

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COMMUNITY SERVICES COMMITTEE

Agenda Item No.

meeting date: 29 AUGUST 2017
title: PREPARATION FOR REFUSE AND RECYCLING COLLECTION SERVICES FROM 2018
submitted by: DIRECTOR OF COMMUNITY SERVICES
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1 PURPOSE

- 1.1 To remind 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,
- 1.2 To present Members with the recommendations of your working group regarding the options previously presented that would introduce alternative arrangements for the recycling of all our recyclable and compostable waste streams.
- 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 This report follows five preliminary reports that were presented to this Committee so far. Each report focussed on one of a range of options available to this authority that may in part, help mitigate the budget shortfall of £430,340 per annum,(based on current service provision), as a result of the withdrawal of the Cost Sharing agreement by Lancashire County Council from April 2018.
- 2.2 A summary of each of the proposed preliminary reports already presented to this Committee are outlined below:
- 2.3 Charging for garden waste collections (Report 1 – 23 August 2016) considered the impact of the introduction of a charge for the collection of garden waste. It 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 Options for dealing with mixed paper and cardboard (Report 2 – 11 October 2016) provided a brief outline of a number of options for dealing with mixed paper and cardboard that may offer savings or generate income for this authority. Members were also advised that even at these preliminary stages there are risks and uncertainties which may affect the decisions to be made by Committee in due course. The report also explained the background behind the current arrangements for dealing with mixed paper and cardboard under the Cost Sharing agreement and the claim of exclusivity by the County Council for this material. The report covered the Council's regulatory responsibilities for the segregation and recycling of all dry recyclable materials which includes paper and cardboard. The report concluded that 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, but it did demonstrate that it might contribute to the savings required.
- 2.5 Changes to refuse collection frequency and/or changes to recycling collection frequencies (Report 3 – 10 January 2017) outlined options available for changes to refuse collection frequency and /or changes to recycling collection frequencies. The report did not examine in detail the model of each change in frequency option that could be applied to the refuse and recycling collection service but gave an overview of the most likely operational implications such changes would present. It also highlighted that adopting many of the models for change in frequency of collection may require significant capital investment to replace the collection vehicle fleet and/or to provide householders with larger wheeled bins and/or additional containers. The report concluded that the implications of changing the frequency of collection are complex as many would require significant capital investment, overall financial benefits would not be immediately evident; however the report did seek to demonstrate that a contribution to the savings might be found from this area.
- 2.6 Mothballing of the Waste Transfer Station (Report 4 – 14 March 2017) outlined options with regard to mothballing of the waste transfer station or alternatively passing back the responsibility to the County Council to operate the facility as ultimately this is a waste disposal function. It explained the difficulties acquiring the information necessary to provide Members with sufficient guidance as to the savings the mothballing of the waste transfer station may generate. It explained that the Director of Community Services was to meet with the County Council to seek information on their future plans that might clarify future responsibilities and arrangements for dealing with collected waste streams. The meeting has taken place with a separate report included within this agenda.
- 2.7 Prior to the development of the County Waste Technology Parks, districts determined their individual recycling collection arrangements and sourced outlets/ markets for the collected material. Additionally districts were entitled to claim statutory recycling credits from the waste disposal authority. (As reported previously to this Committee, Lancashire County Council offered Cost Sharing payments as an alternative to recycling credits to which we have recently entered into the agreement)
- 2.8 By working in partnership with the County Council it was considered unnecessary to use statutory powers to make the long term arrangements for introducing sustainable waste management as set out in the Municipal Waste Management Strategy for Lancashire. This unfortunately has allowed the County Council to subsequently withdraw their financial support through Cost Sharing for the costs incurred by districts in providing segregated collection systems. Legal Counsel's advice was sought on whether we could challenge the County Council decision but there was no guarantee of success if we took the matter to court.

2.9 Whilst the County Council continue to operate the Material Recycling Facility within the Farington Waste Technology Park, they are continuing to claim exclusivity for all our waste streams.

