



Department
for Environment
Food & Rural Affairs

Efficiency and Effectiveness Metrics – Current Thinking

APSE Waste Management & Street Cleansing Advisory Group

16th January 2024



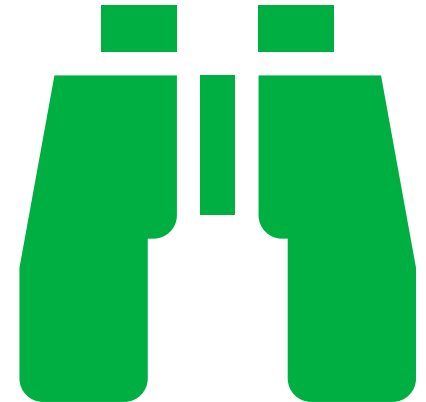
Forestry Commission
England



Environment
Agency

Project Scope

- EPR commits that obligated producers should pay only for an **Efficient and Effective** packaging waste management service
- Those not meeting this standard may be given an **improvement plan** and if **no improvement** is made they **may** be deducted up to a **MAXIMUM of 20%** of their calculated net efficient costs
- The E&E project's purpose is to work out how effectiveness could be measured, the formula that could be applied for making deductions, and how the improvement plan process could work. It will also produce guidance.
- The project will produce:
 - A recommended list of metrics
 - A proposal for an assessment methodology
 - Guidance for local authorities and the Scheme Administrator on how the assessments are conducted
 - A proposal for an improvement plan process



The Difference Between Efficiency and Effectiveness Metrics



- **Efficiency Metrics:** Focus on the **cost** of delivery of services. Efficiency metrics will aim to measure whether costs are **as low as reasonably possible**. This is defined in the Regulations.
- **Effectiveness Metrics:** Measure of **performance** of services. Effectiveness is not defined in the Regulation. The assessment of effectiveness will be a trigger for **improvement plans**

Principles for Metrics

- **Fair:** metrics must be measurable using reliable data and must take account of factors outside authorities' control. Metrics should not be applied in a way that unfairly penalises an authority.
- **Transparent:** the approach to metrics must be readily explainable in a way that authorities and other stakeholders understand. Metrics must clearly relate to relevant aspects of the authority's performance that they can control.
- **Consistent:** the metrics must be capable of being applied across different authorities and different nations in a way that makes sense for each.



Initial thinking about metrics

- There will almost certainly be separate efficiency and effectiveness metrics
- We also expect to have metrics that looks at effectiveness per unit of cost
- We are thinking that some metrics will be performance measures and some will be contextual measures that the SA can use to inform interpretation of the performance measures
- Much of the data will already exist, but it's possible some additional data collection could be needed
- There may be different metrics for WCAs and WDAs, reflecting their different statutory obligations



Engaging with LAs

- Steering group
 - LGA, WLGA, CoSLA, NILGA
 - Adept
 - DCN
 - ReLondon
 - NAWDO
- Technical Working Group
 - WRAP
 - Zero Waste Scotland
 - WLGA
- LA Sounding Board
- LA Engagement Forum
- Programme of engagement planned for 2024



Next steps

- Share proposed metrics with LAs and producers
- Get producer input into E&E
- Work with LAs (and others) on guidance and improvement plan process





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Public Binned Waste Programme Overview

