

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COMMUNITY SERVICES COMMITTEE

Agenda Item No. 7

meeting date: 23RD AUGUST 2016
title: PREPARATION FOR REFUSE AND RECYCLING COLLECTION SERVICES
FROM 2018
submitted by: DIRECTOR OF COMMUNITY SERVICES
principal author: PETER McGEORGE

1 PURPOSE

- 1.1 To advise Members on 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 advise Members that a number of preliminary reports will be presented to this Committee over the next twelve months, each focussing on one of a range of options available to this authority that may in part, mitigate this loss of income, and;
- 1.3 To present to Members one of the options which is to introduce a charge for the collection of garden waste.
- 1.4 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 Since the introduction of this Council's, three stream collection service we have always relied on either recycling credit or latterly Cost Sharing payments to help deliver the service.
- 2.2 A report was presented to Members of this Committee in January 2015, summarising a number of options available to this authority following the proposal by Lancashire County Council to cease statutory recycling credit payments from April 2015. Members were minded (Minute 495) to "approve a Cost Sharing Agreement, subject to satisfactory contractual agreement being reached, and delegated to the Chief Executive and Director of Community Services, in consultation with the Leader and Chairman of Committee, authority to negotiate the agreement with a view to concluding this matter to the benefit of Ribble Valley Taxpayers".
- 2.3 An acceptable contractual arrangement was reached with the County Council resulting in the signing of a three year Cost Sharing agreement, which commenced on 1st April

2015. Members are reminded that Lancashire County Council has also confirmed that Cost Sharing payments to all districts will be withdrawn and these will cease at the end of our agreement on 31st March 2018.

2.4 The Cost Sharing payment arrangements to Ribble Valley are as follows:

	2015/16	2016/17	2017/18	Total over 3 years
Cost Sharing Income	£430,341	£430,341	£430,341	£1,291,023
Green Waste Processing	Inclusive	Inclusive	Inclusive	Inclusive
Income Sharing Payment (where applicable)	Additional actual £259	Additional est £259	Additional est £259	Additional est £777
Paper and Card Payment Offset	Actual Deduction £70,098	Estimated Deduction £90,340	Estimated Deduction £90,340	Estimated Deduction £250,778
Indicative Retained Balance under Cost Sharing	£360,502	£340,260	£340,260	£1,041,022

Members are therefore advised that the withdrawal of the Cost sharing agreement will leave this authority with a budget shortfall of £430,341 per annum based on current service provision.

3 ISSUES

3.1 Officers are currently exploring a range of options that may in part mitigate the budget shortfall the main of which are listed below:

- Charging for garden waste collections
- Options for dealing with mixed paper and cardboard
- Changes to refuse collection frequency although officers are aware that this would not be Members choice
- Changes to recycling collection frequencies
- Alternative arrangements for the recycling of all our recyclable / compostable waste streams
- Cessation of the collection of one or more of the recyclable / compostable waste streams

3.2 Over the next 12 months a report specifically focussing on one of the above options (not necessarily in list order) will be presented to each meeting of this Committee up to and including August 2017, following which a decision by Members will be sought.

3.3 Members are advised that even at this early stage of discussions, it is predicted that none of the options would provide the sole solution to meet the financial shortfall.

3.4 Whilst the principal driver for evaluating the options is to provide an accurate estimate of the financial benefits, there are other equally important factors that officers have to take

into consideration that may affect the success or outcome of each option. These are as follows:

