test a number of solutions which would meet residents' needs and wider criteria including ease of access for waste crews.

We support these approaches. Designing bespoke solutions and approaches were an important element of gaining support for what was the first phase of the programme to have involved infrastructure works. Hackney was the first London authority to have delivered recycling infrastructure change on such a scale. We support its testing of a range of design options.

However, we also see the increasing financial imperative for improvement to recycling levels across all of our estates. This is due to the significantly lower recycling rates for estates compared to street level properties, and the upcoming surge in waste disposal costs which can be partly mitigated by increasing the share of waste which is recycled.

We see infrastructure change playing a large part in achieving this further uplift in rates on estates. This provides a challenge given the number of estates the Council is likely to need to deliver works to, and the increasingly tight resources at its disposal to do so.

In this short investigation we have not explored the costs of the infrastructure elements of the Estate Recycling Programme in detail. However, we heard the cost of the Milton Gardens works was £238,000. This compared to plans to deliver the upcoming Phase 4 (covering 7 estates) within a total budget of £500,000 (an average of around £71,429 per estate).

We heard that efficiencies to enable this lower delivery cost will be secured from revised procurement and contract management arrangements, and establishing a standardised bin store design.

We support this. We recommend that Phase 4 and any future infrastructure phases maintains full balance between shaping solutions around residents

views, and avoiding escalating cost. This will best enable the Council to deliver the scale of infrastructure works needed, at the required pace.

- 6.77. **Programme supporting Manifesto Commitments.** The impact of the separate programme of work being developed in support of manifesto commitments to further improve recycling on estates has been forecast as making separate contributions towards an overall 32% household recycling rate by 2022. This programme is being undertaken by the Council's Recycling Team.
- 6.78. Among others, the programme includes the improvement of recycling services through increased collections at busy sites, the delivery of more bins across estates, with larger lids enabling easier recycling, reductions of residual collections where there is capacity (and increases of recycling collections at busy locations), the development of a scheme where estate residents are recruited as green champions to promote recycling and positive behaviour change, innovative communications to increase motivation and knowledge on recycling on estates, and the piloting of a reverse vending scheme on an estate.
- 6.79. The Task Group were supportive of these measures.

Recommendation 3 - Members support the Estate Recycling Programme and note its proven capacity to contribute to increased household recycling rates for the borough. We are also supportive of the range of innovative measures being developed to meet the manifesto commitment to further improve recycling on estates.

However, we ask that future items at Scrutiny explore their impact against that forecast. This is in terms of their contribution to the borough meeting a 32% recycling target by 2022, and to part-mitigation of rising waste disposal costs.

- 6.80. We note that a range of the measures in the RRP to drive up recycling on estates (and in flats generally), will cover estates owned and managed by Registered Housing Providers, in addition to those managed by the Council.
- 6.81. For example, moves to introduce more frequent recycling collections at the busiest sites and the introduction of improved recycling bin would include / consider all sites with communal bin arrangements, whether these be on Council estates, Registered Housing Provider estates, or on private blocks. In general, we understand that resources for interventions

to improve recycling for flats will be targeted at the estates / blocks where it is felt they can have most impact.

- 6.82. This said, the infrastructure improvements delivered within the Estates Recycling Programme in terms of closing chutes and constructing new facilities will be focused on Hackney's Housing Estates.
- 6.83. In this short investigation we have not explored any work of Registered Housing Providers operating in Hackney to deliver similar improvement works on estates managed by them, nor any work of the Council to provide advice and support on this.

Recommendation 4 - We have explored the Estates Recycling Programme which - among other measures - is making physical infrastructure on the Council's own housing estates more amenable for recycling, through direct delivery and working with other services including Housing Services and Estates Regeneration.

We have also explored a range of measures for improving flats recycling generally, which will incorporate Registered Housing Provider estates and private blocks, as well as the Council's estates.

However, in this short investigation we have not explored any work of Registered Housing Providers operating in Hackney to deliver recycling infrastructure improvements on the estates they manage, nor any work of the Council to provide advice and support on this.

We recommend that a future item at Scrutiny explores action being taken by Registered Housing Providers to enable higher levels of recycling on estates they manage, including through modifications to their existing sites. We recommend that this item also explores any advisory and support role which the Council plays in this area.

