

New Collection Scheme for the Waste and Recycling Service

Cabinet Member Cllr Neal Davey
Responsible Officer Waste & Transport Manager

Reason for Report: To consider and agree the recommendations for Cabinet on the Refuse and Recycling Collection Scheme commencing in October 2015. To receive an update on the plans for the roll out of the new scheme from the Project Board and budget.

RECOMMENDATION(S): That the PDG recommends to the Cabinet the following two recommendations:

- **The annual charges for a fortnightly collections of Garden Waste as set out in section 3 be adopted**
- **The Terms and Conditions set out in Appendix B be adopted**

Relationship to Corporate Plan: Maintaining front line services in the face of the ongoing funding cuts requires the redesign of services to enable them to continue to be affordable.

Financial Implications: The detailed costings for 2015/16 and on-going are shown in Appendix A. An estimated reduced on-going cost of £450,000 per annum is anticipated against the current budget for Refuse and Recycling.

The recommended scheme will also create an anticipated treatment and disposal savings of around £300,000 per annum for Devon County Council as the disposal authority. A mechanism to share this saving between the two authorities is currently being negotiated and will also be reported back at a future PDG.

Legal Implications: There is a duty to collect all household waste and four kerbside dry recyclates from 2015. The size and type of collection receptacles used, where they are placed and the frequency they are emptied, are all for the Council to decide. There is no obligation to collect from private roads or to collect garden waste. Garden Waste (discretionary service) is a material for which a charge to householders can be made for the collection.

Risk Assessment:

Members of the PDG have agreed that, without considering and implementing changes to service delivery, the Council will face the risk that it runs a service that is not affordable or will require deeper cuts to other services to support it. In order to mitigate service risks a trial of 1,000 properties has been undertaken and reported back to this committee previously.

A review of all service based risks has been completed and reviewed at the working group.

1.0 Introduction

- 1.1 At the Managing the Environment PDG meeting on the 18th November 2014, a list of recommendations were made to the Cabinet regarding the future waste collection scheme. A joint Officer and Member Project Board was also established to consider details of the scheme. During the Project Board meetings the budget, charges and terms and conditions of the garden waste collection scheme were considered and new recommendations made, which are outlined in this report.
- 1.2 This report sets out a fully costed budget (based on a range of assumptions) for the changes to the waste collection service. See Appendix A
- 1.3 This reports sets out the proposed charging rates for the garden waste collection scheme.
- 1.4 This report sets out a set of proposed terms and conditions for the garden waste collection scheme. See Appendix B
- 1.5 The report gives an update from the Project Board on the new scheme roll out.

2.0 Changes to the Waste Collection Service Budget

- 2.1 The updated and detailed budget can be seen in Appendix A. This shows the one off costs associated with starting the scheme, the revenue budget effect for 2015/16 and the on-going annual budget effect for Refuse and Recycling.
- 2.2 The One off costs include the purchase and delivery of new containers (green boxes, caddies and bins) and the literature which explain the scheme to all householders in the district. Both phase 1 and phase 2 will include two leaflets/cards.
- 2.3 The authority has undertaken a joint procurement exercise with Teignbridge DC for the supply of containers for the new scheme. These tendered prices have been used for the updated budget provided.
- 2.4 A quote for the new dual refuse collection vehicles (RCV) was obtained and used but could change once a formal tender is undertaken. These vehicles are more expensive than conventional RCV and therefore the capital programme has been altered also to reflect this. Most of this capital expenditure was already budgeted for to replace five of the existing RCVs.
- 2.5 To allow for the weekly collection of food waste and the additional recycling materials to be collected on the box scheme (cardboard and mixed plastic) an extra box collection crew was included in the budget. This could be optimistic for the volume of work and resource needed

but will need to be reviewed after the introduction of both phases of the new scheme. Likewise the amount of waste collected on black sack rounds could reduce enough to allow for the reduction in the number of crews on that service.