3 THE WASTE MANAGEMENT WORKING GROUP

3.1 Since it was created at the last meeting of committee on 16 May 2017, the working group has met three times, on 7 July, 12 July and on 8 August, 2017. At the meeting on 12 July, the group agreed the content of a letter to be sent to LCC's portfolio holder for Waste Management, County Councillor Albert Atkinson and to LCC Leader, CCllr Geoff Driver. The group also asked the Director of Community Services to send a similar letter to his opposite number at County Hall. The group considered CCllr. Atkinson's reply at their meeting on 8 August, but no reply has been received from LCC officers.

3.2 In light of all the information available, the working group set about evaluating the options previously considered by Committee. Members recognised that, because of decisions made previously, there was not as much room for manoeuvre as the Council would have liked. The decisions made over a prolonged period by LCC appeared ill-considered and regardless of their impact on the collection authorities. It was also recognised that LCC continue to position themselves as the lead authority in looking at future waste management developments, with their preference being declared at a Lancashire Waste Partnership meeting on 27 July, 2017 for districts to combine to form three large collection authorities that would cover the whole of the county. This would, of course, require uniformity of service standards and so must, inevitably, lead to the introduction of fortnightly, three-weekly, or even monthly collection cycles.

3.3 It is unclear whether the Material Recycling Facility (MRF) will remain operational in the long term as the County Council explore their options for treatment of waste in Lancashire. Market forces may also influence their decision on the future of the MRF as the materials saleable value reduces. As explained earlier in the report it has been difficult for your officers to gather the information from the County Council to assist with our planning post April 2018 and to provide accurate financial information on each of the options.

3.4 There are a number of options to change how we deal with the recyclable / compostable waste streams we recover, each with significant risks and rewards, which are covered below:

- a) Cease the separate collection of paper and cardboard, and collect in the burgundy wheeled bin.

This was one of the options for dealing with this material in Report 2, 11 October 2016. Whilst it demonstrated that it would contribute to the savings required, the report did explain that we would need to undertake TEEP assessment. It is also worth noting that the County Council would lose the income from the sale of the material and also at current rates would need to find an additional £243k to pay for its disposal. Officers are uncertain what steps the County Council would or could take if Members chose this option.

It is also worth noting that such a move would be unpopular with our residents who have keenly supported this service and would have a significant impact on our recycling performance rate.

An alternative approach would be simply to **continue the service after April 2018 and retain the income** from the sale of the paper and card. This option would retain the valued service and the retention of income would, we anticipate, fund the continuation of the service.

- b) Introduce charges for the kerbside collection of green waste.

The group debated the likely unpopularity of this measure at some length. The original report to Committee accepted that many households would not choose to subscribe to the service and, although in theory the green waste from non-subscribing households should remain outside of the residual waste stream we should expect that at least some proportion of it will find its way into the burgundy bins. The level of charging discussed was £30 per household per annum (assuming one bin only per household). On the basis of those assumptions and a take-up of 50% of those properties that currently receive a green waste service, the projected income was £244,200 per annum before any potential gate fees are taken into account. (If the other 50% of green waste found its way into the residual stream and thence to landfill, there would be significant financial implications for LCC, of course).

- c) Review the operation of the Waste Transfer Station, located within our depot at Salthill.

The group took advice on whether it was a realistic option to simply 'mothball' the facility in the same manner that LCC has 'mothballed' some of its recycling facilities that were built as part of the ill-fated PFI scheme. But bearing in mind the minimal compensatory payments offered by LCC for having to tip away from the borough (£0.38 per tonne per mile, measured from a point 3 miles outside the borough boundary) this option was quite unattractive. The group felt, however, that the operation of the station was really a disposal function and that LCC should be asked to make a substantial contribution to its operation.

- d) Change frequency of collection.

This option has been covered in Report 3, and could be applied to any other option adopted. The implications of changing frequency are complex and the potential financial benefits would also be offset by the significant capital investment required. However, it quickly became clear that to accept this proposal would entail a very significant policy shift for the Council, and one that no Member could anticipate finding ANY public support for.