Observations on RRP measures to achieve 32% recycling target - Exploring the introduction of restricted, fortnightly collections

Capacity of residual waste restriction to drive improvements in recycling, through securing behaviour change

- 6.84. Hackney's RRP will set out an intention to consider the introduction of residual waste restrictions and a move to fortnightly collections for eligible kerbside properties, informed by a property survey determining the

kerbside properties with the adequate front garden space and consultation and engagement with residents.

- 6.85. In its RRP the Council estimates that implementing this policy would decrease residual waste collected per household by 8.4% by 2022, therefore contributing significantly to an overall increase to a 32% household recycling level.
- 6.86. In addition to the draft RRP itself, the Group has explored an evidence base strongly indicating that the effective implementation of this arrangement would deliver - over time - a significant increase in the rate of household waste which is recycled, in turn enabling the Council to meet the target for 2022 set out in the RRP and bringing some mitigation to otherwise accelerating waste disposal costs.
- 6.87. Despite the strong set of kerbside recycling services in place in the borough, research suggests that high shares of recyclable materials disposed of by street based households, are currently lost to the residual waste stream.
- 6.88. Detailed analysis carried out in Hackney in 2015 estimated that 54% of waste in the residual waste stream was made up by material which the Council collected within its kerbside recycling operations. This highlights very strongly the significant volumes of recyclable material in the residual waste stream which - if behaviour change could be secured and barriers to recycling identified and removed - could be moved into other waste streams.
- 6.89. Evidence on the impact which restrictions have had on recycling performance elsewhere strongly suggests that restrictions of residual waste can - combined with other measures - be a key element of achieving this. It heavily indicates that reducing residual collections and restricting the volumes of waste which households could put into this waste stream whilst at the same time providing high quality weekly recycling collections, does drive increased usage of recycling services.
- 6.90. Hackney is well placed to utilise this mechanism to help drive up its recycling rate. It already has high quality weekly recycling services in place. Officers confirmed that these would continue within any movement to fortnightly restricted residual collections.

- 6.91. Benchmarking recycling levels is problematic due to differing characteristics of areas. However, the finding that 2 of the three inner London boroughs with fortnightly restricted residual models reported higher recycling levels than Hackney and that the one which remained lower had seen a step change increase since its move to this model, was persuasive.
- 6.92. The Group also gained an insight into relatively high levels of residual waste which the borough currently collects; on a per household basis the third highest in inner London. Again, those with fortnightly collections were generally among those who fared better on this measure.
- 6.93. As a final point on comparisons with others, we were shown powerful evidence that - regardless of the externally recognised high quality initiatives on recycling which the borough has and is delivering - that without moving to introduce residual waste restrictions to appropriate properties alongside this, overall recycling performance will be held back.
- 6.94. This was through data showing that each of the 30 top performing authorities in England delivered a fortnightly model, and that the large majority of the lowest performers did not.
- 6.95. The factors above help to explain the strong trend of local authorities towards some sort of fortnightly residual restrictions for some or all of its street properties. The numbers operating a fortnightly model overtook the numbers with a weekly-only one in 2010/11, with the gap widening year on year. They also help explain why the ambitious targets in the London Environment Strategy are predicated on the delivery of a restricted model by all the boroughs.

Recommendation 5 (Observation) - Given the evidence summarised below the Task Group is convinced there are significant grounds to consider the implementation of restricted fortnightly collections for residual waste, for properties which are suitable.

Restricting Residual Waste - costs, implementation plan, and risk management

Financial implications of introduction

- 6.96. Of the initiatives set down for exploration in Hackney's initial RRP, the greatest potential gains in recycling (and therefore the greatest contribution to waste disposal cost mitigation) are forecast from a move to residual restrictions for eligible kerbside properties.

- 6.97. The change would also bring significant assumed implementation costs; estimated at a total of £3.2 million.
- 6.98. This investment would cover a range of aspects including publicity and communications in advance of roll out, the costs of additional dedicated Waste Advisor and Enforcement Officer resources which would be in place for a two year period, and equipment costs underpinning the new arrangements.
- 6.99. The forecast equipment cost is predominantly accounted for by the procurement of an estimated 88,000 wheelie bins. This is based on households coming into the arrangement being provided with separate wheelie bins for both refuse and recycling. We understand that other options could include providing only a wheelie bin for refuse.
- 6.100. The ongoing downward impact which restriction would be expected to have on disposal costs would - if realised - mean that the investment would be recouped over time.
- 6.101. Given the depth and quality of the emerging implementation plan shared with us, the upward impact on recycling levels which evidence strongly points to restriction having had in other areas, the track record of Hackney Officers in successfully managing moves to restriction in other boroughs, and the strength of the Council's waste and cleansing service, the Group has confidence that implementation in Hackney would see the downward impacts forecast.
- 6.102. However, we note that the level of upfront cost is significant, with implications for the overall financial position of the Council. We heard how implementation of the change could increase savings required to balance the Council's budget over the medium term.
- 6.103. We support the points made to us by a Finance Officer that this meant full due diligence was needed; in particular for checkpoints to be built into any implementation plan to evaluate the impact that changes had had on the recycling rate, and in mitigating accelerating disposal costs. Responses would need to be developed for any event where the impact on the shares of waste recycled was below that forecast.
- 6.104. This said, we also received assurance that it would be. Officers confirmed that in any implementation of restricted fortnightly collections