- 2.6 Provision has been made in the budget for the replacement of all containers over a ten year period. Any underspends in the early years will be placed in a sinking fund for latter years.
- 2.7 For budget setting purposes a charge of £47 per annum has been used with an estimated participation rate of 33% of households to predict income levels. This participation rate is critical to the financial feasibility of the scheme. Other authorities who have operated a free garden waste collection scheme and then introduced a charge have shown higher participation rates than those who introduce charges from the start. Each £1 reduction in the charge with this estimated participation rate will reduce the budgeted income by £11,666 per year.
- 2.8 Some of the figures used are estimates. For example the price gained by the authority for materials recycled can fluctuate up or down and the current market price for mixed plastic and cardboard has been used. The amount of material which will be put out for collection has been estimated using tonnage information from the trial and national averages for similar schemes. This tonnage estimate has also been used to estimate recycling credits payments from the County Council paid for avoiding disposal of waste in landfill at £54 per tonne.
- 2.9 It is estimated that the Disposal Authority (Devon County Council) could save over £300,000 per year. The Waste & Transport Manager has met with Devon County Council several times to discuss the scheme and estimated savings. The savings cannot be agreed before the scheme is introduced as it will be dependent on diversion rates which will be unknown. A proposed detailed savings sharing mechanism has been promised in the next month by DCC. The mechanism will be used, if agreed, by all authorities in Devon who propose changes which could provide savings for the disposal authority as a result. As these figures have not currently been agreed these savings have not been added to the budget at this point.

3.0 Proposed Charging Rates for the Garden Waste Collection Scheme

- 3.1 The proposed annual charge for a 240L wheeled bin is between £45-£47.
- 3.2 The proposed annual charge for a 140L wheeled bin is between £35-£37.
- 3.3 The proposed charge for a sack (120L sack includes sack and collection charge) is £1.30. It is recommended they are sold in rolls of 10 at £13 per roll.

4.0 Proposed Terms and Conditions for the Garden Waste Collection Scheme

4.1 Appendix B are a list of terms and conditions which have been considered and recommend by the working group having looked at similar schemes already operating.

5.0 Waste Project Group Update

5.1 Roll Out

Phase 1

Everything is now in place for all households to receive a green box and leaflet over a 7 week period from 1st June so they can recycle mixed plastics and cardboard from the box scheme.

Phase 2

Planning has now started for the second roll out phase of weekly food waste collections and a chargeable garden waste scheme. This will be rolled out over a 10 week period from 5th October. The additional recycling vehicle has been ordered and anticipated delivery is in September. All containers have been ordered.

5.2 Depot Alterations

The depot alterations to allow for the extra materials to be stored are almost complete and will be complete by the start of collections in June.

5.3 Vehicles

DCC have confirmed that food and garden waste material will be treated together at the existing plant until March 2017 due to contractual issues with their contractor. Therefore it is proposed that conventional RCVs are used to comingle the two waste streams until DCC arrangements have been resolved. Therefore a refit of the existing five RCVs or a short term hire will be used to collect garden and food waste together until March 2017. This will give the authority an opportunity to trial vehicles and review round productivity following the changes before it commits nearly a million pounds of expenditure.

5.4 Communication

A communication plan has been written which includes staff and member briefings, roadshows, parish talks, leaflets, primary school competition and press releases.

5.5 IT System

A system is being designed in-house to deal with the chargeable waste collection scheme which will be used by customer services. This will allow for payments and correspondence to customers.

5.6 Mixed Plastics

The cost of introducing the collection of mixed plastics was estimated to be £160,515 per annum. This cost was based on the additional resource needed to collect extra material on rounds and the loss of income from the higher valued HDPE material. The Council would receive additional recycling credits from the additional tonnage but this would be much lower than the loss of income. Officers are looking at the feasibility of changing the current bailing system at the depot to allow for the picking out of the higher values HDPE material from the mixed plastic and then selling it separately.

6.0 Conclusion

- 6.1 Clearly a lot of work has already been done in preparation of this strategic service change in order to provide a wider range of recyclates to be collected and to reduce the overall costs of the service by around £500k (about 20% of its current cost).
- 6.2 As one of the highest profile services to the public that the Council delivers we will provide further updates to the PDG in order to inform how these new changes are bedding in.

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Circulation of the Report: Cabinet Member, Management Team