- Statutory legal requirements - Since 2010 waste collection authorities in England and Wales have had a duty under Section 45 of the Environmental Protection Act 1990 to arrange for the separate collection of at least two types of recyclable waste from households. In addition Regulation 13 of The Waste (England and Wales) Regulations 2011 (Amended 2012) requires waste collection authorities from 1st January 2015, to collect waste paper , metal, plastic and glass separately (four recyclable materials) which required this authority to undertake Technical, Environmental, Economic and Practicable (TEEP) assessment of their co-mingled collection arrangements against these requirements.
- Reputational issues – Negative changes to services are not generally welcomed by householders and would most certainly affect their opinion of the Council and in all likelihood reduce the level of support / involvement in the changes.
- Operational considerations – Changing the frequency of collection and /or the method of collection system may offer savings but may also require investment if changes to collection vehicles and changes to wheeled bin sizes are required.
- Unknowns – Lancashire County Council are the waste disposal authority with statutory responsibility for the provision of treatment / disposal facilities for the waste collected by the Lancashire districts. The recent “mothballing” of their Waste Technology Parks has raised uncertainty on how and where our waste streams will be dealt with in future. Many of the waste disposal authority’s decisions have an impact on how districts provide their services, as we have recently experienced with the instruction to remove food waste from our green wheeled bins. The County Council is currently undertaking soft market testing of all their waste facilities and is aware of the urgency to provide districts an early indication of their future plans so that these can be considered in the changes that we must make due to the withdrawal of Cost Sharing payments.

3.5 **Option to charge for the collection of Garden Waste.**

3.6 Under the `Controlled Waste Regulations` 2012 the Waste Collection Authority (Ribble Valley Borough Council) can make a charge for the collection of garden waste.

3.7 As part of this Council`s early initiatives (2003) to improve our recycling services and accordingly improve our recycling performance, households in the Ribble Valley were provided with a limited number of bio-degradable sacks for a free kerbside collection of garden waste. As we extended our fleet of twin bodied collection vehicles and introduced the three stream collection service, the sacks were replaced by a 140 litre wheeled bin. The decision to use the smaller wheeled bins was in part due to the County wide initiative providing householders with free home compost bins. The Council recognised that the collection of garden waste was a discretionary service and that smaller bins would serve as a waste minimisation exercise encouraging householders to consider how they deal with the waste they produced.

3.8 In 2012 we received £750k funding through the Weekly Collection Support Scheme grant. The funding was awarded to replace two, twin bodied refuse and recycling

collection vehicles and to provide larger (240 litre) green wheeled bins to householders in gardened properties for the recovery of food waste alongside garden waste for composting. It was decided that the provision of a larger green wheeled bin would be on an `opt out` basis. **Members are reminded that as a result of the `moth balling` of the Waste Technology Parks and the decision to cease the treatment of mixed food and garden waste by the County Council, that from 1st July 2016 householders in the Ribble Valley can no longer place food waste in their green wheeled bin.**

- 3.9 Over the last few years an increasing number of Councils have introduced charges for garden waste collection due to increasing pressure on local authority budgets and range between £20 - £69 per annum, but is typically between £25 - £35.
- 3.10 Implementation of charging on a subscription (opt-in) basis means that only those residents that choose to use the garden waste collection service pay for it. It can be argued that this is a fairer system for local taxpayers particularly for residents in terraced properties , flats etc who do not produce garden waste and it also follows the `producer pays` principle.
- 3.10 Officers have surveyed other authorities with a similar rural nature who have already introduced a subscription based garden waste collection service for residents, the results of that survey are attached in Appendix A.
- 3.11 Whilst the majority of authorities provide a standard 240 litre wheeled bin, Richmondshire district council provides a 140 litre with the reduction in capacity reflected in their subscription charges. All the authorities allow residents to pay for additional wheeled bins with most offering a small discount on the extra bins. All collect fortnightly and interestingly no authority provides an all year round service, with most suspending the service during the months of December and January. All surveyed provide a separate collection service for garden waste and so suspension of the service would present some operational savings. As we collect garden waste through an integrated collection system suspension of the service may not provide any direct financial or operational benefits, although this will be examined in more detail as decisions are made.
- 3.12 A subscription service is likely to see a reduction in the number of households using the service and consequently a reduction in the Council`s overall recycling rate performance. Feedback from the survey has shown that take up is particularly low when the scheme is initially introduced, participation rates do improve steadily from year two of the scheme although even then most are still only achieving between 40% - 50% participation. In a national survey undertaken by Waste Resources Action Programme (WRAP) the highest participation rate recorded was 65% of gardened properties. It is difficult to predict what extra demand there may be from Ribble Valley residents to pay for additional bins collected so officers can only calculate the benefits of the scheme using one bin per household. There are approximately 16,280 properties with gardens within the Ribble Valley generating 3885 tonnes per annum of garden waste for composting. A comparison of the estimated benefits of charging for the collection of garden waste against participation can be seen in Appendix B. For the purpose of this exercise officers have used two of the common subscription charges (£25 + £30) to calculate potential income based on participation rates. Although the Lancashire districts are awaiting clarification from the County Council on their long term treatment plans there is still some

