

ORIBBLE VALLEY BOROUGH COUNCIL REPORT TO COMMUNITY SERVICES COMMITTEE

Agenda Item No.

meeting date: 16 MAY 2017
title: PREPARATION FOR REFUSE AND RECYCLING COLLECTION SERVICES
FROM 2018 (REPORT 5)
submitted by: DIRECTOR OF COMMUNITY SERVICES
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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,
- 1.2 To present Members with options focussing on making 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 is the fifth of a number of preliminary reports that are being presented to this Committee up until August 2017. Each report focusses 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 impose 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 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 Options for dealing with our recyclable / compostable waste streams

3.1 As with the previous report there are currently many unanswered questions to which the answers are critical to the decision making process. As explained in Report 4, District officers tabled a list of questions to the County Council in October seeking information on their future plans for the mothballed Waste Technology facilities and whether any incentives will be offered to districts in continuing with current arrangements. Those and other relevant questions remain unanswered due to the Director of Community Services for Lancashire County Council suggesting that there was little to be gained from providing a county wide response but writing to all district Chief Executives offering to meet with individual districts to discuss the future arrangements for the transfer and transport of waste at a strategic level. In order to consider a bespoke list of questions for this meeting we needed to consider whether the Heads of Terms for the Waste Transfer Station are still valid as a result of the decisions by the County Council to terminate their PFI waste contract and the mothballing of the of the PFI waste facilities. It is suggested that legal opinion is therefore also required to determine our position due to the changes being made by the County Council and on the issue of exclusivity for all our segregated waste streams.

3.2 Members are also reminded that this authority sought guidance from the Secretary of State following the decision by the County Council to withdraw payment of recycling credits. The Secretary of State considered it unreasonable for the County Council to expect the district collection authorities to stand the cost of providing segregated collection systems, whilst they profited from the sale of the collected recyclable materials.

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 for dealing 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.

- b) Add paper and cardboard in with the current co-mingled waste stream and pass on to the County Council to sort.

No incentives have been offered by the County council to sustain / improve levels of contamination, and any reduction in quality of material would result in lower saleable value and probably increase their disposal costs. Furthermore, the County Council has advised that the MRF at Farington was only designed to separate glass, cans and plastic bottles and would therefore be unable to deal with the addition of paper and cardboard. It is most likely that they would object to this option although we could argue that they should source a direct market for the full co-mingled waste stream. The potential savings for this option are much the same as those explained in option a.

- c) Add paper and cardboard in with the current co-mingled waste stream and source directly a market for fully co-mingled waste stream.

There are markets although limited in number, that accept fully co-mingled dry recyclable materials, although the saleable value is much lower as a result. It is most likely that the County Council would object to this move as they consider they have exclusivity rights to all our waste and also would lose the income from the sale of the recyclable material. This option offers one the greatest benefits to Ribble Valley as we could make savings from the paper and cardboard collections, make statutory recycling credit claims and gain income from the sale of the material although this is subject to market fluctuations. Any benefits would be offset by the costs of bulk hauling the material to the market / outlet.

- d) Stop providing all the collected dry recyclate (incl. separately collected paper and cardboard, co-mingled glass, cans and plastic) and garden waste to the County Council and source our own markets / outlets.

As in option c above it is most likely that the County Council would object to this move as they consider they have exclusivity rights to all our waste and also would lose the income from the sale of the recyclable material. This option again offers one the greatest benefits to Ribble Valley as we would be entitled to claim statutory recycling credit and income from the sale of the material would be much better due to the improvement in quality although this is subject to market fluctuations. As also above, any benefits would be offset by the costs of bulk hauling the material to the market / outlet.

- e) Change frequency of collection.

This option has been covered in Report 3, and can be applied to options a, b, c and d, however the implications of changing frequency are complex and the potential financial benefits would also be offset by the significant capital investment required.

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. It is currently difficult to evaluate the full resource implications until all the information has been acquired. Taking responsibility for the sourcing of material markets / outlets will require bulk haulage arrangements to be made from the council's waste transfer station, which on a positive note officers have previously organised.

Technical, Environmental and Legal – There is no certainty of success should the Council decide to legally challenge the County Council's claim for exclusivity for all our collected waste streams. We are not aware of any precedent set by the courts on similar disputes. Additionally we cannot anticipate the response or changes that may be introduced by the County Council as a result. The risk of market fluctuations would affect whichever authority is responsible for sourcing the markets however any income would be of benefit to this authority as we currently do not receive any compensation other than Cost sharing payment. Income from statutory recycling credit payments 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)

- Political – None at this stage.
- Reputation – None at this stage although any negative impacts as a result would not be welcomed or popular and may generate negative reaction from residents.
- Equality & Diversity – eg 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.
- 5.2 This is the final preliminary report of a number of reports presented to Committee exploring a range of options available to this authority that may in part help mitigate the budget shortfall due to the withdrawal of the Cost Sharing Agreement. At the next meeting of this Committee on 29 August 2017, Members will be requested to determine what measures from the range of options provided to introduce, so that costs/income can be calculated as we prepare the Council's budget for 2018/19.

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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

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