

**RURAL ECONOMIC & ENVIRONMENTAL AFFAIRS**

**4<sup>th</sup> SEPTEMBER 2012**

**REPORT OF HEAD OF REGULATORY SERVICES**

**PROGRESS AND UPDATE REGARDING THE WASTE MANAGEMENT SERVICES REVISED  
APRIL 2012**

**1.0 PURPOSE OF REPORT**

- 1.1 To update Members with regard to the Borough’s amended waste services following amendments to recycling , garden waste and charges for replacement receptacles that commenced on 2<sup>nd</sup> April 2012
- 1.2 To advise Members of the issues in regard to applying charges for bins to property developers and builders.

**2.0 RECOMMENDATIONS**

- 2.1 **Members note the waste service update and request a further report be provided at the end of the first year’s operation.**
- 2.2 **Members note the financial issues emerging from ‘green waste credits’ and bin charges arising from the amended service and determine how officers are to proceed with regard to implementing the charge for the provision of bins for new developers whether to charge the householder or seek a S106 agreement for new developments.**

**3.0 KEY ISSUES**

**3.1 Amended Waste Service**

- 3.2 On April 2<sup>nd</sup> 2012 a new core domestic Waste Service were introduced to the Borough’s households consisting of:
  - a) An ‘opt in’ subscription based Melton Garden Waste Club (MGWC) service replacing the previous Brown bin garden waste bin collections which formed part of the previous alternative weekly wheeled bin service.
  - b) A mixed (or ‘co-mingled’) recycling service for the collection of dry recyclable materials: paper and card, plastic (most types), glass & cans in a single wheeled bin replacing the previous kerbside sort from the recycling box service.

3.3 The first quarter of the year has now passed and the new services appear to be settling in and performing well.

3.4 The table below provides an overview of the recycling standard performance levels achieved during the previous and current year to date within the same time frame:

Table 1

	Melton cumulative tonnages to 14th July			
	2011/12	2012/13	Difference	Percentage difference
<b>Land filled</b>	3,124	2,851	- 273	-9%
<b>Green Waste</b>	2,435	1,118	- 1,317	-54%
<b>Dry recycling</b>	1,327	1,589	+ 261	+20%
<b>Total waste</b>		5,558	- 1,329	-19%

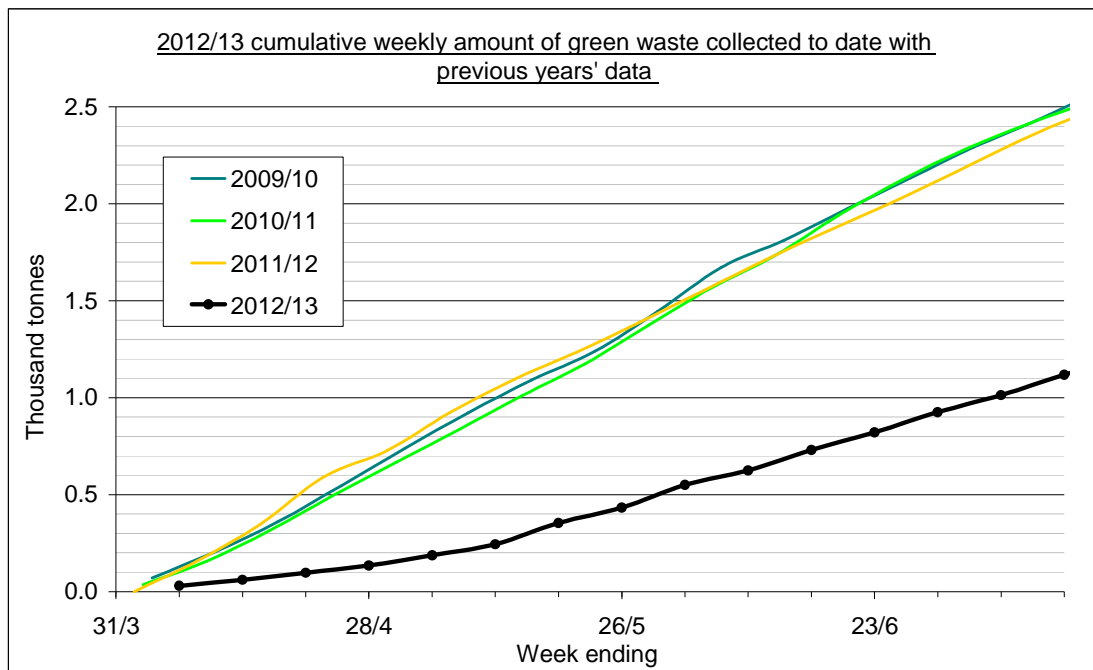
	6,887			
<b>NI192</b>	54.6%	48.7%	-5.9%	-11%

