

REPORT FOR DECISION



DECISION OF:	CABINET
DATE:	18 SEPTEMBER 2013
SUBJECT:	Business Case for an Enhanced Recycling Service that Aims to Achieve a Household Waste Recycling Rate of 50% and Beyond.
REPORT FROM:	Cllr T Isherwood - Cabinet Member for Environment
CONTACT OFFICER:	Glenn Stuart – Head of Waste Management
TYPE OF DECISION:	EXECUTIVE (KEY DECISION)
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain.
SUMMARY:	The proposal is for a pilot project aimed at increasing the resource within the Waste Management Service to improve the Council's household recycling rate to at least 50%. Given the savings that can be achieved from diverting waste from landfill it is important we look closely at all opportunities to both drive costs down and meet wider environmental benefits. If the pilot is successful consideration will be given to mainstreaming the initiative.
OPTIONS & RECOMMENDED OPTION	<ol style="list-style-type: none"> 1. To approve the proposal as a 24 month pilot project, including approval of the regulatory policy and the capital & revenue spend. 2. To reject the proposal and maintain the status quo <p>The recommendation is to approve option 1</p>
IMPLICATIONS:	
Corporate Aims/Policy Framework:	<p>Do the proposals accord with the Policy Framework?</p> <p style="text-align: right;">Yes No</p>

<p>Statement by the S151 Officer: Financial Implications and Risk Considerations:</p>	<p>Capital costs of up to £133,000 for the additional litter & recycling bins will be funded from existing capital (£62,000) and revenue (£71,000) budgets</p> <p>The ongoing extra staff and promotional costs are estimated to cost £235,700 p.a. for the 2 year pilot; there will also be one-off revenue costs of £60,000. These costs will be offset by reductions in waste disposal charges through the levy, but only if recycling rates are increased. At 2013/14 rates the tonnage reduction required to offset the extra revenue costs is estimated at around 1000 tonnes. This is a 2.45% reduction on the levels assumed in the 2013/14 levy calculations.</p> <p>The recycling performance currently being achieved in 2013/14 is falling short of the assumptions in the levy forecasts for the year by £120k for the year. It is estimated that a further 1% reduction in residual waste is required to meet current levy targets and offset the extra revenue cost from this proposal. If this was achieved the household recycling rate would be in the region of 50%</p> <p>The Council's budget currently assumes that there will be a further £400k saving from improvements in recycling performance, which would require a further 3% reduction in residual tonnages and achieve a household recycling rate of over 51%</p> <p>There remains a risk that the targets will not be achieved and that there will be a net cost from the proposed changes. If this is the case it may be necessary to make a one-off contribution from the levy reserve to meet any additional cost. This would reduce the resources available to offset levy increases and contribute to the Council's budget in future years.</p> <p>These proposals are being put forward on an "invest to save" basis, and the impact will be closely monitored during the 2 year pilot period.</p>
<p>Statement by Executive Director of Resources:</p>	<p>The forecasts for waste disposal levy costs assume that the Council will achieve its target recycling rates. Approval of these proposals carries a risk of incurring extra net cost, but this needs to be considered alongside the risk of taking no action and continuing to fall short of the recycling</p>

	savings targets included in the budget and the Medium Term Financial forecasts.	MO
Equality/Diversity implications:	No	
Considered by Monitoring Officer:	Yes The report and policy set out the powers of enforcement available to the Council where necessary and appropriate.	JH
Wards Affected:	All	
Scrutiny Interest:	Overview and Scrutiny	

TRACKING/PROCESS

DIRECTOR: G Atkinson - DCN

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
	14.06.13 27.08.13		
Scrutiny Committee	Cabinet/Committee	Council	
	18.09.13		

1.0 BACKGROUND

Members will recall implementing significant changes to the waste collection service in October 2011.

In 2012/13 this Council achieved a household waste recycling rate of 46.4% and a contract waste recycling rate (which includes all trade and street cleansing waste) of 41.4%. These figures elevated this Council up to 3rd position in the Greater Manchester league table.

