

**Report of the Chief Executive**

**WASTE COLLECTION**

**1 Purpose of report**

This report sets out a number of current issues in relation to waste collection which need to be considered by members.

**2 Executive summary**

The report outlines a number of important matters related to the future of the council's waste collection services. It recommends the formation of a member working group to consider these issues in more detail. In addition members are asked to consider some more immediate decisions relating to some operational matters.

**3 Appendices**

Appendix A – Waste Collection Working Party – draft terms of reference.

**4 Proposed action:**

It is proposed that the committee **RESOLVES** to

- (a) **RECOMMEND** the setting up of a Waste Collection Working Group;
- (b) confirm that Wellingborough Norse should be requested to operate the Wollaston Household Waste Recycling Centre initially for a 12 month period from 1 April 2015;
- (c) agree to an additional garden waste collection in November 2015;
- (d) refer the development of a strategic approach to schedule 2 waste to the Waste Collection Working Group.

**5 Background and Discussion**

5.1 Members will recall that a verbal update was given at Resources Committee on 4 February 2015. This report follows on from that update.

5.2 At present the county council is the waste disposal authority (WDA) and the borough council is the waste collection authority (WCA). In these circumstances the relationship between the two authorities is closely interlinked. Changes in one affect the other. There is a Northamptonshire Waste Partnership Group which currently includes all the collection authorities in the county and the disposal authority. Two collection authorities have indicated that they will leave

this partnership group in the near future. The waste partnership is important in managing the relationship between the various authorities and it is a concern that this group will be incomplete or perhaps even cease to exist.

- 5.3 The county council, which for the purposes of this report will generally be referred to as the waste disposal authority (WDA) has severe financial pressures and as part of their recently agreed budget have said they will save £7 million pounds from their disposal costs in the new financial year. As reported verbally to the committee in February it is regrettable that the WDA did not feel able to discuss its budget proposals at an earlier stage with the WCAs and although discussions are taking place now in many respects the WCAs have been presented with a “fait accompli” which we now have to find a way of coping with. There are potentially severe financial difficulties for the collection authorities in general and BCW more particularly. These are outlined later in this report.
- 5.4 It is recommended that the best way to address the many complications here is to set up a member working group to consider all the issues and report back to Resources Committee in due course. Suggested terms of reference for such a group are set out in appendix A.
- 5.5 At present the refuse and recycling service operates on an alternate weekly collection system. This system was introduced as the “3 Ways with Waste” scheme in 2005. The whole borough has a residual (black) bin collection one week, and a recycling (green) bin collected the other week. The garden (brown) bin collection covers half the borough one week and half the next. The current garden waste service collection season runs from March to October. The current recycling performance is around 40%. The domestic waste collection service currently operates on a 4 day week (Tuesday-Friday). A review of this collection system is underway to establish what benefits might be achieved by adjusting the system, with a view to reducing vehicle costs and providing other efficiencies to accommodate future growth. Alongside the strategic challenges outlined above there are some aspects of the current service which need to be considered in this report. Details are set out below.
- 5.6 The WDA have indicated that they will close the Wollaston Household Waste Recycling Centre at the end of March 2015. Wellingborough Norse has been in discussion with the WDA and their current contractors about taking over the site in order to keep it open. Local people see the facility as a valuable service. The net cost of running the site for a year is estimated at £75,000. The major element of cost, some £60,000 per annum, relates to the cost of plant and equipment essential to operate the site. Wellingborough Norse may be able to increase income from the site which could reduce the net cost. Whilst it for Wellingborough Norse to decide whether or not to take on this additional role it is unlikely to be positive in cost terms, at least in the early stages, and may never be cost effective. The implications for BCW are that any loss will erode the profit share element of funding that comes via the Norse Joint Venture arrangement. The only way to properly test this is to operate the site for a fixed period, say 12 months, and reassess the position after a period of operation.
- 5.7 The council provides a garden waste collection service, the “brown bin” service.

In order to reduce costs, in 2011, a decision was made to reduce the collection season from 12 to 8 months. This means that the collection season runs from March to October inclusive. The rationale for this comes from data about tonnages collected in previous years. The weather and the seasons are of course variable and there have been requests for the collection season to also cover the month of November. The matter has been raised by members of the public and in various committee and council meetings. The estimated net cost of collecting for an extra month is approximately £12,000. This includes an assumption that around £10k of recycling credits continue. If members are minded to test this it is suggested that a trial could be run this year (November 2015) to see whether it would be cost effective to consider moving the collection season to say March to November rather than March to October. If the trial proves successful in terms of tonnages collected and the council wanted to permanently have 9 collections instead of 8 this would increase waste collection costs by £12,000 per annum and would need to be seen in the context of the difficult strategic position outlined above. Alternatively the whole collection season could be shifted by one month to April to November. If this happened the £12,000 would be a one off cost in 2015/16.