APSE 16.01.24

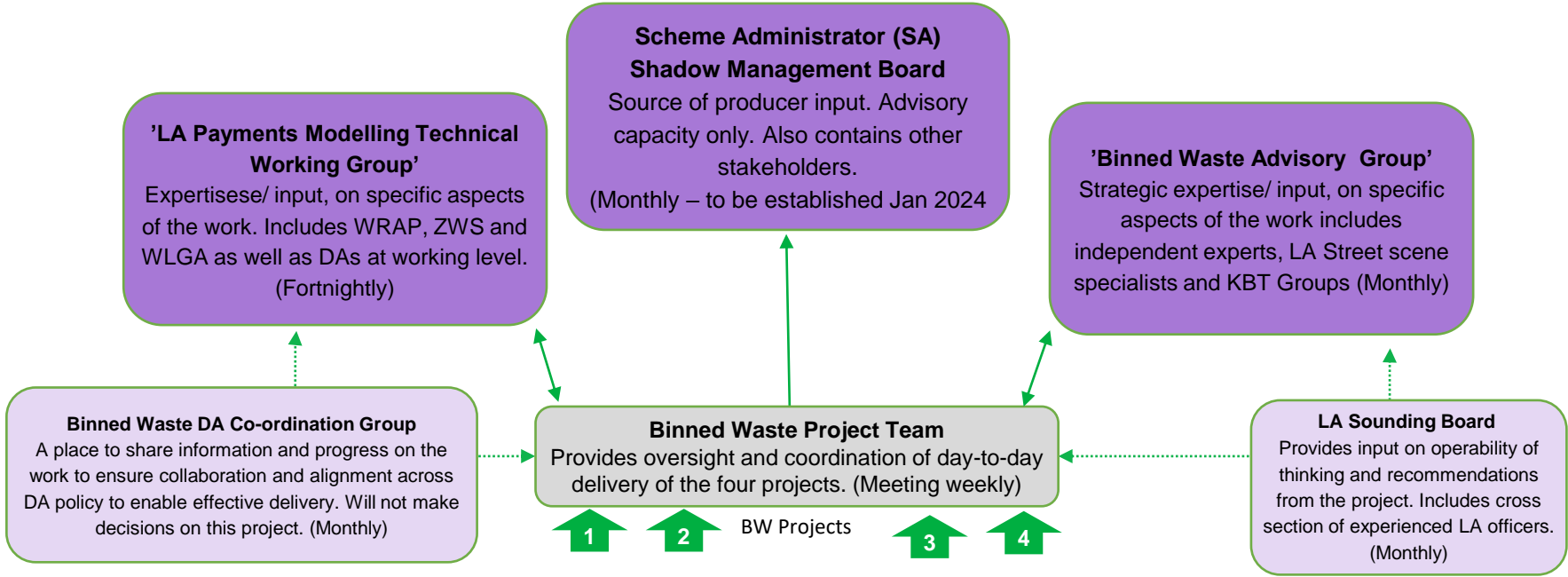


Version: 0.1
Classification: OFFICIAL

PEPR & Street binned packaging waste

- Producers will be required to cover the cost of managing packaging likely to be disposed of in public bins (i.e., a bin managed by a local authority) based on an efficient and effective public binned waste service.
- Binned Waste payments are expected to start in Year 2 of packaging EPR (FY 26/27).
- We plan to publish indicative payments in Nov 2025.
- Producers must report the total weight of ‘commonly binned items’ they have placed on the market and this data will be combined with:
 - LA binned waste cost data per tonne and
 - binned waste composition and weight research from sampled LAs obtained in 2024/25.
- Collected data will be modelled via the creation of payment rate groupings derived from sampled LAs and fees will be generated through a Fees and Payments Calculator reflective of any contextual conditions identified through the research such as factors impacting the cost-of-service provision (typically characteristics of an area likely to affect the costs of public bin provision and management, such as geography (rurality, urbaness), tourism etc).

Binned Packaging - Stakeholder Engagement groups



The Projects – 1. Model Design & Build

Product Summary: A model to calculate the fees payable by obligated producers (based on the amount of “commonly binned” packaging they supply) and the amounts payable to LAs (based on the costs of delivering an efficient and effective service) will be built.

The model is being developed by Defra on behalf of all four nation Governments.

Key outputs/ deliverables:

Nov 2023  Nov 2025

The Projects – 2. LA Costs

Summary: This work initially involves developing Local authority groupings that can be used to identify a sample of local authorities that share similar contextual characteristics to gain a representative sample of data that will help us understand the costs to local authorities of managing street bin waste and understand within this - what constitutes an efficient and effective service. Research will involve roll out of qualitative and quantitative data capture via a data capture form obtained from a representative sample of LAs will commence in Spring and take place throughout the summer.

Key outputs / Deliverables:

Sept 2023  Dec 2024

LA costs – data capture phase 1 (work in progress)

1. First Pilot to co-create the data capture form (October – Dec 2023)

- Engage with 4 authorities to collect data
- Qualitative data collected: service organisation, frequency of emptying, how collections are scheduled, any seasonal variances, arrangements with parish councils and any relevant communications activities.

| Data Category | Quantitative Data | Cost Data |
|-----------------|--|--|
| Frontline Staff | FTE to deliver the service, including roles and grades – operatives and supervisors % of time spent on street bins/ground litter/other | Annual staff costs |
| Fleet | Number and type of vehicles used by the service % of time spent on street bins/ground litter/other | Annual fleet costs including capital and operational costs |
| Equipment | Number of street bin equipment (bin bags, bin keys, etc.) used per year | Annual equipment costs |
| Infrastructure | Numbers and types of bins in use (e.g., smart bin, recycling, residual, dual bin) Number of bins replaced per type and per year | Capital costs (e.g., bin purchase costs, bin installation costs) including depreciation period and operational costs (maintenance, IT system for smart bins) |
| Overheads | Staff overheads (management, HR, IT, etc.), facilities overheads (depots, sorting facility, etc.) and other overheads (IT management system, comms, etc.) % to apply on street bins/ground litter/other | Overhead costs |
| Tonnages | Recycling and residual tonnages collected % tonnages from street bin/ground litter/other | Gate fee/material income |