### 3.5 The Melton Garden Waste Club (MGWC)

3.6 The previous garden waste service (collected in the brown bin) had an average participation rate of around 65%, (14,000 households) and resulted annually in around 6,000 tonnes of garden waste being composted and diverted from landfill.

3.7 The new MGWC since its start in April 2012 has attracted 6,500 subscribing households, nearly 30% of the Boroughs households, and is currently collecting around 40% of that achieved through the previous universal service, indicating the MGWC level of performance will exceed expectations. Members will recall that it was anticipated that the amendments to the service would result in a 90% reduction in the quantity of 'green waste' collected. The figures indicate the reduction is significantly less.

3.8 Graph 1 below illustrates the previous 3 years garden waste performance together with the new service performance to date within the same time frame

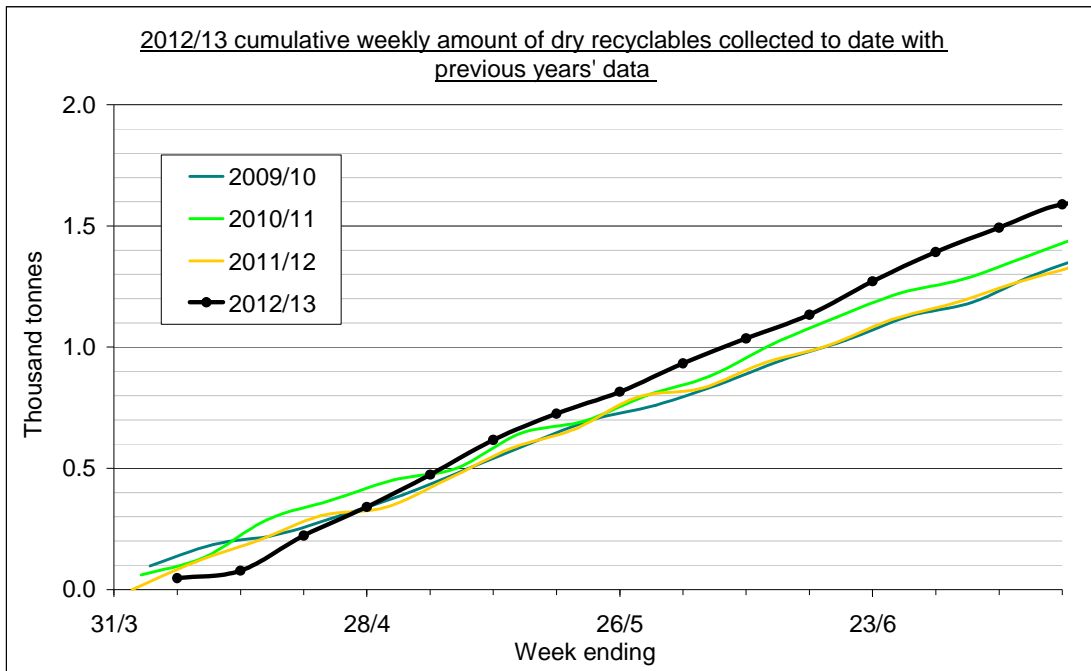


### 3.9 Mixed (or 'co-mingled') recycling service

3.10 The previous kerbside recycling service using recycling boxes and source separation at the kerbside averaged a participation rate of around 85% and annually recycled around 5500 tonnes of dry recyclables – paper, cans, plastic, bottles and glass.

