

PROJECT DOCUMENTATION

OUTLINE BUSINESS CASE

Kerbside Recycling – Service and Capacity Improvements

Release: 1.1

Date: 16 November 2005

This Project Utilises Chorley Borough Councils Project Management Methodology

Author: Simon Clark

Project Manager: John Lechmere

Programme Board: Capital

Outline Business Case

Document Location

The source of the document will be found on the **loop** {insert link here}

Revision History

Date of this revision:

Revision Date	Summary of Changes	Version
16/11/05	First Draft	1.0
30/11/05	Minor changes made during quality assurance	1.1

Approvals

This document requires the following approvals:

Name	Date Approved	Link to Approval Minutes	Version
Capital Programme Board			

Distribution

This document has been distributed to:

Name	Title
John Lechmere	Head of Environmental Services
Rebecca Huddleston	Project Support Officer

Outline Business Case

1. OUTLINE BUSINESS CASE

1.1 Project Background.

Executive Cabinet have approved the Head of Environmental Services recommendation to procure additional recycling containers for householders as well as an additional specialist vehicle to increase collection capacity. Further approval has been given to introduce a household kerbside textile collection in line with our obligations to the Lancashire Waste Partnership Cost Sharing Agreement. Minute 05/EC/146 refers.

1.2 Project Objectives

- To procure a stock of kerbside recycling containers to meet anticipated householder requirements in 2006/7
- To replace the lightweight woven sack with a weighted sack for households where the attrition rate for the lightweight sack is high.
- To introduce alternate weekly collection of recyclable textiles to all households in the Borough currently on kerbside recycling collections.
- To procure an additional twin compartment recycling collection vehicle in order to increase our current recycling collection capacity.

1.3 Assumptions

The assumptions made are:

- Replacement weighted containers are available at estimated cost
- A twin compartment vehicle is available at budgeted cost through our contractor for purchase by the Council and hand back for use, service and maintenance to the contractor.
- A partner/contractor can be engaged to undertake kerbside textile collections.
- Estimated container numbers are sufficient to meet service user demand.

1.4 Overview of the Business Case and Benefits

Chorley is a leading recycling authority, having moved our recycling rate from 4% in 2001/2 to 40% (April to September) this year.

This has been achieved in large part through successful bids to the DEFRA Waste Challenge Fund for the capital procurement of recycling containers and specialist vehicles and by opting into the Lancashire Waste Partnership Cost Share Agreement which provides an income stream over and above the enhanced Recycling Credit Scheme.

Outline Business Case

Service user feedback has identified a need to provide a more robust container for some households for the presentation of plastics and cans to replace the current lightweight woven sack. In addition the general popularity of the recycling collections has resulted in an increase demand for additional recycling containers for glass and garden waste collections. Such container replacement has previously been funded through grant aid via independent and partnership bids to the Governments Waste Challenge Fund.

The existing scheme implementation was based on a householder participation rate of 60%. Recent participation studies indicate that the rate is currently over 70%. This has resulted in the current collection fleet profile operating at near capacity on most collection days. We need to increase participation further to meet our ultimate recycling target of 56% by 2015 and therefore extra capacity is required now to keep our current recycling rate on an upward trend.

Fortnightly kerbside textile collections must be introduced by March 2006 to meet the requirements for payment from the County Council under the Lancashire Waste Partnership Cost Share Agreement. This involves the procurement and distribution of 'sacrificial sacks' for householders for presentation of textiles at kerbside for collection.

The implementation of these service improvements will enable us to deliver our existing priority of a cleaner, greener Chorley and fits our new priorities to improve access to public services and developing the character and feel of Chorley as a better place to live.

