

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COMMUNITY SERVICES COMMITTEE

Agenda Item No. 10

meeting date: 11TH OCTOBER 2016
title: PREPARATION FOR REFUSE AND RECYCLING COLLECTION SERVICES
FROM 2018 (REPORT NUMBER 2)
submitted by: DIRECTOR OF COMMUNITY SERVICES
principal author: PETER McGEORGE

1 PURPOSE

- 1.1 To inform Members of the implications for the current refuse and recycling collection services following the withdrawal by Lancashire County Council of Cost Sharing payments from April 2018, and:
- 1.2 To present Members the options available for dealing with mixed paper and cardboard, that may in part mitigate the loss of income from Cost Sharing payments.
- 1.3 Relevance to the Council's ambitions and priorities:
 - Community Objectives – To increase the recycling of waste material.
 - Corporate Priorities – To be a well managed Council providing efficient services based on identified customer needs.
 - Other Considerations – To protect and enhance the environmental quality of our area.

2 BACKGROUND

- 2.1 At the last meeting of this Committee on 23 August 2016, Members were reminded that the withdrawal of the Cost Sharing agreement by Lancashire County Council from April 2018 will leave this authority with a budget shortfall of £430,340 per annum, based on current service provision.
- 2.2 The report further explained that officers are exploring a range of options that may in part mitigate the budget shortfall and that they would present a preliminary report focussing on one or more of the options to each meeting of this Committee over the next 12 months.
- 2.3 The first option presented to Members at that meeting considered the impact of the introduction of a charge for the collection of garden waste. The report outlined the issues around the collection of garden waste including a survey of other authorities of a similar rural nature who had already introduced a subscription based garden waste collection service for residents. Although it was demonstrated that the introduction of charges for garden waste would be unlikely to address fully the financial shortfall arising with the withdrawal of Cost sharing payments in 2018, it did indicate that this was one measure that could help bridge the funding gap if required. The report concluded that it was most

likely that a package of measures would be required to address the financial problem that would enable a reasonable level of service to be retained for residents.

- 2.4 Members have been previously advised that waste collection authorities have a duty under Regulation 13 of the Waste (England and Wales) Regulations 2011(amended 2012) to collect **waste paper**, metal, plastic and glass separately. The Regulations do not prohibit the co-mingled collection of these materials, rather they established separate collection as the default and it is for the local authority to demonstrate that separate collection is not necessary or practicable in their area. Committee endorsed the outcome of the Necessity test and the Technical, Environmental, Economic and Practicable (TEEP) test carried out by officers on 1 September 2015 (Minute 202).
- 2.5 The development of the Waste Technology Parks resulted in the claim of exclusivity by Lancashire County Council for all our collected waste streams with arrangements for this material to be bulk transferred from our Waste Transfer Station to their treatment facilities. These arrangements did not include paper and cardboard as our Waste Transfer Station was only designed to accommodate residual/general waste, garden waste and co-mingled dry recyclate. We have always disputed the County Council's demands and claims for compensation for retaining paper and cardboard. An issue that needs to be addressed when considering future options for dealing with this waste stream.
- 2.6 Prior to entering into the Cost Sharing agreement, this authority was responsible for sourcing a market for the sale of the paper and cardboard collected kerbside. When this service was taken `in house` our collection vehicles delivered their loads direct to a waste paper merchant located in a neighbouring authority and not to the Waste Transfer Station. Whilst we retained the income for the material the County Council paid us a lower rate of recycling credit payment.
- 2.7 One of the conditions to enter Cost Sharing was that the County Council would agree to an arrangement whereby this authority retained paper and cardboard. This was however, subject to the loss of value of the paper and cardboard being deducted from the annual Cost Sharing payment. The value of the deduction would vary based upon the actual monthly income received by this authority from the sale of the material.
- 2.8 It is still unclear what long term plans County have for their Waste Technology Parks where most of the treatment facilities have been `mothballed` with only the material recycling facility (mrf) currently operational. Changes to the destinations for the treatment / disposal of the waste streams should not affect this authority for the material collected from our waste transfer station. However officers are concerned about the implications of the possible closure of the mrf for our current service provision. Officers will continue to press County officers on their intentions for dealing with our waste streams.