LA Costs – data capture phase 2 (work in progress)

2. Second pilot to test the draft data capture form (December 2023 – March 2024)

- Engage with a second set of four authorities to test and revise the capture form

3. Wider LA Engagement (March 2024 – August 2024)

- Engage with another 32 authorities to collect data
- First step of the engagement will be a call with each authority to introduce the form and avoid any ambiguity on what is required
- Data validation
- LA sign-off
- Effectiveness and efficiency assessment.
- Metrics are being developed as part of the efficiency and effectiveness guidance project and will feed into this task.

Challenges & Opportunities

Challenges:

- Absence of published or previously collated data. There is currently no requirement for information about the design or performance of street bin services to be published, nor does any organisation (e.g. WRAP) collect detailed information about it. Consequently, there is no standardised method by which such data is already collected, and LAs will likely struggle to supply data.
- Integrated service. In many cases, local authorities' street bin services are integrated with and delivered as part of one or more other services, such as street cleansing, parks and gardens, dog waste, fly tipping clearance or beach cleaning services. In addition, there are also variations in operational delivery between (and within) authorities. Some street bins will be emptied as part of scheduled services, while others may be emptied only when full.

Opportunities:

- This project will attempt to unpick the intricacies in the data to provide a basis for apportioning fair pEPR costs across local authorities in the UK
- An initial pilot will help streamline the data gathering process and whilst the extension of full data collation across all LAs will represent an initial burden in the first year, it will help to bring some standardisation of approach and terminology and may allow some opportunities for authorities to find efficiencies.
- It should be noted that there is provision in the regulations for obligated producers to meet the costs of data gathering indefinitely; therefore, detail from this study could help support common / standardised data management system and/or approaches.

The Projects – 3. Binned Waste Composition and Weight

Summary: The composition and weight project will quantify the amounts, types and costs of managing packaging waste placed in street bins managed by local authorities (LAs). This includes work to gather data on:

- **Weight** – weighing of street bin waste to inform modelled calculations for binned waste produced by each LA in the UK
- **Composition** – obtaining the weighted composition of street bin waste (with a focus on the proportion attributable to packaging materials), produced by each LA in the UK
- **Determining the Number** - of certain ‘commonly binned items’ (whilst also identifying possible new commonly binned items).
- **Cleanliness** - the contractor will be required to develop a simple form of assessment (for England only) to provide understanding of the extent of packaging that has not been disposed of in a street bin but potentially could have been (for example, due to bin overflow). Street cleanliness (such as is categorised in the Code of Practice for Litter and Refuse - may be relevant for this assessment."

Key outputs:

January 2024



May 2025

The Projects - Quality Assurance & Peer Review

Summary: QA of the in-field measurement exercises, audit of measurement data, peer review of methodologies and reports including audit fieldwork and data, critically review methodology and data analysis, and peer review the findings from cost and composition and weight projects.

Key outputs:

Sept 2023  May 2025

Example Questions stakeholders are helping us with

- Are we asking the right questions in understanding LA costs for binned waste?
- What are the key factors influencing efficiency and effectiveness in delivery of binned waste services?
- Are we designing the waste comp work in a sensible way, testing our assumptions etc?
- What information do key people in the supply chain need to know at what points, what are their interests likely to be etc? to support that engagement and help this land well.
- Is littering rate a measure of effectiveness?
- Is there an effective number of street bins? Crucially do more bins = more waste
- Does provision for large public events need to be included and what does effective provision for large public events look like?
- If collection frequency (and timing) for street bins is a clear driver of cost. What frequency and timings should producers be paying for?
- Can Street bin types determine effectiveness: size, vandalism resistance, compaction, sensor bins, contamination
- Are recycling street bins effective and should they be used as an effectiveness measure?

Next steps

- Initiate the composition study – first fieldwork planned for spring/summer this year
- Collect as much data as we can on costs from a selection of LAs (March)
- Please engage!
- Get in touch if you can offer any support – cprenquiries@defra.gov.uk marked for attention of Jo Keegan

Implementation of Weekly Food Waste Collections

APSE – Waste Management,
Refuse Collection & Street
Cleaning

16 January 2024

Debbie Nesbitt
Specialist, WRAP

The WRAP logo is displayed in a dark blue, lowercase, sans-serif font. The letters 'w', 'r', and 'a' are connected, and the 'p' has a distinctive shape with a loop at the top. The logo is positioned on a light teal background that forms a large, irregular shape in the bottom right corner of the slide.

