

WYRE FOREST DISTRICT COUNCIL**CABINET**
24th NOVEMBER 2009**Future of Waste and Recycling Services and
The Joint Municipal Waste Management Strategy**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	A Sustainable Environment
CORPORATE PLAN AIM:	Reducing waste to landfill & increasing recycling
CABINET MEMBER:	Councillor Nathan Desmond
DIRECTOR:	Director of Resources
CONTACT OFFICER:	David Buckland Ext. 2100 David.Buckland@Wyreforestdc.gov.uk
APPENDICES:	Appendix 1 Details of Effect on Capital and Revenue Cost for Each Scheme

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present options in relation to the future waste and recycling strategy for the Council, following the recent investigations of the Waste Review Panel.
- 1.2 In addition, the Council has been contributing to the refresh of the Joint Municipal Waste Management Strategy, which is now presented for approval.

2. RECOMMENDATIONS

The Cabinet is asked to **RECOMMEND** to **COUNCIL**:-

- 2.1 That the Council should implement a revised method of collecting recyclable materials, in line with the recommendations from the Waste Review Panel;
- 2.2 That the principle of a paid for Green Waste Service be introduced to coincide with the new recycling arrangements;
- 2.3 That £1,942,500 be allocated within the capital programme. Delegated authority given to the Director of Resources in consultation with the Cabinet Member for Resources to identify the most prudent method of financing including identifying existing reserves or prudential borrowing;
- 2.4 The Joint Municipal Waste Management Strategy be agreed, subject to agreement with the County Council being reached on an adequate level of financial support being provided to all Worcestershire Districts to ensure the continuation of and improvement to recycling initiatives. The Director of Resources be delegated responsibility to undertake such negotiations in consultation with the Cabinet Member.

3. BACKGROUND

- 3.1 Following a report to Cabinet on 23 October 2008, and subsequently through the approval of the budget on 25th February 2009, a Waste Review Panel was established to consider the Council's future policy on the collection of recyclable material. The panel was open to all Members of the Council.
- 3.2 The Panel met five times between 19th May 2009 and 26th August 2009. The terms of reference for the review were:
- (a) To consider the County Council Joint Municipal Waste Management Strategy.
 - (b) To investigate and consider the potential methods of future collection for method for waste and recycling following the opportunity of collection of comingled recycling with the provision of the EnviroSort facility, with the view of achieving cost reductions of £300,000 as required within the Financial Strategy 2009/2012.
 - (c) To recommend which options should be implemented at Wyre Forest District Council.
- 3.3 Following the review and consideration of reports and evidence from Worcestershire County Council the following recommendations were made to Cabinet
- 1 The Council works towards the utilisation of the new "EnviroSort" facilities currently being developed by the County Council, with a view to increasing the range of materials available for recycling.
 - 2 The Council adopts the revised Joint Municipal Waste Management Strategy for Worcestershire as far as it is able to so.
 - 3 In line with recommendation 1 the Council implements a wheeled bin collection for recycling materials, where possible, and special arrangements be made for problem collections.
 - 4 In relation to the cost of collection, an alternate weekly service be implemented for recycling/residual waste, whilst acknowledging the need to retain existing special arrangements.
 - 5 Due to prohibitive cost restraints, the Council is unable to give support to the implementation of a food waste service at this time.
 - 6 In light of recommendation 5 the County Council be urged to review their decision to remove funding for sink waste disposal units.
 - 7 The Council implements a 'paid for' Wheeled Bin Garden Waste Service on a trial basis, and dependant upon initial interest, develops proposals to offer the service to either 5,000 or 10,000 households, on a cost recovery basis.
 - 8 An Implementation Plan, including details of communication of proposals to the public be developed as a matter of urgency, and reported to future meetings of the Cabinet.