- e) Make alternative arrangements for the disposal/treatment of mixed dry recycle

The group considered this option but, given that we would have to source an outlet for the materials, set up contracts, arrange for haulage etc., whilst anticipating an objection from LCC and further arguments about whether recycling credits should be paid and at what level, the preference was to leave existing arrangements in place.

4 RISK ASSESSMENT

The approval of this report may have the following implications:

- Resources – Unknown at this stage. The driver for this review is the loss of £430,340 annual income from 2018, but it is difficult to evaluate the full resource implications until all the information has been acquired. Retaining the waste paper and card might contribute around £100,000 per annum at current values and charging for green waste might generate up to £244,000 (at a take-up rate of 50% and a fee of £30) if no gate fees are introduced. But it must be stated that we have no way of predicting the likely take-up of the service if charges are introduced. A take-up rate of 30%, using the same assumptions would yield only £146,000, for example. Income from statutory recycling credit payments, if reinstated, would realise more than the loss from Cost Sharing (assumed to be in the region of £55.93 pt x – 8033 tonnes per annum = £449k)
- Technical, Environmental and Legal – There is no certainty of success should the County Council decide to legally challenge the Council's decisions to change waste collection systems. We are not aware of any precedent set by the courts on similar disputes. We cannot anticipate the response of LCC, or changes that may be introduced as a result of our decisions. The risk of market fluctuations would affect whichever authority is responsible for sourcing markets for recycle.
- Political – There is no doubt that the issue of waste management has tested relationships between districts and LCC over recent years. As April approaches, those relationships could become even more strained. However, it is clear that local councillors are certain that residents in Ribble Valley wish to retain a weekly collection of residual waste, so a move towards LCC's favoured collection model seems unlikely. The other measures suggested to mitigate the loss of funding from April next year may not be desirable, but may be politically acceptable locally, if it means that weekly collections can be protected.
- Reputation – None at this stage although any negative impacts as a result of changes would not be popular and may generate some negative reaction from residents.
- Equality & Diversity – No implications identified.

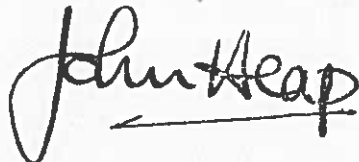
5 CONCLUSION

- 5.1 Without further information it is difficult to establish our legal position on several of the options covered within this report and also the extent of the savings and or income that each option may generate. But Members are asked to determine what measures from the range of options provided are acceptable as a way of mitigating the effects of LCC's decision to stop compensatory funding to districts, so that costs/income can be calculated as we prepare the Council's budget for 2018/19
- 5.2 The Waste Management Working Group did arrive at recommendations regarding the priority that should be afforded to each of the measures identified. In descending order of priority, they are:
- Leave collection arrangements in place for paper and card and retain the income
 - Consider introducing a £30.00 annual charge for the green waste collection service
 - Ask LCC to make a financial contribution to the operational cost of running the waste transfer station

- Seek to make modest savings by ceasing enforcement activity regarding the content of recycling streams and accept a change in policy to allow the rounds to pick up side waste left with the bins
- Leave arrangements for mixed, dry recycle as at present
- Do not change frequency of collection

6 RECOMMENDED THAT COMMITTEE

Consider the recommendations of the Waste Management Working Group and decide which, if any, changes to introduce from April 2018.



**JOHN HEAP
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BACKGROUND PAPERS

Preparation for Refuse and Recycling Collection Services from 2018 (Report Number 4) – 14 March 2017

Preparation for Refuse and Recycling Collection Services from 2018 (Report Number 3) – 10 January 2017

Preparation for Refuse and Recycling Collection Services from 2018 (Report Number 2) – 11 October 2016

Preparation for Refuse and Recycling Collection Services from 2018 – 23 August 2016

Options following the withdrawal of recycling credits – 13 January 2016

Minute 495

WRAP - A framework for Greater Consistency in Household Recycling in England

Waste Management Files

Waste Transfer Station (WTS) Salthill Depot, Clitheroe – 12 July 2005

Waste Transfer Station (WTS) Salthill Depot, Clitheroe – 11 January 2005