3.11 The new mixed recycling collection service using a wheeled bin appears to be further improving participation, with increased customer requests for brown recycling wheeled bins as well as actual collection performance with the first quarter's tonnage figures showing an increase of around 20% over that achieved by the previous service.

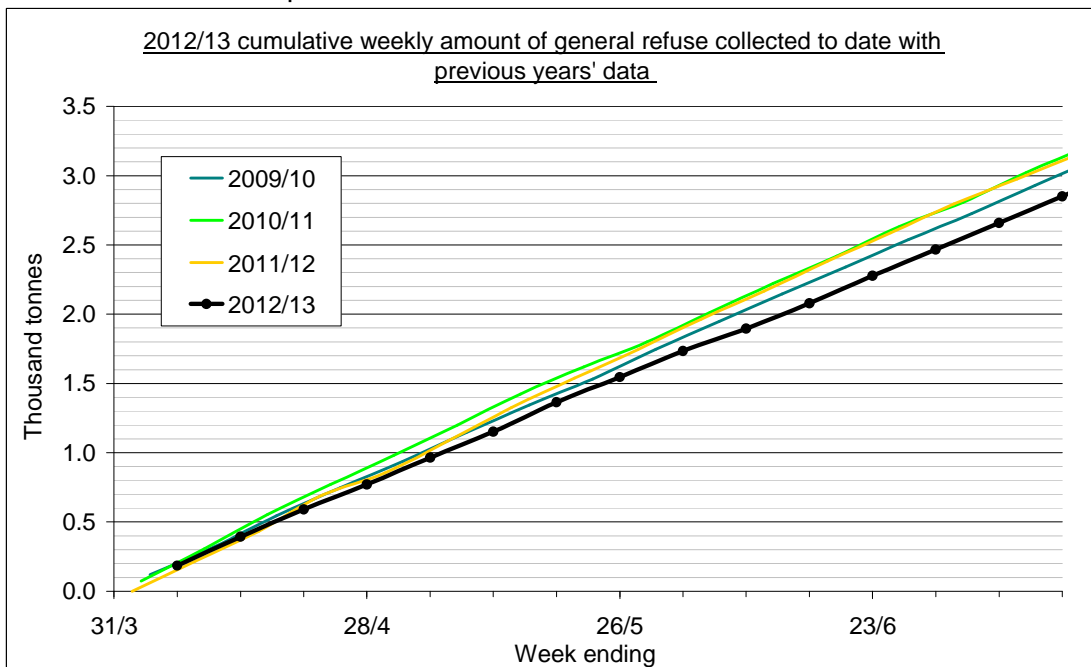
3.12 Graph 2 on the following page illustrates the previous 3 years recycling material collection performance together with the new service performance to date, within the same time frame.



**3.13 Refuse or residual waste collection**

3.14 The performance levels of both the elements of the new service have contributed towards high levels of household waste materials being diverted away from landfill and have helped to further reduce the total amount of landfill.

3.15 Graph 3 below illustrates the previous 3 years land filled tonnages together with the current rate of land fill performance to date



**3.16 General New Service update**

3.17 There are a number of matters and points of information that emerged or were identified as a result of introducing new waste services that included the following :

- Garden Waste - As expected between February and May there were customer concerns about introducing a charge to a previously free of a direct charge service (including the submission of a petition that was considered by Full Council in

March 2012) – this was addressed through a series of responses and press articles which explained the financial constraints placed on the Council, the implications of deriving savings from alternative Council services, and the necessity to reconfigure the service down to a sustainable and affordable level.