- 9 Fully costed proposals in relation to the options listed above be included within the budget considerations for 2010/11 and beyond.
- 3.4 These recommendations were presented and accepted at the Cabinet meeting on 22nd September 2009, with the recommendation that a paper be prepared for consideration at a future meeting.
- 3.5 Cabinet welcomed the recommendations from the review panel and thanked the committee for their contribution.
- 3.6 In order to implement the new methods of working the Council will be required to make a significant investment in the infrastructure of the waste service which it is anticipated result in a net reduction in the annual operating costs.
- 3.7 The current vehicles which are being used for recycling activities are specialised “kerb-side sort” and are reaching the end of their economic life. The existing recycling vehicles would not be able to continue to be used for mixed recyclates. Six new vehicles at a cost of around £870k would need to be procured. The cost of the vehicles will need to be included within the Council’s Capital Programme. It was originally anticipated that new arrangements could be introduced as from 1 April 2010, however, given lead time in acquiring new vehicles the implementation will need to be delayed until at least June / July 2010.
- 3.8 The new vehicles will complement the existing refuse fleet and they will be interchangeable between the two services. The major benefit of this approach is to ensure that the number of spare vehicles that the Council retains is kept at a minimum, therefore contributing to increased operational efficiency and value for money.
- 3.9 In addition to the new vehicle requirement the Council will need to procure c. 45,000 240 litre wheeled bins. These would be green in colour to conform with the arrangements within the rest of the County. The estimated cost of these bins will be around £844k, again this sum will need to be included within the Council’s Capital Programme. There will be the option for householders to receive smaller bins and there will also be special arrangements in place for flats and terraced properties etc.
- 3.10 For both the vehicles and the wheeled bins an estimated useful asset life of 10 years will be considered, in calculating the depreciation to be charged.
- 3.11 It is anticipated that the on-going savings in collection costs are in the region of £300k pa which will significantly contribute to the Councils agreed efficiency savings strategy.
- 3.12 A significant issue however is the cessation of the Enhanced Recycling Grant from the County Council, which contributed £168k pa towards the Council’s costs. This scheme came to an end as at 31 March 2009, however, negotiations are on-going with the County Council to replace this with an incentive scheme that will provide continued support to the Council for its ongoing investments towards effective waste diversion and reuse schemes.
- 3.13 In relation to the green waste service, this recommendation is welcomed and it would be hoped for this service to be implemented to coincide with the new waste and recycling arrangements. This service will be implemented on a “paid for” basis,

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which will include a one-off payment (c.£20) for the procurement of a bin, along with an annual payment to cover the cost of collection (c.£30pa). Further details will be presented to a future meeting of the Cabinet.

- 3.14 In order to deliver this service additional wheeled bins (c.5,000) and an additional vehicle will be required. The Capital Cost of these acquisitions would be recovered from the one-off and on-going charges. However, an allowance of £229k would need to be allowed within the Capital Programme.
- 3.15 Taking advantage of the Envirosort facility (which is due to open in November 2009) will increase the range of recyclable materials which can be processed by the County Council. This alone should increase the overall recycling rate to around 30% for the District. This coupled with the move to include a "paid for" garden waste service should see this figure increase to over 40%, directly in line with the Council's key aims and priorities.
- 3.16 The Joint Municipal Waste Management Strategy (JMWMS) was first approved in 2004, and is required to be refreshed after 5 years. The Council has been working along side the County Council and the other Worcestershire Districts on developing this strategy. Consultation has taken place earlier this year and this has been included within the Strategy. A summary of the strategy is attached as Appendix A, and the full strategy can be found on the intranet and within the Members room.
- 3.17 The JMWMS is silent in relation to the costs of implementing the vision, and therefore separate negotiations are on-going with the County Council that will see the County contributing to and sharing the benefits of a closer working partnership.

4. KEY ISSUES

- 4.1 As mentioned above the target date for the implementation of the new arrangements will be June/July 2010. However, further details will be presented to a future meeting of the Cabinet which will include:
 - Project Plan detailing the major milestones required for implementation;
 - Progress of discussions with the County Council in relation to the proposed incentive scheme;
- 4.2 The proposed arrangements will reduce the number of rounds that the Council currently operates, and therefore the level of manpower required. It is estimated that this would mean a reduction in the manpower required of between 12 and 15 FTEs. It is anticipated that the introduction of the garden waste service will reduce the number of redundancies required following the introduction of this scheme, as will the reduction in the ongoing use of agency staff.
- 4.3 The Council is committed to closer working with the Worcestershire districts and the County Council. It is clear that it is in the interest of the Council to approve the new JMWMS, however, arrangements should also be in place to ensure that the most cost effective and environmentally sustainable methods of collection and disposal are utilised. It is anticipated that the discussions on the proposed incentive scheme will be in place before the commencement of the new collection arrangements.

