

Environment Policy Development Group – 18 March 2004**WASTE STRATEGY – SCOPING REPORT****Report of Customer Operations Manager**

Statutory Powers: Environmental Protection Act 1990

Financial Implications: None that relate specifically to this report, although the delivery of the future Waste Management Strategy could have significant financial implications if Government targets are not met, and new cost effective collection arrangements are not put in place.

Purpose: The purpose of this report is to present to Members a position statement on the Council's waste management strategy and the progress in relation to Devon County Council's Municipal Waste Management Strategy for Devon.

Link to Council Priorities: This service contributes to the Council's priority CP4 – Maintaining a clean environment and specifically contributes to achieving the Government target of recycling 36% of waste by 2005/2006 and the targets of the Landfill directive 2010.

Recommendation

That the Environment Policy Development Group comments on the scope of a possible revised Waste Strategy document and makes it's comments to the Executive.

Background

1. The Council's existing Waste Strategy and Recycling Plan was published in 2000 and can be viewed on the Council's web site (www.southhams.gov.uk), hard copies available on request.
2. Since the Council published the strategy there have been a number of developments.
 - The Council has reviewed its corporate priorities which need to be referred to in the document.
 - New legislation has or will be emerging that will need to be reflected in the strategy.
 - Devon County Council will in 2004 finally publish their Municipal Waste Strategy.
3. The legislation and challenging target has meant that the Council has to manage its waste in a proactive manner. If it does not meet these targets it will in some way be penalised in future years.
4. There have been a number of other recent initiatives and developments which will need to form part of the Council's Waste Strategy and Recycling Plan.

- a) Report to Executive 29 January 2004 – Strategy for Waste in the South Hams (minute E.151/03 refers). This report outlined the following key points:
 - i. Council recently secured funding of £1.1 million for recycling organic waste to be spent by 2004/2005;
 - ii. An additional sum of £128,000 has been secured from DEFRA for recycling initiatives to be spent by 2004/2005;
 - iii. A specialist advisor is to be employed to review all elements of the refuse collection service.

- b) Report to Executive 29 January 2004 – Recycling Processing Facilities (minute E.152/03 refers). This report outlined the following key points:
 - i. That a contract for the processing of the Council's household recyclable waste be awarded to Severnside Ltd
 - ii. That the delivery of the recycling service to 26,000 dwellings remains the scale of the service in the short term.
 - iii. The introduction of changes to the scheme including collection and processing has meant a reduction in budget requirements.

- c) A transfer station to manage up to 13,000 Tonnes of South Hams waste has been built at Torr Quarry, East Allington.

Key Issues for the Council

Domestic Waste

5. The Council offers a weekly backdoor collection and does not supply a container. This is an excellent service from residents perspective, however there are a number of factors which affect the true performance of the service, for example:
 - As the Council does not supply a container there is no restriction on the amount of waste that each household can put out for collection
 - Although a large percentage of households place their waste at the kerbside there are properties whose waste is collected from the back door which is costly in time and financial terms
 - Waste placed out in sacks is subject to attack by animals and vermin. This is a specific issue in some of our main towns
 - Waste nationally is increasing by approximately 3% per annum and one of the main causes is packaging. This increase, together with the fact that the Council does not restrict the amount of waste collected, means there are manual handling issues for the refuse loaders
 - There is a great risk of injury to refuse loaders from handling waste not properly contained. Examples include stick injuries from needles and cuts from glass.