- 5.8 There is a further more immediate change being introduced by the WDA which relates to a technical aspect of waste collection and disposal known as schedule 2 Waste. DEFRA's 2009 review of the Controlled Waste Regulations 1990, which was aimed at addressing inconsistent interpretation by local authorities, resulted in new regulations which came into force on the 6 April 2012. Properties previously listed under schedule 2 of the Controlled Waste Regulations 1990 were those for which waste disposal was to be provided free by the WDA, but a collection charge could be made by the WCA at their discretion. Changes to the regulations means that residential homes, nursing homes, hospitals and schools can now also be charged for the disposal of their wastes, at the discretion of the WDA. In addition to this there are still properties that may be charged for collection only: charity shops, community interest and charity reuse premises, residential hostels and premises used wholly or mainly for public meetings.
- 5.9 Section 52(9) of the Environmental Protection Act (EPA) 1990, entitles WDAs to re-imburement by WCAs in relation to the costs incurred in arranging the disposal of commercial/industrial waste. The updated Controlled Waste Regulations clarify that section 52(9) of the EPA also applies for the disposal element of waste charges to those properties listed. The WDA have now confirmed that it is their intention to exercise their discretion to make a waste disposal charge to those property types listed in the new Waste Control Regulations from April 2015 (schools from September 2015).
- 5.10 The precise financial implications are difficult to fully quantify as the number of properties falling under the revised legislation have yet to be fully quantified, as do exact tonnages although initially Wellingborough Norse (WN) advise of an estimated additional £22k cost. In addition BCW would no longer receive recycling credits in respect of properties moving to Schedule 2 collections. The legislation allows for levying of collection and disposal charges 'at cost'. Should BCW wish to consider the introduction of a collection charge alongside the WDA disposal charge it would provide additional income to the council for a service

which in part is already being provided.

- 5.11 There are a number of options for responding to this schedule 2 issue and it suggested that the proposed member working group considers these in detail in the context of the wider strategic discussion.
- 5.12 Alongside all of the issues listed above WN and BCW continually strive to improve services despite the various constraints. An example is the current recycling improvement programme. This followed on from concerns expressed regarding the 2013/14 recycling performance figures. BCW and WN jointly investigated the causes for the relatively poor performance. A major contributory factor was poor quality of recycle, contamination and misunderstanding in relation to what can and can not be placed in the recycling bin. BCW and WN produced a campaign to better inform residents on these issues. The campaign included house to house visits, TV and radio coverage and a programme of educating, encouraging and assisting householders to recycle correctly. There were a small number of complaints regarding bins left that were clearly contaminated but on the whole the campaign has been met with positive feedback. In hindsight, the decision to embark on the campaign without pre-warning residents resulted in some frustration and negative response. However, ongoing education and information to residents is very important in maintaining and improving recycling rates. How this can most effectively be delivered is another area of work which needs to be developed within the overall service issues being considered.

## **6 Legal implications**

There are a number of legislative requirements relating to waste collection. Some of these are referred to in the body of the report. More detailed discussion of statutory requirements will take place in the proposed member working group should the committee agree to that proposal.

## **7 Financial value for money and risk implications**

- 7.1 The most significant risk outlined in this report is the proposed saving of £7 million by the waste disposal authority. It seems the only way such a saving could be achieved is by a significant change to the system of recycling credits. The potential financial risk to the Borough Council of Wellingborough is currently £461,000 per annum.
- 7.2 It has been suggested that a move to a combined waste collection and disposal authority could be a possible way forward. This creates a particular risk for the Borough Council of Wellingborough in relation to our joint venture arrangements with Wellingborough Norse. Waste collection is a significant element of the business and the entire operation could be placed at risk if that business is no longer available.
- 7.3 As outlined in this report there are three additional significant financial risks of up to £75,000 for a 12 month operation of the Wollaston HWRC and potentially a further £22,000 in relation to schedule 2 waste and around £12,000 for an

additional green waste collection cycle.

- 7.4 This gives the authority a total financial exposure of approximately £570,000. Alongside the potential risk to Wellingborough Norse it is clear that these matters are significant and appropriate options will need to be developed.

**8 Author and contact officer**

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**9 Consultees**

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**10 Background papers**

Various papers and correspondence held by the authors.



## **WASTE COLLECTION WORKING GROUP**

### **DRAFT TERMS OF REFERENCE**

#### **Purpose of Group**

To work with officers to consider all matters relating to waste collection and to develop a strategic approach for future service delivery.

#### **Membership**

The group will comprise of 7 members, 4 from the Administration and 3 from the Opposition parties. Members will be nominated by Group Leaders.

#### **Meetings**

The group will meet as necessary to consider all appropriate information in order to make recommendations to Resources Committee.

#### **Officer Support**

The group will be supported by the Chief Executive and the Operations Director of Wellingborough Norse.

#### **Outputs**

The Group will advise Resources Committee on:

- Future strategy in relation to waste collection services.
- Financial implications of changes to arrangements with the Waste Disposal Authority.
- Methods of increasing income in relation to waste collection.
- Collection of recycling and separation of waste streams.
- Renewing the waste fleet.
- Development of a strategic approach to the proposed changes to the arrangements for Schedule 2 waste.