uncertainty whether or not they intend to pass on the gate fees for the treatment of garden waste so estimated gate fees have been included. The figures highlighted in each table are a reasonable estimate of what participation / benefits could be expected by this authority by introducing a charge for collection and at best will only cover 50% of the loss of Cost Sharing payments leaving an estimated deficit of over £270k.

- 3.13 The optimum charge required to cover the total loss of Cost Sharing payments based on a 40% participation rate would be approximately £66.00 per bin per annum.
- 3.14 The net financial benefits provided in Appendix B do not include the likely costs to administer the scheme such as staffing, stickers for bins, letters, postage, publicity etc and subject to the outcome of the overall exercise these areas will need to be examined further.
- 3.15 Again subject to the outcome of the final decision by Members there are other technical and operational issues that would need to be addressed.

4 RISK ASSESSMENT

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

- Resources – None at this stage although a fuller evaluation to include the issues in 3.14 and 3.15 will be required subject to the decisions made by Members on the conclusion of all the reports in August 2017.
- Technical, Environmental and Legal – There is no legal requirement to collect garden waste on any implied frequency and under Schedule 2 of the Controlled Waste Regulations it is classified as a type of waste for which a charge can be made.
- Political – None at this stage although the introduction of charges for a service provided free since 2003 would not be popular.
- Reputation – None at this stage although the introduction of charges could generate resident dissatisfaction resulting in a reduced participation of the service.
- Equality & Diversity – eg No implications identified.

5 CONCLUSION

5.1 Although this report demonstrates that the introduction of charges for garden waste would be unlikely to address the financial problem arising from the withdrawal of Cost sharing payments in 2018, it does indicate that this is one measure that could help to `bridge the funding gap`.

5.2 Over the coming months, officers will present a suite of measures for consideration by Committee, with a view to arriving at a package of measures that address the financial problem whilst retaining a reasonable level of service for residents.

PETER McGEORGE
WASTE MANAGEMENT OFFICER

JOHN HEAP
DIRECTOR OF COMMUNITY SERVICES

BACKGROUND PAPERS

Community Committee Reports:

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.

REF: Author/typist/committee/date

SURVEY ON AUTHORITIES CHARGING FOR GARDEN WASTE COLLECTIONS

		CRAVEN	NORTHUMBERLAND	RYEDALE	RICHMONDSHIRE	WYRE
1	Size of bin	240	240	240	140 litre	240
2	Additional bins / sizes	tbc	No – but can pay for more	Sacks – but can pay for more	No but can pay for more	Yes but all charged same rate
3	Charge per bin	£26	£28	£37	£20 + £12 for each additional	£30 + £25 for each additional
4	Discounts	No	No	No	No	No
5	Length of scheme	4 years	2010 authority wide	tbc	3 Years	May 2016
6	Was garden waste collected prior to charge?	tbc	Yes dependant on area	tbc	Bin free but offered chargeable sacks for excess	Yes in chargeable sacks
7	Gate Fee	tbc	Yes but built into PFI contract	No	No	No
8	Participation rate per annum	Tbc - offered to 55% of gardened properties	2010/11 - 19000 / 145382 2011/12 - 19610 / 145382 2012/13 - 20738 / 147010 2013/14 - 21306 / 148000 2014/15 - 22760 / 148000 2015/16 - 23791 / 148000	tbc	2014/15 – 41.5% 2015/2016 – 43.75% 2016/2017 – 41.9%	50% on properties 80% based on number of bins
9	Tonnage rate per annum	3400 t	2010/11 – 7861 t 2011/12 – 7341 t 2012/13 – 7839 t 2013/14 – 7490 t 2014/15 – 8830 t 2015/16 – no data	tbc	71.9% collected	No data
10	Annual Collection charge/ participation rate	2013 / 2014 - £24	2010/11 - £20 2011/12 - £21 2012/13 - £22 2013/14 - £23		£17 in years 1&2 £20 year 3	No data

