

DERBYSHIRE COUNTY COUNCIL

**MEETING OF CABINET MEMBER – JOBS, ECONOMY AND
TRANSPORT**

25 March 2014

Report of the Strategic Director - Economy, Transport and Environment

**ORGANIC WASTE COLLECTION SERVICE – NORTH EAST
DERBYSHIRE COUNCILS**

(1) **Purpose of the Report** To consider requests from Chesterfield Borough (CBC) Bolsover District (BDC) and North East Derbyshire District Councils (NEDDC) for a financial contribution to purchase kitchen caddies for the implementation of a new organic waste collection service following construction of the new In-Vessel Composting (IVC) facility at Arkwright Town, near Chesterfield.

(2) **Information and Analysis** Construction of the IVC facility at Arkwright is underway and the programme is currently on schedule. Plans are being developed for the commissioning of the plant and critically, the addition of food waste to the current garden waste collection services that operate in Bolsover, Chesterfield and North East Derbyshire.

The scheme is designed to divert 40,000 tonnes of biodegradable waste (food and garden waste) away from landfill and is critical to helping the Council meet the objectives set out in the Derbyshire Joint Municipal Waste Management Strategy to recycle and compost 55% of waste by 2020, and thus mitigating the financial and environmental cost of sending waste to landfill.

The County Council is making a significant investment in the development of this infrastructure, a total of £6.65 million which includes £2,285,386 already expended to date.

The three Waste Collection Authorities (WCAs) are seeking additional funding from the County Council to provide **all** households with a free 5 litre food waste caddy to aid the implementation of the new service which will commence with the operation of the new IVC facility at Arkwright in May 2014.

The WCAs have previously been awarded some funding towards the cost of providing kitchen caddies, however, it did not meet the full cost. This can be summarised as follows:

Public

1. Waste Performance and Efficiency Grant (WPEG) – was awarded to CBC and NEDDC towards the cost of providing kitchen caddies to households. Each authority was awarded £15,200 but, at that time, BDC did not submit a bid to fund the purchase of any caddies.
2. Contract Default Fund 2012/13 – In November 2013, BDC and NEDDC were awarded £10,000 and CBC £5,000, towards the purchase of kitchen caddies.

The table below provides a summary of the funding provided together with details of the total cost of the caddies.

Funding for Caddies	Bolsover	North East Derbyshire	Chesterfield
WPEG 2009/10 and 10/11	£0	£15,200	£15,200
Contract Default Fund 2012/13	£10,000		£5,000
Total Funding Allocated	£25,200		£20,200
Total Cost of Caddies	£75,240		£42,750
Funding Shortfall	£50,040		£17,750

The WCAs have identified that there is not sufficient funding to ensure **all** households receive a free kitchen caddy and the funding shortfall is detailed in the table above.

It should be highlighted that the County Council has already made contributions to improvements in kerbside recycling/composting services in a number of other WCAs, namely Derbyshire Dales District Council (£140,000) Amber Valley Borough Council (£200,000) and South Derbyshire District Council (£200,000). The contributions were agreed on 16 October 2012, 22 January 2013 and 16 April 2013 respectively, to support the roll out of new kerbside services.

From an operational perspective, it is also worth noting that BDC and NEDDC suspend their garden waste collection services for the winter period with services recommencing in the spring. Consequently, the amount of organic waste diverted from landfill is reduced.

It would be more beneficial if the service could be maintained throughout the winter period but it is understood that both authorities intend to continue with the reduced level of service for the foreseeable future. During the winter period, householders will be advised to put kitchen waste into the residual waste bin.

Public

Conversely, CBC's service continues throughout the winter period and officers have indicated there is no intention to alter this arrangement in the foreseeable future.

Analysis

BDC, NEDDC and CBC have forecast the following **additional** food tonnages once food waste is accepted in the organic waste bin:

- Bolsover - 1,697 tonnes
- Chesterfield – 1,000 tonnes
- North East Derbyshire - 1,772 tonnes

To assess the business case for funding, an analysis of additional tonnage estimated to be diverted from landfill in 2014/15 and the potential cost savings has been undertaken.

Tonnage data from WasteDataFlow, the web-based system the County Council uses for reporting municipal waste data to Government, together with an estimate of future performance, have been analysed. Estimates of future performance assume all residents participate in the scheme.