Aims of this session

Understand the procurement challenges

WRAP has been engaging with manufacturers and suppliers to understand what could help alleviate capacity issues in relation to procurement

Standardised specifications

Food waste vehicle specification

Food waste containers and communal housing specification

Overview of procurement guidance

For LA officers who have a role in procuring, implementing, and delivering the requirements to provide a weekly food waste collection service from all households.

Background - Manufacturers

- WRAP has been actively engaging with manufacturers and suppliers since early 2020 on the Resources and Waste Strategy requirements.
- Key challenges to build the necessary volume of collection infrastructure included
 - Uncertainty of the order numbers & timescales,
 - Administrative challenges faced by the sector since leaving the European Union,
 - Shortages of skilled labour,
 - Covid pandemic
 - Ukraine war affecting the supply chain and
 - Increasing price of goods and services.



Background - LA Engagement

- Surveys
- LARAC Workshop
- Workshops with Worcestershire LAs and Lancashire LAs
- Test groups of LAs
- Potential solutions to procurement barriers were presented at LARAC workshops and LAs voted on their preferred solutions

Barriers - Ranked by LAs

- Funding
- Politics
- Other policies: EPR and Simpler Recycling
- ~~When does this need to be done by?~~
- Planning permissions and environmental permitting
- Procuring containers and vehicles
- LA Infrastructure (e.g. depot, WTS)
- Existing / future contracts: How does this fit?
- AD and processing capacity
- Container distribution
- Staff (Front line, Back office)
- Two tier arrangements

Weekly Food Waste Requirements

- **New requirements for collections of food waste from:**
 - Households: by 31 March 2026 – unless a transitional arrangement applies.
 - Businesses and non-domestic premises: by 31 March 2025
 - Micro firms (less than 10 FTE employees) by 31 March 27.
- **New Burdens capital transition funding for food waste collection vehicles and containers**
- **New Burdens transition resource funding**
- **New Burdens ongoing costs being calculated and still to be confirmed.**

Table 1 New Burdens Funding for food waste collections

| Local Authority weekly food waste collections in place ★ | Prior to 31 st March 2023 | From 1 April 2023 onwards |
|---|---|---|
| Capital transition cost funding (Containers and Vehicles) | No | Yes ★ |
| Resource (revenue) transitional cost funding | No | Yes ★ |
| Ongoing resource cost funding | Yes, from 1 April 2026 onwards when the food waste collection obligation comes into force | Yes, from 1 April 2026 when implemented |

★ Local authorities with separate food waste collections will receive capital and revenue funding if expanding their current service (broadly on a pro rata basis to reflect the cost of expansion).

Timeline Funding Summary

Some Common Questions and Answers

When will capital new burdens funding be available to LAs?

2023/24 financial year

Defra informed LAs of allocation 9 January 2024

When will revenue new burdens resource transitional funding be available to LAs?

Aiming to notify LAs early in 2024/25 FY and to be paid in same year.

Not confirmed when LAs will be notified.

When will ongoing resource / revenue costs funding be available to LAs?

Paid from 1st April 2026 (when requirement takes effect). and will be provided to all waste collection authorities, including those that have already fully implemented a food waste collection service.

When will LAs receive EPR funding?

End of 2025 for the FY 2025/26.



Supports identified to alleviate challenges

| Support | Aim | Impact | Status |
|---|---|---|--|
| Procurement Guidance | One-stop-shop for procurement info & data on frameworks | Save time deciding on route to procurement | ✓ Complete – available on WRAP website |
| Standardised specifications for containers & vehicles | Encourage the more widespread use of standardised specifications | To allow manufacturers develop a quicker build process. | ✓ Complete – available on WRAP website |
| Business Case Development Guidance | Facilitate LAs to undertake the business case development work 'in-house' | LAs avoid external consultancy costs associated with what, in most instances should be a relatively straightforward business case | In development Anticipated to be published April 24 |
| Procurement Pipeline Database | Transparent database so LAs can see flows through frameworks, suppliers commitments & procurement status of other LAs | Potential to joint procure if a small LA and on same timeframe as others. Potential to see delivery timelines for supplies etc. | In development Anticipated 'go-live' date April 24. |

Supplementary Procurement Guidance



Intervention - Good Practice

1. Collaborate on procurements - email policysupportevidence@wrap.org.uk
2. Opt to use industry standard specifications
3. Use established frameworks
4. Plan for longer lead in times
 1. Engage with manufacturers
 2. Place orders as early as possible
5. When it comes to vehicles, review short-medium term hire solutions