This improved performance was the result of a significant investment into new bins and subsequently (May 2012) additional vehicles and labour to meet additional rounds for green/food waste.

The Council remains committed to exceeding a household waste recycling rate of over 50% in order to maximise savings and divert waste from landfill.

Despite significant efforts from the existing and committed workforce, it is evident performance has plateaued and consideration has been given to means of addressing the situation.

	2010/11	2011/12	2012/13
Household recycling rate	24.3%	38.1%	46.4%
Contract Recycling rate	n/a	34.5%	41.4%

Recycling performance is keenly monitored across Greater Manchester and with the support of the Greater Manchester Waste Disposal Authority (GMWDA) examples of best practice are frequently shared.

One of the contributory factors identified is a significantly greater resource being allocated by the higher performing Boroughs to comprehensive ongoing promotional and educational campaigns, as well as dedicated resources to regulatory activity.

This report provides Members with a proposal to trial a period of 2 years of more intensive promotional, educational and regulatory activity with the objective of taking household recycling performance beyond 50%.

The context of ever reducing resources provides the impetus for considering this as an invest to save project.

During 2012/13, the Overview and Scrutiny Committee established a Recycling Project Group. They reported back to the Committee in March 2013 and, amongst other recommendations, included consideration be given to enforcement in relation to contaminated bins (but only for repeat offenders and as a last resort) and that research is considered to look at trends and highlight where improvements can be made. The proposal specifically responds to both these recommendations.

2.0 PROPOSAL

There are two strands to the proposal

2.1 An Enhanced Educational and Regulatory Team

- As identified above, the better performing Districts rely on the contribution of a greater number of officers to increase awareness, raise the profile and undertake regulatory functions as they strive to increase recycling performance.
- We currently have 2 employees designated to educational and awareness raising functions. In order to develop the regulatory functions more effectively as well as the educational and awareness side the intention is to raise this number to 8 (an increase of 6 posts) for the pilot period of 24 months.
- Job descriptions have been prepared for the new positions. Departmental Job Evaluation is complete and the grades are in accordance with the business case (subject to moderation).
- The pilot will be monitored closely with an aim to increase the recycling rate to a level which in effect exceeds the cost of the enhanced team and contributes to saving the Council money.
- If at the end of the period this has not been possible, then the pilot will cease.

- It is envisaged there will be 2 teams, one covering the Regulatory functions and one responsible for the Educational and Awareness functions.
- The Waste Regulatory team of 3 will report to a Manager who in turn will report to the Head of Waste Management. The 3 Waste and Recycling Awareness Officers will report directly to the Head of Waste Management
- The appropriate employee details have been developed (job descriptions etc), discussed with the Trade Union and evaluated. Existing employees will be appropriately slotted into the new structure
- The Regulatory functions would include dealing with non participation in recycling, contamination of recycling bins, side waste, littering and fly tipping. They would collect evidence (for example S.46, Statutory Nuisance and Duty of Care) and have the powers to issue Fixed Penalty Notices (FPN's) for littering and dog fouling.
- The Educational and Awareness Officers are to be engaged to work with Community Groups, Schools, RSL's, TRA's and residents living in flats and apartments etc promoting and developing a recycling culture. This would also include developing closer links with the promotional activities of the WDA to ensure any sub-regional and national campaigns are maximised as well as pursuing opportunities for external grant funding.