Commercial Waste

6. The Council currently offers a service for the collection of commercial waste. This service is undertaken by the Operations Team. A number of types of containers are supplied to customers depending on their requirements. The charge for the service is the same throughout the district so that businesses in rural locations are not disadvantaged. Although the customer receives a good service there are some disadvantages that will need addressing:

- Commercial waste is collected with domestic waste; this opens up opportunities to hide commercial waste within the domestic waste, particularly if mixed domestic waste is collected weekly.
- The cost of disposal of commercial waste is included in the charge to the customer. The customer is charged based on the number of sacks used or containers emptied. However the payment made to the disposal authority is weight based. As the Council deals with a diverse range of businesses the weight of material per sack can vary considerably. Should the total weight of material being collected be greater than that currently being declared, then SHDC would have to pay larger sums of money to the disposal authority. The downside would be that the profitability of the activity would reduce substantially and could result in a loss making operation. The Council could counteract this by increasing charges to the customer, however it is officers' view that the present charges are all that the market will hold due to the competitive nature of the business.
- If the suspicions of inaccurate declarations of weights are founded then this would also have an affect on the Kg per household of domestic waste declared. Conversely this would then affect the Council's declared recycling percentage rate.
- The main core business of the Operations Team is the collection of domestic waste. This being the fact the question has to be asked, Is the commercial waste collection an advantage or disadvantage? This is not known at present because it is collected with domestic waste. Indeed in real terms the Operations Team do not know if the resource that is used and paid for is equal to the charge they receive from the Council. There is also a possibility that the commercial waste collection is being subsidised by the domestic collection.
- At officer level it is known that Devon County Council are not happy that commercial waste is collected with the domestic waste as they cannot accurately separate the two fractions of waste for the purposes of payment or declaration of weight in relation to performance measurement. The view is that in the near future there will be an edict from Government via Devon County Council requesting that this practice ceases.

Recycling (Dry Recycling)

7. At present 62% of the District are offered the opportunity to participate in the household recycling scheme. The original system of utilising a 90 litre dustbin and the services of a Materials Reclamation Facility (MRF) have nearly been phased out. The new system of collecting material pre-sorted by the public has proven to be a success. There are some factors or elements of the operation that need to be recognised or addressed:
 - The maximum that the Council will ever achieve in recycling dry household material is in the order of 25 - 26%. Clearly other initiatives will have to be considered so that the Council can achieve its Government targets of 28% by 2003/04 and 36% by 2005/06 for recycling material and it's obligations in relation to the Landfill Directive.
 - There is still the issue to be addressed of establishing a long term arrangement for the processing of the collected material. This is the subject of a separate report.
 - As previously stated the scheme is offered to members of the public, it is actually a voluntary scheme.
 - Although the Council cannot force households to participate there are ways and means that will encourage them to participate. However we cannot take advantage of these because at present we offer a collection scheme for domestic

waste on a weekly basis which will accommodate unlimited amounts of waste (within reason).

Recycling/Composting (Organic Fraction)

8. The average contents of a domestic bin can be separated into three fractions of waste:

- Dry Recyclable material
- Organic material
- Grey fraction

The grey fraction is what is left once the organic and dry recyclable material have been separated out. Present initiatives which the Council has undertaken, will ultimately have addressed the dry recyclable fraction. However the main issue will be dealing with the organic or biodegradable fraction.

9. At present the Council has sanctioned a change in policy to stop collecting garden waste with normal domestic waste. This would be subject to the success of a trial in the Kingsbridge area of offering alternative means of managing this waste. Although this will resolve part of the issue of dealing with organic/putrescible waste it does not resolve all the issues and indeed creates others. Since adopting this provisional change in policy there has been a further development which will require a change in strategy.

10. In a second round of funding DEFRA has offered £130 million to assist Councils in meeting their recycling targets. They were particularly keen to see submissions based on partnership working that would see joint arrangements to meet the recycling targets. A submission was made by a partnership of Devon County Council, South Hams District Council, Teignbridge District Council, Mid Devon District Council and Viridor. The bid was for £5 million to fund the recycling of organic material. The bid was successful and this Council has been awarded £1.1 million. There are certain restrictions on the funding, namely that it could only fund capital and not revenue costs. The money must be spent within the financial year of 2004/2005. A more detailed report will be submitted at a later date which will expand on delivery of the award.

11. In addition to the £1.1 million DEFRA have offered up an additional £0.5 million (to be spent by 31st March 2004), to support waste minimisation and recycling. This amount is to be shared between the partnership of which this Council's portion is £128,000. If this Council does not commit itself to organic waste collection then it will not be able to accept this sum.