**SPECIFICATION OF
SPECIALIST FOOD
WASTE COLLECTION
VEHICLES**

Supplementary Procurement Guidance

Appendix 2: Framework Detail

Professional Buying Organisation (PBO) Details - Vehicles

| PBO | CCS Crown Commercial Services | | | ESPO Eastern Shires Purchasing Organisation | NEPO North-eastern Purchasing Organisation (in partnership TPPL) | YPO (formerly Yorkshire Purchasing Organisation) | TPPL The Procurement Partnership Limited | |
|--------------------|---|--|---|--|--|--|---|--|
| Type | Vehicles | Vehicle Lease | Vehicle Hire | Specialist Vehicles | Vehicles | Vehicles | Vehicles | Vehicle Rental / Hire |
| Name of Framework | RM6244 - Purchase of Standard & Specialist Vehicles | RM6268 - Vehicle Lease, Fleet Management & Salary Sacrifice Car Scheme | RM6265 - Vehicle Hire Solutions | FW 215_20 – Specialist Vehicles | NEPO224 HGV & Specialist Vehicles Acquisition | Framework 1170 Purchase, Lease and Hire of Specialist Vehicles | Vehicle Purchase Framework <12.5t (TPPLHCCOP03) | Vehicle Rental/Hire Framework (TPPLCSKL02) |
| Scope of Framework | Lot 6: Refuse Collection and other Waste Management Vehicles (Rear Loaders, Side Loaders, Front Loaders). | Lot 2b: Lease of commercial vehicles 7.5 tonnes and over | Lot 3: Hire of HGVs from 7.5T and Above | Lot 1 Refuse Collection Vehicles (RCV's) | Lot 1: OEM chassis 12.5ft – 44t including spare parts and maintenance contracts | Lot 1 - Purchase and Lease of Refuse Collection Vehicles 18T and Under | Lot 3: Medium Commercial Vehicles <12.5t | Lot 3: Light and Medium Commercial Vehicles <12.5t |
| | Lot 10: Conversion of Bespoke and Specialist Vehicles | | | | Lot 2: Vehicle conversions up to 44t including spare parts and maintenance contracts | | | |

Supplementary Procurement Guidance

Professional Buying Organisation (PBO) Details – Containers and Liners

| PBO | YPO | | | ESPO <u>ESPO</u> (formerly Eastern Shires Purchasing Organisation) | | EPH (Essex Procurement Hub) | | KCS Procurement Services |
|---------------------------|---|---------------------------|---|---|--------------------------|---|--|---|
| | Container | Liners | Containers | Containers | Liners | Containers | Liners | Containers |
| Name of Framework | Recycling Products - 1063 | Compostable liners - 1013 | Plastic Wheeled Bins including Distribution / Collection Services - 1040 | Refuse and Recycling Products (including Wheeled Bins) FW 860_22 | | EPHF21-002 Refuse supplies | | Wheelie Bin & Kerbside Recycling Containers <u>Y23004</u> |
| Scope of Framework | Lot 2 - Supply of food waste containers (caddies). Distribution included. | | Lot 1 - Supply of Wheeled Bins including Distribution/Collection Services | Lot 1A Supply of Plastic Wheeled Bins (2 Wheeled) | Lot 9 Compostable Liners | Lot 5 Food Waste Plastic Caddies (includes new caddies, replacement parts and collection of end-of-life caddies) | Lot 1 - Single-use Plastic Refuse/Recycling Sacks, Box Bags & Caddy Liners (inc. virgin material, 30% and 100% recycled content) | Lot 1 – Supply of wheelie bins and containers (includes compost bins, food waste caddies and containers, kerbside recycling boxes, plastic palette boxes, waste housing units and wheelie bins) |
| | Lot 3 - Supply of other recycling products (excludes plastic wheeled bins, steel wheeled bins, compostable bags, refuse sacks, litter bins and PE caddy liners). Distribution included. | | Lot 2 - Distribution/Collection Services only | Lot 7 Supply of Food Waste Containers (Caddies) | | Lot 7 Wheeled Bins – Plastic (includes bins made of virgin material and recycled content, replacement parts and collection of end-of-life bins) | Lot 2 - Single-use Compostable Refuse/Recycling Sacks, Box Bags & Caddy Liners (made with vegetable materials or paper) | |
| Start Date | 01-Jun-21 | 01-Jun-2020 | 01-Apr-2021 | 01-Feb-2022 | | 06-Dec-2021 | | 01-May-2023 |
| End Date | 31-May-25 | 31-May-2024 | 31-Mar-2025 | 31/01/24 with extension option to 31-Jan-2026 | | 05-Dec-2025 | | 30-April-2027 |

