

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COMMUNITY SERVICES COMMITTEE

Agenda Item No. 11

meeting date: 8th JANUARY 2018
title: INCOME IMPLICATIONS OF WASTE PAPER AND CARD FOLLOWING APRIL
1ST 2018
submitted by: J. HEAP – DIRECTOR OF COMMUNITY SERVICES
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1 PURPOSE

1.1 To inform Members of the current situation with regard to waste paper and card collection and Lancashire County Council's financial arrangements following the end of Cost Sharing arrangements from April 1st 2018.

1.2 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 authority had to bring in a loss of income of £430,340 per annum into its budget with effect from the current financial year following the end of the Cost Sharing Agreement.

2.2 One of the conditions to enter Cost Sharing was that the County Council agreed to an arrangement whereby this authority retained paper and cardboard. This was however, subject to the 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.

The Cost Sharing Agreement finished on April 1st 2018 and the arrangements for the paper and card finished with it.

2.3 Since April 1st we have retained the income received for the paper and card. Based on past prices, the budget allows for income from the retained paper and card of £47,600. Unfortunately the "market price" for waste paper has reduced substantially with some months the value being a negative sum. Total income received to the end of November has been only £7,148.

2.4 Now Lancashire County Council has recently contacted this Council asking why the payments have not continued to be sent following April 1st. LCC believe that they have exclusive rights as the Disposal Authority for all materials collected on their behalf by the

District Collection Authorities. This has been duplicated by a number of County Disposal Authorities throughout the country.

3 PROPOSED ARRANGEMENT FOR THE FUTURE

- 3.1 Following a series of emails between officers an offer has been made by Lancashire County Council where there would be a simple split of 50/50 on the income from the paper and card. In addition Lancashire County Council would be happy to guarantee a minimum income (i.e. share above a certain amount) and indemnify this Council of any costs in the event that income becomes a cost.
- 3.2 They have also stated that they would not be looking to claim anything from this year's "arears". This would be in keeping with the arrangements made with other districts
- 3.3 If paper prices were at the level seen when the current year's paper and card income was set, the council would see a fall in retained income of £23,800 as a result of this arrangement.

4 RISK ASSESSMENT

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

- Resources – Sharing the income with Lancashire County Council will obviously reduce this Council's expected income. However, by agreeing to share this Council will still receive an income. Based on the current budget, we would see a loss of income of £23,800. The budget reports elsewhere on the agenda have been prepared on the basis of this council retaining 100% of the income.
- Technical, Environmental and Legal – There is a possibility of challenging the right of exclusivity to the waste stream by LCC. However, other Disposal Authorities are also claiming this.
- Political – None at this stage.
- Reputation – None at this stage.
- Equality & Diversity – e.g. No implications identified.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Agree to the making of an agreement with Lancashire County Council for the shared (50:50) income from the sale of the waste paper and card.
- 5.2 Delegate the responsibility of agreeing the minimum income due to this council to the Director of Community services.

5.3 Ask the Head of Legal and Democratic Services to complete a legally binding agreement.

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HEAD OF ENGINEERING SERVICES

JOHN HEAP
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BACKGROUND PAPERS

Community Committee Reports:

Preparation for Refuse and Recycling Collection Services from 2018 – Report no 2 11th October 2018

For further information please ask for Adrian Harper, extension 4523.