the service would monitor the extent of uplifts in street level recycling against those expected in all areas of the borough. They would design and deliver interventions where this was necessary. As part of the implementation plans, capacity would be built in to enable this.

- 6.105. We support this approach. We only suggest that - in the event of implementation - Scrutiny keep a watching brief on the findings of monitoring and the success of measures taken in any case where street recycling levels do not see the uplifts expected.

Recommendation 6 - In any implementation of residual waste restriction, Members support the Council's plans for ongoing impact monitoring and the delivery of interventions where needed. This is in relation to the impact of restriction on household recycling rates for street level properties (and therefore contributions to waste disposal cost part-mitigation), in all areas of the borough.

However, in the event of implementation, we ask that future items at Scrutiny explore this impact monitoring, and the measures put in place in any cases where the impact (on street level recycling rates) is lower than forecast in any areas of the borough.

- 6.106. On another point relevant to finance, during our meetings we heard that another borough had delivered reductions to waste and cleansing budgets at the same time as moving to a restricted model, and that street cleanliness had been impacted.
- 6.107. In comparison we heard that Hackney is not building in reductions in collection costs into financial planning covering the early years following any change. We support this.
- 6.108. We heard the service has worked to achieve a high quality, responsive flexible workforce. This had been achieved in a progressive way where the pay and conditions of some staff have been matched upwards to some others. This has enabled a staffing model with more generic job descriptions and where operatives in the service are able to carry out a range of tasks covering both cleansing and waste collection.
- 6.109. We heard that this maintained capacity and flexibility would best enable the changes to be embedded without detriment to environmental cleanliness.

- 6.110. We cover risks to cleanliness at a later point. However, in relation to finance, we support plans to not factor in reduced collection costs within the implementation plan.
- 6.111. This is whilst noting points around a potential for savings further down the line, from lower numbers of rounds. This would then deliver direct savings to the costs of Council operations.
- 6.112. As a final point in relation to costs and as mentioned above, the implementation costs incorporate assumed dedicated wheelie bin procurement for the properties coming into the new arrangement. This was estimated at bringing a cost of £1 million, based on the provision of separate wheelie bins for both refuse and recycling,
- 6.113. We heard that provision of standardised containers could support effective implementation of a restricted model. Within this, the Council would (after significant engagement and education programmes and an implementation period) collect residual waste only when it was contained within the bin, with the lid shut, therefore achieving a restricted model.
- 6.114. However, at the time of the meetings we heard that discussions were ongoing around whether new wheelie bins should be used as the restriction mechanism. We heard there were other options, which would enable residents to continue use of their current bins.
- 6.115. Of the views against procuring at this stage, we heard it was not inconceivable that - considering Government aims to achieve greater standardisation to waste and recycling services - there could be later directives around the containers used for residual waste. In the event of any directives specifying equipment types or colours which differed to those procured at go live, the Council could find itself needing to reinvest in new equipment.
- 6.116. It was noted that not procuring the bins at this point would not prevent the Council doing so at a later point.
- 6.117. In any implementation of restricted, fortnightly collections for eligible properties, we would fully support the investment required to make this effective, and for risk to be fully managed. This is reflected in our support for collection cost reductions not being built into the shorter term.

- 6.118. However, given the scale of these costs, we would urge careful consideration of the need for procurement of wheelie bins, and a full exploration of alternatives.

Recommendation 7 - That in any implementation of residual waste restriction careful consideration is given prior to any procurement of wheelie bins, with all other options fully explored.