5. FINANCIAL IMPLICATIONS

- 5.1 These have been identified within the report but can be summarised as follows:
- 5.2 Estimated cost of implementation
£870,000 – new recycling/refuse vehicles – CAPITAL
£843,750 – new wheeled bins – CAPITAL
- 5.3 Against this the Council is forecast to achieve savings of around £300k pa, net of the cost of financing. This is in line with the Financial Strategy 2009/12.
- 5.4 It should be noted however, as reported in the last budget monitoring report to the Cabinet, the Enhanced Recycling Grant has been ceased by the County Council which was contributing £168k pa towards the cost of the recycling arrangements at Wyre Forest District Council. This issue is still being discussed with the County Council and will be reported to a future meeting.
- 5.5 The cost of the proposed “garden” waste service would be met by those who opted to participate. It would be run on a cost recovery basis, with initial indications of a £20 one-off charge as a contribution towards the bin, along with a £30pa charge for the collection. This would be restricted to 5,000 on a first come first serve basis. If demand is significantly higher then the service could be extended to cover 10,000 properties.
- 5.6 The estimated cost of implementation for the green waste service is
£93,750 – new wheeled bins
£135,000 – new recycling vehicle.
- 5.7 The total gross capital contribution required is therefore £1,942,500, however, this is reduced to £1,842,500, taking into account the contribution from users for the green wheeled bins. This compares to the current budgeted amount of £1.1m within the 2010/11 budget for replacement refuse vehicles, a net increase of £742,500.

7. LEGAL AND POLICY IMPLICATIONS

- 7.1 There are no significant legal implications arising from this report.

8. RISK MANAGEMENT

- 8.1 The risks associated with this report are as follows:
- 8.1.1 The time required between the decision and the proposed implementation of the scheme is extremely challenging, the most significant issue relates to the lead time for the delivery of new vehicles. If this became an issue the Council could address this by leasing vehicles, however, this would be at an additional cost.
- 8.1.2 The availability of wheeled bins again has been a significant issue with limited supply and an increasing number of Councils across Europe introducing new recycling initiatives. The Council is planning to take advantage of a pre-arranged framework agreement to ensure compliance with EU rules and best consideration on price.

- 8.1.3 There is a risk that residents do not participate with the new arrangements. This will be addressed through a communication and education plan to coincide with the roll out of the new arrangements.
- 8.1.4 The most significant financial risk relates to support from the County Council to unpin the sustainability of the new arrangements. Models are being investigated and developed upon best practice nationally which would reward districts for the more waste which is diverted from landfill thereby saving the County at least £48 per tonne in Landfill tax.

9. EQUALITY IMPACT ASSESSMENT

- 9.1 The Council currently provides special services to support those most in need. The value of these extensions was appreciated by the Waste Review Panel. It is proposed that these will continue in any future waste service. If a full EIA is felt appropriate this will be completed following screening.

10. CONCLUSIONS/ACTION

- 10.1 This is the biggest proposed change to effect the collection of waste and recycling to affect the Council since 2003, when the Council introduced the box collection method. At the time this ensured that the Council led the way within the County in relation to the efforts on recycling, a position that until recently we have maintained.
- 10.2 These proposed changes will again ensure that our recycling is amongst the top performing authorities within the County and nationally. However, it needs to be recognised that this service is being closely delivered in partnership with the County Council and that benefits arising from the proposals are shared equitably.
- 10.3 In summary the proposal for the development of the waste and recycling service is both operationally and financial prudent.

11. CONSULTEES

- 11.1 Cllr John Champion, Leader of the Council
Cllr Nathan Desmond, Cabinet Member for Resources
Corporate Management Team

12. BACKGROUND PAPERS

Joint Municipal Waste Management Strategy
Cabinet – 23 October 2008
Financial Strategy 2009/12
Waste Review Panel – May to August 2009