2.2 Infrastructure and Promotions

- It is recommended that we invest further into the provision of 80 recycling bins for 'recycling on the go' to be positioned on streets and in urban parks.
- In addition, purchase of 5000 more 140 litre grey bins is proposed to meet the growing demand for these bins as they are now offered free of charge. 80% of grey bins now being requested are the smaller 140 litre bins that take up less space and are easier to move around. There will also be an enhanced promotional campaign for the free 140 litre bins
- It should be noted that the collection methodology for residual waste for the higher performing Councils in Greater Manchester (Stockport and Trafford) consists of a 140 litre capacity wheeled bin emptied on a fortnightly basis. This is as a result of the high level of recycling provision, which is also provided in Bury. Tameside is also changing to the same reduced bin capacity for residual waste. The enhancements to education and regulatory action in Bury is considered to be the most appropriate way forward and recycling performance in Bury and across the region will continue to be monitored.
- To enable ongoing promotion, publication and circulation of flyers and leaflets, and general advertising will require an initial budget of £30k and an ongoing budget of £20k.
- It is also recognised that further development of Food Recycling is required and a cost of £10k is anticipated for additional food caddies.

2.3 Waste Management Regulatory and Enforcement Policy

- In certain circumstances and as a last resort, the use of formal powers will be necessary but such measures will be applied in an open, reasonable and proportionate way.
- The Council's Environmental Services Enforcement Policy, which Cabinet approved in December 2012, sets out the general principles of enforcement, which would be applied within Waste Management, namely proportionality, consistency, transparency, effectiveness, and accountability. Firm but fair regulation would be applied.
- The policy also includes provision for enforcement where trade waste is presented as household waste, littering and fly tipping.
- The policy defines the approach that will be followed including providing help and advice, removing affected waste in the first instance, serving a written notice and as a last resort for repeat and deliberate offending the issuing of a fixed penalty notice (FPN) of £60, which would be discounted for payment within a prescribed period.
- The Government is currently considering a draft Deregulation Bill that could amend Section 46 of the Environmental Protection Act 1990. This may include further requirements including issuing of notices of intention to issue a FPN, identifying where a nuisance is caused and guidance on appeals. The Council's Waste Management Regulatory and Enforcement Policy may be amended from time to time to take account of such changes in legislation.
- The Waste Management Regulatory and Enforcement Policy is attached at Appendix A.

3.0 BUSINESS CASE

The table below identifies the employee costs, the one-off expenditure and the proposed revenue expenditure for the 2 year pilot set against the diversion targets necessary to cover the costs and deliver a household recycling rate of in excess of 50%

Capital cost (one-off)	
Additional recycling bins (60 on street, 20 in parks)	59,600
140l grey bins (5000)	73,500
Total capital cost	£133,100
Employee costs (per annum)	203,200
Promotional costs (per annum)	32,500
Total ongoing revenue cost p.a.	£235,700
Launch costs (one-off)	
Door to door canvassing, promotions, food caddies	£60,000

additional blue & green sacks	
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The levy cost for residual waste for 2013/14 is £270.41 per tonne and we receive £25 income per tonne for dry recyclables; the saving from diverting one tonne of waste is therefore £295.41. To cover the ongoing additional costs of £235,700 around 798 tonnes of residual waste will have to be diverted to recycling. A further 203 tonnes will have to be diverted to cover the total one-off costs. This equates to a reduction from current residual/trade waste tonnages of around 2.45%

4.0 RISK MANAGEMENT

The main risk is that the anticipated improvements in recycling are not achieved and that residents may not respond to targeted promotion, education and awareness campaigns and potential enforcement action. The impact of the enhanced staffing structure including education and regulatory activity will be closely monitored and will be implemented initially as a 24 month pilot. The Cabinet Member for Environment will be kept informed of progress through briefings and at Portfolio meetings.

5.0 EQUALITY AND DIVERSITY

See attached Equality Analysis Form.

6.0 CONCLUSION

The residents of Bury in the main have responded well to the initial roll out of changes to household waste collection regimes, promotional campaigns and additional recycling provision. This has taken Bury to 3rd in the Greater Manchester league table of recycling performance.

The proposals contained in this report aim to address a recent plateau of recycling performance through enhanced education and awareness campaigns as well as increased regulatory activity to improve the Councils recycling rate to at least 50%.

List of Background Papers:-

None

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