- The MGWC has seen the quickest subscription take up of any of Biffa's similar clubs in other contracts
- Recycling - From May onwards customer contacts have increasingly seen complaints about the introduction of fees for the collection of garden waste, to positive feedback for introducing a simple wheeled bin recycling service with an increased range of materials accepted
- Refuse – There appears to be a growing recognition by customers realising they use their black refuse bins less and less, greatly supporting alternate weekly services and reducing waste to landfill
- The expectations in regards to income from garden waste credits (see 3.28 payable to MBC from LCC for diverting garden waste away from landfill) is that this will exceed budgeted levels and more than offset the loss of expected income for bin charging (see 'Bin Charging' section and para 3.26 below).

### 3.18 **Bin Charging**

3.19 At a meeting of the REEA Committee in January 2012 it was agreed that charges for the provision of waste collection receptacles (wheeled bins) for new residential developments would be applied to the developer or builder with effect from 1<sup>st</sup> April 2012 and the budget for 2012/13 was set on an estimate that an income of around £15,000 would accrue from the introduction of such charges.

3.20 In the first quarter of 2012/13 no income has been raised from this charge. This is reflective of the low rate of house building, but also that there is no mechanism in place to require developers to provide bins and as a result the request arises from new occupants. It is considered that the only mechanism available to require provision to be made by developers would be through the use of s106 agreements at planning stage. These are subject to negotiation on developments of 10 or more properties and there are many aspects (e.g. affordable housing or recreational space) which may be considered relevant. Developers have to be in agreement with all aspects to sign up to it. Additionally, there would be a time lag prior to realising proceeds from such an approach as developments take place often several years after permissions are obtained. Homeowners of new developments contacting the council may need to be made aware that when the property does not have either a waste or recycling wheeled bin, the provision of these receptacles (where not provided by the developer) will need to be either a) provided by the householder to the Council's required specification or b) a Council provision that will incur a delivery charge of £75 for a full set (one recycling wheeled bin and one general waste wheeled bin).

3.21 A review of fees and charges was carried out in 2011/12 of 90 Authorities throughout the Country by Deloitte. The report included charging for aspects of waste services. It identified that of the other 10 Councils in Leicestershire and Lincolnshire who took part (Blaby, Boston, City of Lincoln, East Lindsey, Hinckley & Bosworth, Oadby & Wigston, North Kesteven, Rushcliffe, South Kesteven and West Lindsey), only Boston and West Lindsey have a policy indicating that there can be charges for the supply of bins.

### 3.22 **Budgeted Income Issues**

3.23 Members are advised that the shortfall in the anticipated annual income for applying this charge (£15,000) is being met by the income in the form of Green waste credits\* due the higher than expected levels of garden waste tonnages being generating by Melton Garden Waste Club subscribers and the subsequent diversion of those tonnes away from landfill already at a level in excess of budgeted expectations  
(\*Green waste credits are received from Leicestershire County Council as monies

payable to MBC for each tonne of garden waste its services divert away from landfill).

- 3.24 The table below details the income estimated and actual budgeted from Garden waste credits to date. The 'gate fee' is the cost to the Council for garden waste composting.

Anticipated participation rates for 2011/12	Anticipated Tonnages for 2012/13 Apr-Jul	Anticipated Recycling credit Income for 2012/13 Apr-Jul	Anticipated Gate Fee Cost for 2012/13 at £17.40 tonne	Anticipated income Apr-Jul 2012/13
10%	860	£39,305	£14,955	£24,350
Actual Participation Rates for 2012/13 ( to date )	Actual Tonnage for 2012/13 Apr-Jul	Actual Recycling credit Income for 2012/13 Apr - Jul	Actual Gate Fee 2012/13 Apr - Jul	Actual Income 2012/13 Apr-Jul
30%	1,350	£61,735.5	£23,490	£38,245.5

This table shows that income from the Green Waste Club is exceeding budget levels by some in the first quarter of 2012/13. The surplus is such that it has already exceeded the anticipated annual income within the first quarter by some £14,000. The shortfall in income from bin charges for the same period is £3,750, resulting in an overall surplus arising from these changes of £11,250 to date.