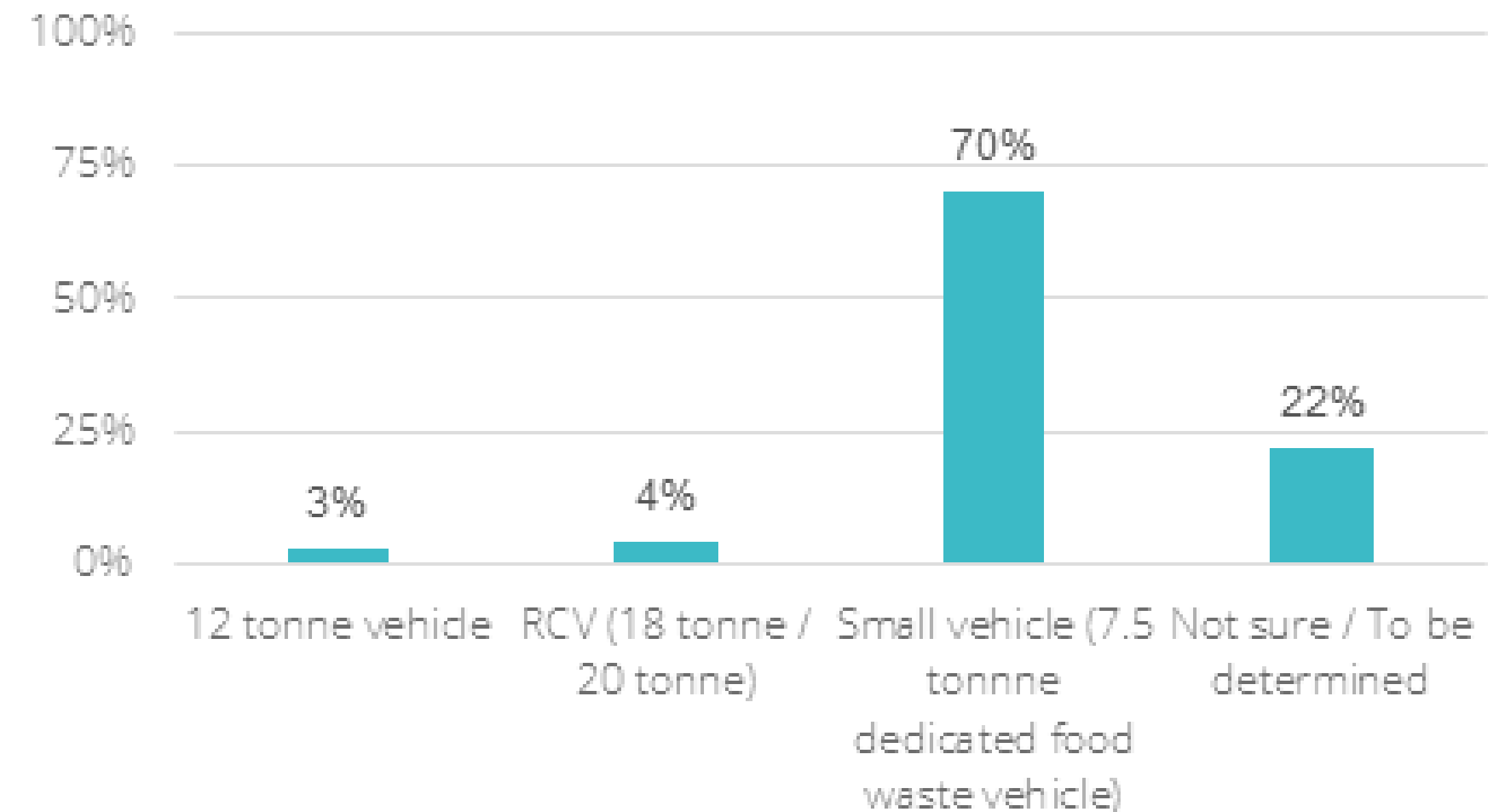
Standardised Specifications

Survey to inform specification development

- 74% operate in-house collections
- 96% of respondents needed new food waste collection vehicles to implement weekly food waste collections
- Most respondents (70%) indicated that they would be looking to use a small dedicated 7.5 tonne food waste vehicle
- Over one-fifth (22%) were yet to make a decision on vehicle choice.
- Limited interest in using larger vehicles (7%)

Local Authority Engagement

Which vehicles will you use for weekly food waste collections



Standardised Specifications

The specification is an open-source document and can be used freely by local authorities and procurement hubs; its use is entirely voluntary. For example, it can be used by:

- Local authorities to secure local converters to manufacture chassis procured.
- Professional buying organisations and framework suppliers to ensure a greater range of suppliers so that less experienced converters have a clear steer to produce similar products.
- Manufacturers and local authorities to specify a standard product – creating a level playing field for suppliers to quote against and avoiding delays from potential specification changes.