Holiday Home Waste

12. Properties let as holiday homes do cause a problem to the Council. Waste generated from these properties often appears on the highway on the wrong day of collection and in black sacks. More often than not these premises are run by absentee owners who do not communicate days of collection. In addition the changeover days of these premises are often at weekends when it is the most expensive time for this Council to manage the waste. Some effort has been made to manage the situation in Salcombe. Effectively containers for holiday home waste are placed in a central location for use by holiday homes. It is however often abused by a large number of users including businesses. The

Council does have the following powers under the Controlled Waste Regulations 1992 in that it may 'Charge for waste from domestic property or a caravan used in the course of a business for the provision of self catering holiday accommodation'.

Key Issues for Members

13. The Council cannot continue to manage waste in the way that it does at present if it wishes to meet Government targets, avoid financial penalties and fund the service within a sustainable budget. The culture of waste management needs to change to focus from simply collecting waste to a broad approach that promotes the reduction and reuse of waste, together with the maximisation of recycling and generates income opportunities. Members may wish to consider the following issues:-

- how will the strategy help deliver the council's corporate objectives?
- what other strategies need to be linked?
- what are the priorities for action?
- Who will be the key partners to help deliver the priority actions, and what needs to be established to develop the strategy?
- What emerging national legislation and guidance needs to be taken into account?
- How should the existing strategy be modified to meet the Council's requirements?
- Is it felt that the Council has the resources to undertake the work involved?

14. The Council has to meet targets both in recycling and diverting biodegradable waste from landfill (see appendix B). This Council will not achieve Government set recycling targets and the landfill Directive 2010 unless it manages the organic fraction of waste in some other way.

15. Failure by this Council to divert the organic fraction of waste from landfill will mean that the Council's disposal authority (Devon County Council) will not meet the targets set by the Landfill Directive. Any financial penalties placed on the disposal authority could be passed on to the District Council. Early indications are that they are in the order of £200 per tonne; the target for 2010 is to divert 18,800 Tonnes of material. This equates to a financial penalty of close to £4 million.

16. The Council has secured funding for capital costs for the purchase of organic waste containers. It does not at present have in place revenue funding for the collection of the material. It will have to consider a change in collection methodology including container types which will in some way resolve this issue.

Possible ways forward

17. The key objectives that the Council needs to work towards are:

- Wherever possible manage any changes of service delivery within existing budgets
- Maintain or reduce the amount of waste produced by each household
- Meet or exceed Government targets on recycling and the requirements of the Landfill Directive
- Undertake any service delivery in the most efficient manner
- Maintain general public confidence in the Council and high public satisfaction levels with the service

- Develop a strategy for waste management up to 2010

Clearly from what has previously been outlined in this report there are a number of issues that need to be addressed. The Council will not meet the majority of the key objectives unless these issues are addressed.

Domestic Refuse Collection

18. A review of the methodology of managing this service needs to be undertaken. Officers have already arranged preliminary meetings with specialist advisors to establish cost and timescale of such a review. It is proposed that a specialist advisor be employed to review the organisation of the refuse collection rounds. The funding for this initiative is to be at the discretion of the Chief Finance and Administration Officer. The scope of the review will be as follows:

- Evaluate the financial advantages and disadvantages of commercial waste and its effect on the domestic refuse collection service
- Taking into account the diversion rates of both organic and dry recyclables determine the resource required to deliver the service of collecting domestic waste (Grey fraction)
- To investigate the viability of the current arrangement of operating out of four depots
- To establish the management requirement of delivering this service
- To look at opportunities for split shifts, annual contracts (which take account of seasonal variations) and a six day working week (It must be noted that the most expensive resource is the refuse vehicle which is effectively only utilised for 33% of the working day)
- Undertake a study of three comparisons and their cost advantages:
 - Review backdoor, no container supplied weekly collection.
 - Fortnightly kerbside collections, container supplied.
 - Alternate frequency collections.
- Establish size of containers required for the service.
- Establish the cost of the revised service and the savings that can be used to deliver the added service of organic waste collection.
- Consult the staff on their idea of how service improvement could be achieved.