1.5.1 Benefits Plan

- Container Stock Provision – as take up and participation in the kerbside recycling scheme increases, the provision of replacement and additional containers will ensure that service user demand is met and in turn leads to improved satisfaction and participation rates leading to achieving recycling targets. Estimates from the first 6 months of the implementation programme indicate the need to replace or provide an additional 7000 no. 55 litre boxes with lids; 1,000 no. 240 litre brown wheeled bins for garden waste and 15,000 weighted sacks for cans and plastic to address the current high attrition rate and low customer satisfaction with the lightweight sacks. The Environmental Services Unit currently records all requests for additional and replacement containers through its Flare database system and can closely monitor stocks to ensure even distribution to householders across the Borough and identify replacement hotspots.
- Vehicle Provision – the last six months has seen collected glass and paper from kerbside rise by 200% and 70% respectively. An additional vehicle will provide the capacity to collect a further 6 tonnes per collection day which is sufficient to accommodate a participation increase in line with the growth in recycling rates required. Current recycling performance is projected to achieve an annual recycling target of 36% in 2005/6 and during 2006/7 we need to increase this rate to over 40% through increased participation and the introduction of collections to the last remaining 1500 households in the Borough (subject to a separate Capital Bid)
- Kerbside Textile Collection Service – the Council needs to meet its obligations under the LWP Cost Share Agreement and the introduction of this service will ensure the income stream from Lancashire County is in line with that agreement. The Unit has a GIS base system that identifies the properties in receipt of recycling collections and by the end of March 2006 we need to demonstrate that 42,500 properties are in receipt of a kerbside textile collection service. Tenders are currently being received for the provision of this service, which could be self

Outline Business Case

financing once the initial capital set up costs have been met to provide households with ‘sacrificial’ sacks for the presentation of their textiles. Introduction of textile collections will secure the anticipated income from County of £650,000.

1.5.2 Gershon Efficiencies

	Efficiencies
Corporate Services	None anticipated.
Procurement	Procurement of containers through the capital bid process will save in the region of £25,000 over the procurement through current non exclusive arrangements in the Cleanaway contract. Savings from the introduction of Alternate Weekly Collections (AWC) will be reinvested in recycling effort.
Productive Time	The replacement of lightweight sacks with more durable weighted sacks is anticipated to promote collection efficiencies.
Transactions	Leverage of contractor investment as described in Cabinet report

1.5.3 The Do Nothing Scenario

The result of doing nothing can be summarised as follows:

- **Failing to introduce kerbside textile recycling will mean we default on the LWP Cost Share Agreement which in turn would result in a loss of income to the Council of about £200,000 per annum in property based payments and processing costs up to the end of the existing Collection contract (March 2009).**
- Failure to address service user demands for a more robust collection sack would mean additional cost in provision of replacement lightweight sacks and increase resource allocation to deal with wind blown materials during periods of inclement weather.
- Failure to address the collection capacity issue would result in the Authority standing still in its effort to reach a recycling rate of 56% by 2015 as well as providing immediate operational problems when fleet service and maintenance is undertaken.
- Failure to provide replacement containers through a capital procurement route would mean reverting to procurement through our existing contract provisions at increased revenue cost.

2. ESTIMATED PROJECT COSTS

Description	Capital Cost Estimate	Revenue Cost Estimate
Procure Twin Compartment Collection Vehicle	£70,000	Nil
Procure 'Sacrificial' Textile Recycling Sacks -	£44,000	£10,000
Procure Containers for 2006/7 – 'No Blow Sacks'	£30,000	Nil
Procure Containers for 2006/7 – Boxes/Lids	£21,000	Nil
Procure Containers for 2006/7 – Brown Bins	£17,000	Nil
Procure Containers for Multi Occupied Properties	£45,000	Nil
Total	£227,000	£10,000

3. RECOMMENDED HIGH LEVEL PROJECT MANAGEMENT ARRANGEMENTS

Position	Name	Title
Project Sponsor	Executive Cabinet	
Senior User	John Lechmere	Head of Environmental Services
Senior Supplier(s)	Cleanaway MGB Systems Straights Plc Dicksons Sacks	
Project Manager	Simon Clark	Commercial Manager