Vehicle Specification supported by:



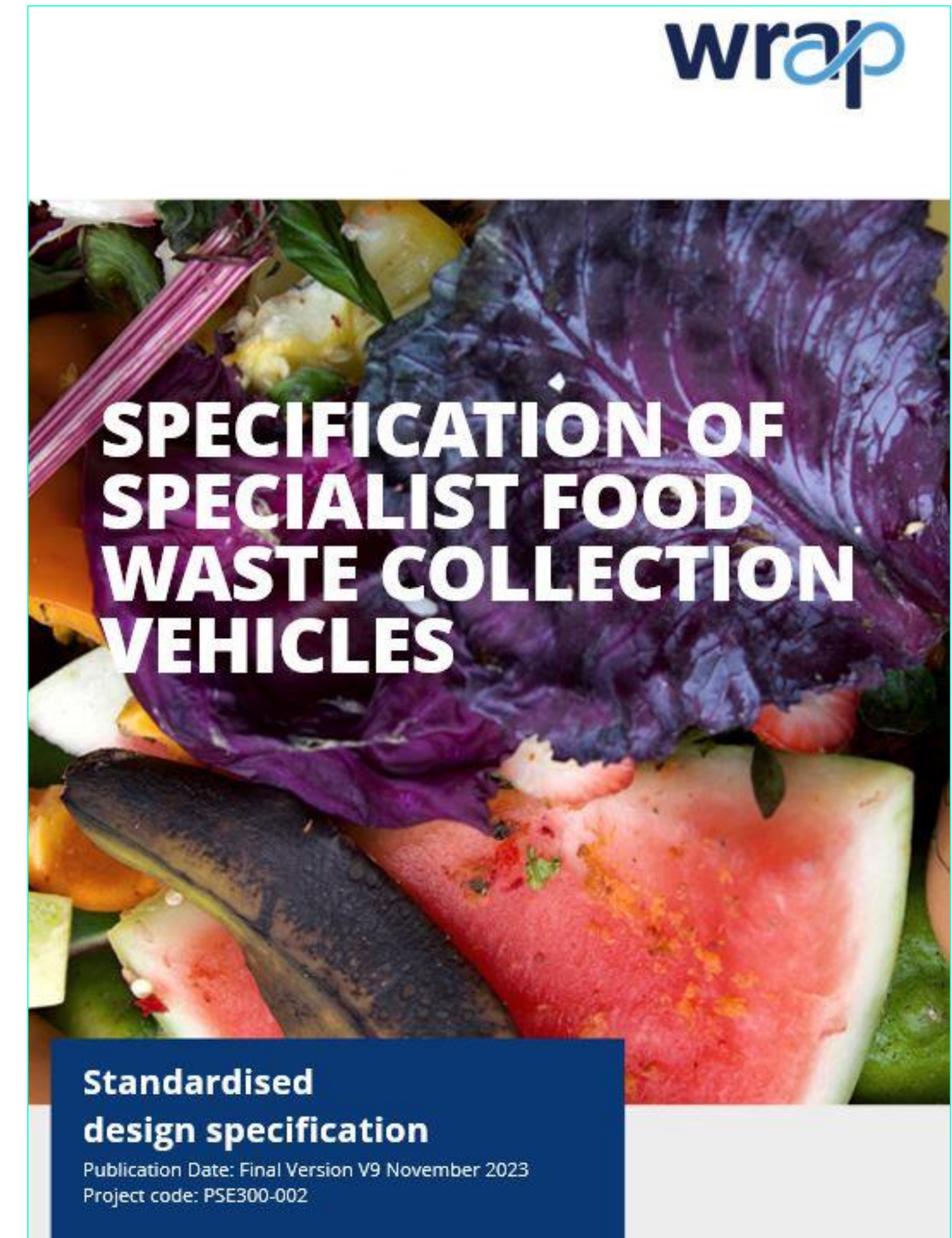
Container Specification supported by:



Standardised Specification

The specification provides the following:

- A single pass dedicated food waste collection vehicle.
- Supports chassis sizes from 7.0 to 14 tonne GVW.
- Single collection chamber.
- Includes lifting equipment.
- Can accommodate support bins / troughs.