Members will recall that for the first quarter of 2012/13 it was agreed with the contractor that dry recycling would be guaranteed in terms of value per tonne and the tonnage collected. Accordingly, there is no deviation from budgets in respect of this part of the service.

Payment for the co-mingled recyclable material for the remainder of the year is to be based upon quarterly calculations of the actual percentages of the recyclable fractions ( paper ,cans, glass and various plastics ) that make up the collected co-mingled mix . That information together the average value for each of those materials over each quarter will result in a value for that material per tonne for that quarter.

- 3.25 Performance levels in regards to an expected uplift in the quantity of collected co mingled tonnes are in line with expectations. Its value per tonne will be known at the end of each quarter or 16 week period following the calculation described above at 3.26

#### 4.0 POLICY AND CORPORATE IMPLICATIONS

- 4.1 This report contributes to corporate priority : 'A Well Run Council' by providing good services that are value for money demonstrated by the provision of high performing services that are efficient and meet customers' needs, that are innovate in service delivery and are efficient, effective, and of excellent performance,

#### 5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 As detailed within this report, the likely increased income from green waste credits is exceeding the anticipated income for new bin charging. It is not anticipated that this is likely to be affected by seasonal trends and therefore should result in a net level of income in excess of budget assumptions. Accordingly there are no adverse financial implications as a result of this report.

- 5.2 There are no direct resource implications as a result of this report.

**6.0 LEGAL IMPLICATIONS/POWERS**

6.1 There are no legal implications arising from this report.

**7.0 COMMUNITY SAFETY**

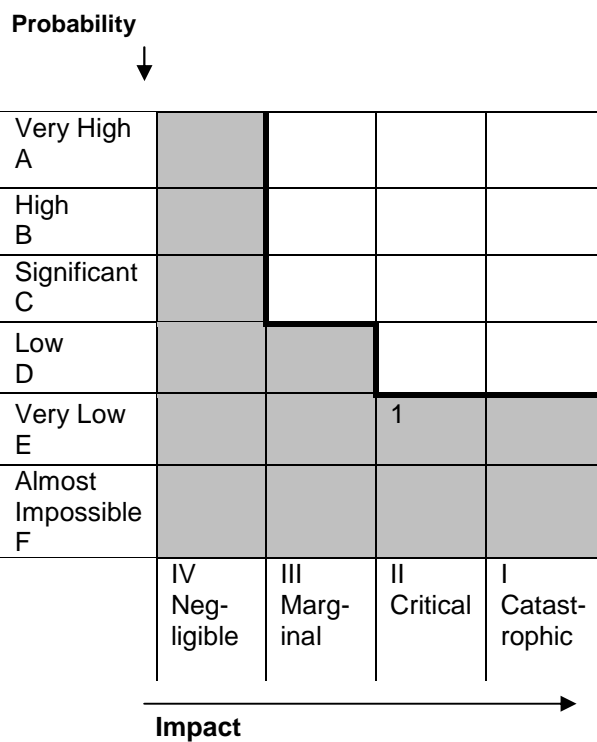
7.1 There are no direct community safety issues as a direct result of this report

**8.0 EQUALITIES**

8.1 There are no direct equalities implications as a direct result of this report

**9.0 RISKS**

9.1



Risk No.	Description
1	Levels of recycling diminish in win months

**10.0 CLIMATE CHANGE**

10.1 There are no direct climate change implications as a direct result of this report

**11.0 CONSULTATION**

11.1 There has been no formal consultation carried out in regards to this report

**12.0 WARDS AFFECTED**

12.1 All the wards in the Borough receive waste services and accordingly are all affected by the new waste services.

Contact Officer R Selvon  
Date: 20<sup>th</sup> August 2012

Appendices : None

Background Papers: Reports to Special Meeting of REEA Committee, January 2012

Reference : X : Committees\?