It must be noted that the Executive (29 January 2004) resolved to appoint a specialist advisor to undertake the review.

19. Any recommendations from the review will be undertaken with full consultation with managers and staff representatives.

Grey Waste

20. The Council will seriously have to consider its policy of not supplying a container for this fraction of waste. Historically it has chosen not to based primarily on financial reasons. Clearly there are other reasons why supplying containers has now to be an option. These reasons include the possible need to change frequency of collection, manual handling, vermin and injury issues. A clearer picture will emerge once the findings of the specialist advisor are known.

Commercial Waste

21. As mentioned above, the specialist advisors will be asked to review the viability of the existing service. Once the outcome of the review is known the Council will have to make a decision on how to manage the service in the future.

22. The Council currently charges the same rate for this service throughout the District. This is no problem while the Council can maintain the high level of the share of the potential market. It has however been noticeable that other collection companies have started to take some customers from the Council, effectively cherry picking or gaining the profitable part of our operation in the main towns. This will leave the Council vulnerable on two points:

- i) The service will become less profitable
- ii) As the business base reduces so does the market value of the business.

It is therefore proposed that subject to the review by specialist advisors the following actions should be undertaken:

- i) If the service viewed as a stand alone operation is proved to be viable, then the Council should approve a policy adopting a variable charging system that will maintain the profitability of the service.
- ii) If the service viewed as a stand alone operation is proved to be unprofitable and not viable, then the Council should consider selling the service.

Organic Waste Collection

23. The basis of the award from DEFRA was to deal with the organic fraction of waste arising from the domestic waste stream. The project was judged as viable as it represented a true partnership arrangement. All the district councils in the partnership would develop the collection arrangements for the material and DCC together with Viridor would put in place the 'in vessel' process plants. The in vessel plant for South Hams District Council will be located at Heathfield and is not expected to be in place until October 2004. This will mean that the likely implementation date of this scheme will have to be October 2004, and be up and running by March 2005, as the Councils must have spent the capital allocation by the end of the financial year 2004/05.

24. There will be a requirement to undertake a waste analysis to determine the dynamics of the organic material and establish wheeled bin sizes. Additionally a survey will have to be undertaken of properties to establish suitability for types of containers. This survey will be able to capture both domestic and organic streams.

25. DEFRA have announced that all English Councils are to receive a share of £20 million to enable them to reach the 2005 – 2006 statutory targets on recycling. South Hams District Council's share will be £28,000 to be spent during the 2004/05 financial year. It is therefore recommended that as a first step in implementing a scheme for grey and organic waste that a waste analysis and property survey is undertaken. These activities should be funded from the £28,000 award by DEFRA and will enable the Council to develop a detailed business plan to deploy the £1.1 million grant.

26. It is proposed that the policy of refusing garden waste within the domestic waste and the implementation of a trial for alternative schemes is put aside and the status quo maintained.

Financial considerations

27. There is a significant financial imperative to addressing waste management issues. The Council must undertake a review of its waste collection service to recycle organic waste within an affordable budget. If the Council does not implement a scheme for managing organic waste it will not meet Government targets for recycling, or the requirements of the Land Fill Directive. The Government could fine the County Council who could pass this penalty on to the District Council.

Risk Assessment

28. Changes to the waste collection service may meet some resistance in the community. Future changes will require careful consideration and promotion with local people to ensure that the need for changes is understood and accepted.

Human Rights Act

29. There are no significant Human Rights Act implications.

Conclusion

30. This report provides background information to facilitate a Member discussion and come to an informed view. They will then be able to establish the scope of a review of the existing Waste Strategy.

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Environment Policy Development Group
18 March 2004

Background Documents:

South Hams District Council Waste Strategy and Recycling Plan
Devon County Council Municipal Waste Strategy
Reports to Executive 29 January 2004