Standardised Specification

The specification provides the following:

- Kitchen and kerbside caddies for street-level households;
- Kitchen caddies, wheeled bins and bin housing units for communal settings
- Kitchen caddies – 5 litre and 7 litre
- Kerbside presentation caddy - 23 litre
- Communal wheeled bins – 2-wheeled bin 120 to 240 litre and 4- wheeled bin to 440 litre
- Grey/ black / brown / green
- Min 40% post-consumer material
- Dedicated food waste housing units – metal or rigid plastic, fixed, easy/hands-free opening



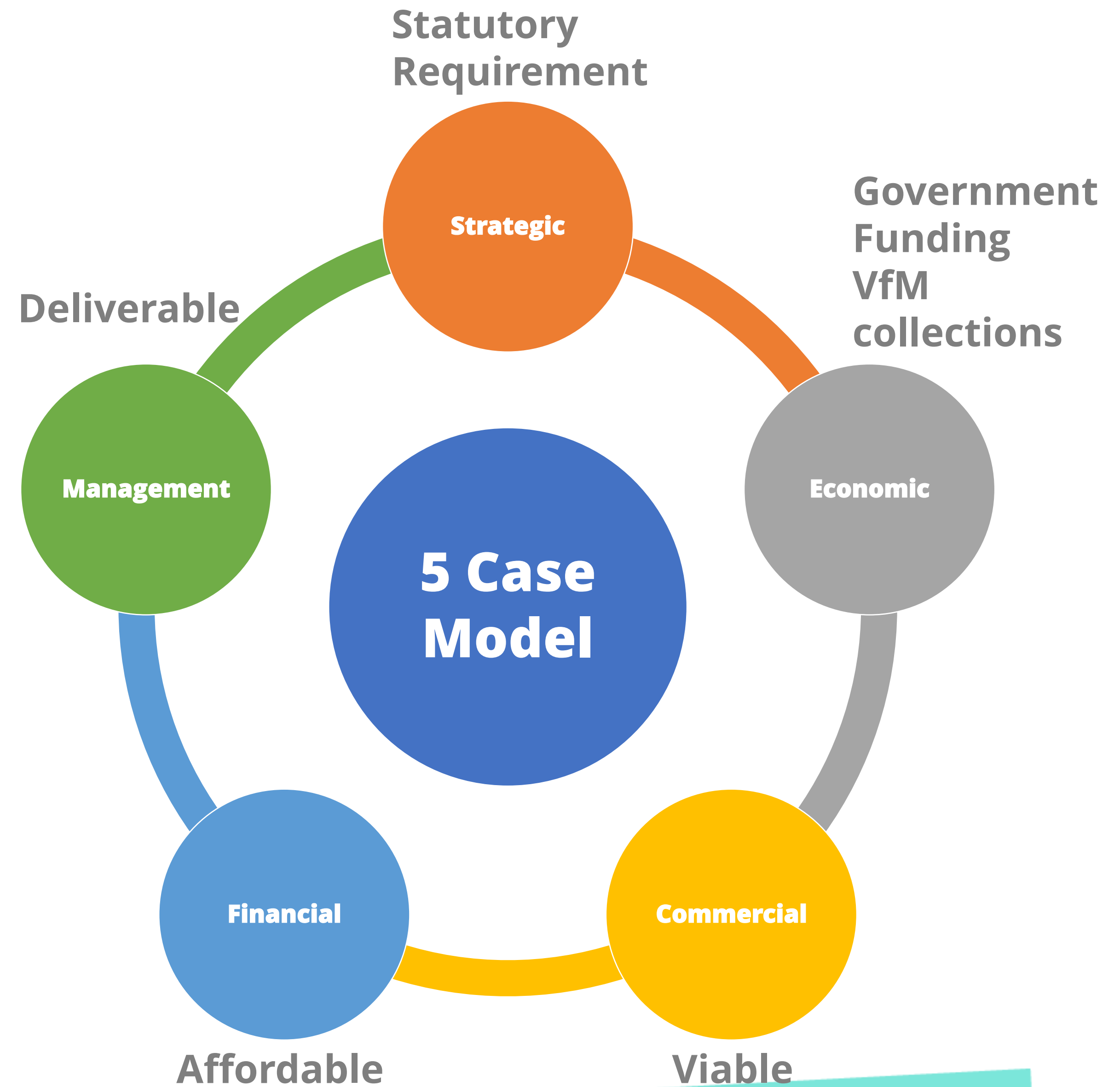
Business Case Guidance Document

The guidance will consider the requirements to determine:

1. The economic impact assessment
2. Strategic and policy impact assessment
3. Environmental impact assessment
4. Operational impact assessment
5. Staffing impact assessment
6. Traffic impact assessment
7. Community impact assessment

Provide templates for LAs etc

Seeking LAs to help us test this guidance and to ensure it will be informative and of use to LAs



Procurement Pipeline Database

WRAP-hosted interactive database

Gives LAs transparency over orders committed

Allows LAs see who else might be coming to the market – to joint procure

Information about LA activity

Updated regularly with information gained from PBOs.

Seeking LAs to help us test this project and to ensure it will be informative and of use to LAs



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