		CRAVEN	NORTHUMBERLAND	RYEDALE	RICHMONDSHIRE	WYRE
			2014/15 - £24 2015/16 - £26 2016/17 - £28			
11	Is this a dedicated collection service?	Yes	Yes	Yes	Yes	Yes
12	Collection schedule	20 collections March - November	20 collections March - November	20 collections March - November	(March – November) 1 collection in January for Xmas trees	22 collections February - November
13	Collection frequency Has this changed?	Fortnightly - No	Fortnightly - No	Fortnightly - No	Fortnightly - No	Fortnightly - No
14	What do you use to identify householders on scheme?	Tag to attach to bin handle	Proof of pay sticker and collection sheets issued to crews	Proof of pay sticker and collection sheets issued to crews	Plastic Sticker for bin. Outside company charge £1 per bin to administer scheme	Stickers on bins and use bartec
15	Is there an annual cost to administer the scheme?	£20k per annum	Administration exceeds £10 per bin but other costs absorbed	tbc	See above	Yes but absorbed in revenue budgets
16	Do you have collection protocol?	Yes	Yes	Yes	Yes	Yes
17	Do you remove unwanted bins?	tbc	Yes on request	Yes	Yes and charged £10 for householders own use	Yes
18	Do you have a communication plan?	tbc	Yes	Yes	No - internal printing costs	Yes Cost shared with LCC
19	Have you experienced operational issues?	tbc	No	tbc	No	Overloading of bins

		CRAVEN	NORTHUMBERLAND	RYEDALE	RICHMONDSHIRE	WYRE
20	Have you seen an increase in requests for new bins?	tbc	No	tbc	No	Yes – replacement for split /damaged bins
21	Do you charge for any other service?	tbc	Bulky Household	tbc	Bulky Household	Bulky Household

ESTIMATED BENEFITS BY CHARGING FOR GREEN WASTE COLLECTION

Key: Gardened properties = 16280

Annual Tonnage = 3885

Take up		Income @ £25 per bin	Estimated Gate Fee @ £25 pt		Operational	Net Benefit
16280	100%	£407,000	3885 t	£97,125.00	0	£309,875.00
14652	90%	£366,300	3496.5 t	£87,412.50	0	£278,887.50
13024	80%	£325,600	3108 t	£77,700.00	0	£247,900.00
11396	70%	£284,900	2719.5 t	£67,987.50	0	£216,912.50
9768	60%	£244,200	2331 t	£58,275.00	0	£185,925.00
8140	50%	£203,500	1942.5 t	£48,562.50	0	£154,937.50
6512	40%	£162,800	1554 t	£38,850.00	0	£123,950.00
4884	30%	£122,100	1165.5 t	£29,137.50	0	£92,962.50

Take up		Income @£30 per bin	Estimated Gate Fee @ £25 pt		Operational	Net Benefit
16280	100%	£488,400	3885 t	£97,125.00	0	£391,275.00
14652	90%	£439,560	3496.5 t	£87,412.50	0	£352,147.50
13024	80%	£390,720	3108 t	£77,700.00	0	£313,020.00
11396	70%	£341,880	2719.5 t	£67,987.50	0	£273,892.50
9768	60%	£293,040	2331 t	£58,275.00	0	£234,765.00
8140	50%	£244,200	1942.5 t	£48,562.50	0	£195,637.50
6512	40%	£195,360	1554 t	£38,850.00	0	£156,510.00
4884	30%	£146,520	1165.5 t	£29,137.50	0	£117,382.50