3 Options for dealing with mixed paper and cardboard

- 3.1 The total net budget for our waste paper collection service for 2016 /2017 is £125,600 and the loss/ withdrawal of this service would result in the reallocation of overheads to other services of £29,920 as shown in the table below.

Description	Budget Original Estimate 2016 /2017
Totals	£125,600
Employee Related Expenditure	£100,730
Transport Related Expenditure	£102,400
Supplies and Services	£101,470
Support Services	£28,670
Depreciation and Impairment	£4,800
Other Grants, Re-imbursements, Contributions	-£105,320
Customer and Client Receipts	-£107,150

3.2 There are a number of options that officers are exploring for dealing with mixed paper and cardboard that may offer savings or generate income for this authority. This report provides a brief outline of each of these options but Members are advised that even at these early stages there are many risks and uncertainties which may yet affect the decisions to be made by Committee in due course.

3.3 Options:

a) Continue with the dedicated collection service and continue to pay the County Council

Discussions have yet to be undertaken with the County Council on how they expect us to deal with our paper and cardboard following the termination of the Cost Sharing agreement. County officers have made it clear that we cannot expect any further payments or agreements at the end of the current Cost Sharing arrangement in 2018. This option has no benefits associated with it.

b) Continue with the dedicated collection service and retain income from the sale of the material.

The County Council may still claim exclusivity for the material. Waste paper prices have always been unstable and as such long term income is not guaranteed.

c) Continue with the dedicated collection service but change frequency of collection.

For example, reducing frequency to monthly may free up some resources.

d) Integrate separate paper collection into 3 stream collection arrangements using split bodied collection vehicles

This would require changes to the frequency of collection to one or more of the current waste streams.

This could result in the net savings and reallocation of overheads as shown in paragraph 3.1.

A review of vehicle capabilities and the operational impact on current workloads will be required.

e) Cease the separate collection of paper and card

There are two options:

- i) No further segregation / recycling of this material by placing in residual waste bin.
Need to undertake TEEP assessment.
- ii) Mix with current co-mingled waste stream or determine new co-mingled waste stream.

Both these options may require increasing the size/capacity of the wheeled bins which would incur significant capital investment and may potentially result in savings in staffing.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – None at this stage although the driver for this review is the loss of £430,340 annual income from 2018. One or more of the options could require changes to the collection fleet and the provision of larger wheeled bins. At this stage we cannot anticipate the response of the County Council and what impact their demands for dealing with paper and cardboard may have.
- Technical, Environmental and Legal – Any proposed changes to current arrangements will require a legal review.
- Political – None at this stage although the withdrawal of this service would not be popular.
- Reputation – None at this stage, but Members should be minded that this is a very popular and well supported service provided by this authority.
- Equality & Diversity – eg No implications identified.

5 CONCLUSION

5.1 Even if Committee were minded to abandon this separate service, the savings would not independently address the deficit created by the withdrawal of Cost Sharing payments in 2018. This report does seek to demonstrate that a contribution to the savings required might be found from this area.

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DIRECTOR OF COMMUNITY SERVICES

BACKGROUND PAPERS

Community Committee Reports:

Preparation for Refuse and Recycling Collection Services from 2018 – 23 August 2016
Options following the withdrawal of recycling credits - 13 January 2015

Minute 495

The Implications for Ribble Valley following the decision by Lancashire County Council to mothball their waste treatment facilities at Farington and Thornton – 15 March 2016
Kerbside Collection of mixed food and garden waste – 15 January 2013

Waste Management Files

The Environmental Protection Act 1990

The Controlled Waste Regulations 2012

TEEP

For further information please ask for Peter McGeorge, extension 4467.