The following table provides a summary of the relevant data for each authority:

Waste Collection Authority	Households	No. of Collections Per Annum	WCA Estimate of Food Waste Diverted from Landfill (tonnes/annum)
CBC	49,000	52	1,000
BDC	35,000	40	1,697
NEDDC	44,000	40	1,772

Unfortunately, it will not be possible to measure the actual food tonnage generated by the North East authorities once the facility is operational because it will be collected, mixed with the garden waste. However, in order to determine the potential cost savings that could be made by the County Council, as Waste Disposal Authority, the previous collection scheme tonnages have been compared against the new scheme's estimated tonnages and multiplied by the relevant management costs.

It is assumed that if the previous collection scheme had continued, it is unlikely there would have been any significant increases in the amount of waste composted and diverted from landfill. However, there would be a significant increase in the cost of disposal due to the annual £8 per tonne increase in landfill tax from 1 April 2014.

The table overleaf details the estimated landfill disposal costs and treatment costs at Arkwright in 2014/15:

Public

Landfill and Treatment Cost*	Cost per Tonne (2014/15)
Landfill Tax	£80.00
Landfill gate fee	£35.34
Total	£115.34
Gate fee at Arkwright	£48.95
Net financial benefit per tonne to Derbyshire County Council	£66.39

*Costs include a 3% increase on the current 2013/14 costs

The table below details the potential landfill disposal savings to the County Council assuming food waste is diverted from landfill in 2014/15 to the IVC facility:

	Bolsover	North East Derbyshire	Chesterfield
Total Project Sum (Est.)	Not stated		£58,750
Cost of Caddies for all Householders	£75,240		£42,750
Total Funding Sought	£50,040		£17,750
Potential Annual Disposal Savings	£230,307 (3,469 tonnes @ £66.39)		£66,390 (1,000 tonnes @ £66.39)

The project will undoubtedly help the County Council avoid increasing costs of landfill. On the basis of an “invest to save” project, the estimated costs demonstrate that a business case for providing a financial contribution to all three WCAs exists and offers a potential “win-win” for all Councils.

There is no guarantee, however, that the forecast diversion of food waste will be achieved. Therefore, it is prudent to assess the business case and the potential savings if a more cautious approach were adopted. If only 50% of the forecast tonnage of food waste was diverted from landfill, the potential annual disposal savings would reduce to £115,153 and £33,195 respectively. Although this is a reduction in the estimated level of savings based on WCA tonnages, a business case for providing a financial contribution to the WCAs remains whilst also providing a saving for the County Council.

As part of any funding award, it is proposed that all WCAs be required to actively promote the County Council's contribution to the new service including acknowledgement on promotional literature and the kitchen caddies. The design and wording to be used on each caddy is detailed in Appendix 1 and has been agreed with all 3 WCAs.

Public

(3) **Financial Considerations** Subject to agreement any contribution towards the cost of kitchen caddies, in full or in part, can be met from the savings to be generated in the Waste Management Revenue budget.

(4) **Legal Considerations** Section 1 of the Localism Act 2011 confers upon local authorities a general power of competence which enables them to do anything which is not restricted by other statutory provision for the benefit of the Authority, its area or persons resident or present in its area. It is considered that the County Council can use the powers contained in Section 1 of the Act to make the contribution to BDC, CBC and NEDDC referred to in the report, which will also benefit the County Council by reducing waste disposal costs.

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, human resources, environment, health, property and transport considerations.

(5) **Key Decision** No.

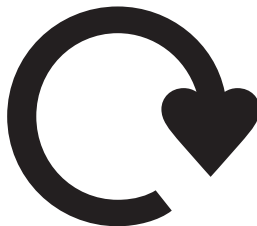
(6) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(7) **Background Papers** Reports to Cabinet dated 16 October 2012 (Minute No. 306/12), 22 January 2013 (Minute No. 11/13) and 16 April 2013 (Minute No. 113/13). Officer contact details – Claire Brailsford, extension 39775.

(8) **OFFICER'S RECOMMENDATIONS** That the Cabinet Member:

- 8.1 Welcomes the progress made on the development of the Arkwright in-vessel composting facility and the potential improvement in composting, and cost savings the infrastructure and service change will generate.
- 8.2 Approves the allocation of £50,040 of funding jointly to Bolsover District Council and North East Derbyshire District Council and £17,750 to Chesterfield Borough Council to fund the purchase of kitchen caddies for the implementation of the new composting service and to aid an increase in composting performance.
- 8.3 Agrees to this funding being allocated subject to promotional literature and the caddies displaying information acknowledging the contribution made by Derbyshire County Council.

Mike Ashworth
Strategic Director – Economy, Transport and Environment



All your food waste please

Caddy provided by Derbyshire County Council.
Working in partnership with Chesterfield Borough Council.