Communications and engagement plans

- 6.119. The Group explored the emerging Communications Strategy to support plans to explore residual waste restrictions and - in the event of go ahead - to implementation.
- 6.120. We were supportive of the timing of a proposed consultation, the phased communications package being developed, the key messaging and channels, and the proposed focus of additional Waste Advisor and Enforcement Officer resources prior to roll out being in areas currently achieving relatively low street level recycling rates.
- 6.121. Members gave consideration to a point made that evidence suggested some of the borough's communities were less likely to participate in recycling schemes than others, which could help to explain lower recycling rates in some areas.
- 6.122. There was also support for the first phase of communications activity including messaging on recycling the correct materials and avoiding contamination.
- 6.123. Members as community leaders in their areas were fully aware that many residents were unaware of which materials were recyclable. They also reported low confidence among some around whether items collected for recycling were truly recycled. We appreciate that this is likely to be common in all areas of the country.
- 6.124. We heard the Council continued to respond to these issues. It was reaching the end of a review of its current waste and recycling education offer, which it invests substantially in.
- 6.125. We heard that the review was exploring specific approaches. The review was exploring whether education on recyclable materials and the integrity of collection services within this programme could be improved. These

were aside from the dedicated delivery activities targeted at particular groups forming part of the communications plan.

6.126. Members are supportive of the overall emerging communications strategy.

6.127. This said we feel that it would be timely for any final Communications Strategy to set out a refreshed approach to education.

Recommendation 8 - For the final Communications Strategy underpinning a move to residual restriction to set out a refreshed approach to communication and education on what, where and how residents can recycle, and on tackling scepticism and misconceptions.

6.128. We also see grounds for greater community involvement in the design and delivery of activities seeking to achieve high uptake of recycling among all communities.

Recommendation 9 - That working groups are formed in areas with lower than average street level recycling rates. These should explore the forms of communications and engagement which could best achieve behaviour change in their areas. Ward Councillors should be engaged in this process, and asked to harness their knowledge to secure the involvement of other relevant community stakeholders.

Key Risk - Impact on cleanliness

6.129. Our two meetings have quite closely explored the risk of residual waste restriction impacting on the high levels of cleanliness achieved in the borough, which there is a manifesto commitment to maintain.

6.130. The Group is clear that an impact on cleanliness should be treated as a key risk of a change.

Recommendation 10 - An impact of residual waste restriction on street cleanliness is a key risk to be managed. We recommend the development of a specific mitigation strategy on this.

6.131. Two of the lead Officers for exploring restriction in Hackney who gave evidence to us, had each been involved in the implementation in another borough.

- 6.132. We heard that one of those boroughs had seen a decrease in cleanliness following the change. However, that borough had delivered a 30% service capacity reduction in tandem with the service change. The Officer felt that this had been the main driver of reduced levels of cleanliness in that borough, rather than the operations changes. Hackney had not built any staff reductions into its implementation plan, as previously mentioned.
- 6.133. The borough where the other Officer had delivered change, had seen some impact on cleanliness for a six month period following implementation. However, levels returned to those previous to the change, after additional behaviour change officers had been put in place.
- 6.134. Here we return to the points around Waste Advisor and Enforcement (Behaviour Change) Officers being put in place prior to any implementation.
- 6.135. Most crucially, we refer again to points made around Hackney's high quality, flexible, in house waste and cleansing function which we were assured would be maintained post any implementation. To add to this, there is a full commitment to maintaining the strong levels of industrial relations which were in place though full engagement of staff throughout any changes.
- 6.136. We heard from the Cabinet Member that these resources in addition to the strength of the service generally, had informed the clear commitment he had made that - in any move to residual restriction - maintaining levels of cleanliness in the borough would be a red line which would not be compromised on.
- 6.137. In reaching our own view on this risk, we have noted the track record of delivery which the service has built up over some time. We celebrate the cleanliness of our streets which the service has achieved. We note that it has already delivered extensive change whilst maintaining this, including the bringing of recycling collections in house. We have also noted the strength of the emerging implementation plan.
- 6.138. To this end, we do have high confidence that the Council would be successful in minimising any impact on cleanliness in the immediate term and - as pledged to us - maintain overall levels.

Recommendation 11 (Observation) - While the Task Group has explored the full RRP, its main focus and scrutiny has been applied to the household recycling target it sets for 2022, and its plans for achieving it. This is in line with the terms of reference for the group, as these are the aspects which are most related to the part mitigation of waste disposal cost increases.

All evidence considered, we are supportive of the RRP in respect of its target of a household recycling rate of 32% by 2022, and the steps and emerging plans to achieve this.