

Agenda Item No. 7(c)

DERBYSHIRE COUNTY COUNCIL

CABINET

10 January 2017

Report of the Strategic Director – Economy, Transport and Communities

**HOUSEHOLD WASTE RECYCLING CENTRE SERVICES – PROPOSED CHANGES (HIGHWAYS, TRANSPORT AND INFRASTRUCTURE)**

(1) **Purpose of Report** To advise Cabinet of the outcome of public consultation undertaken between August and October 2016 on proposals to achieve future cost savings and income generation from the operation of the Household Waste Recycling Centres (HWRCs) to contribute towards the County Council's overall budget reduction by 2021.

(2) **Information and Analysis** The Waste Management Service is working towards an overall cut in its budget of £4m by 2018-19, with the first phase of savings of £0.500m being required in 2017-18.

The Waste Management Service revenue budget in 2016-17 is £37.2m. The majority of costs relate to contractual payments for the recycling, treatment and disposal of household waste collected by Derbyshire's district and borough councils, and for all waste managed through Derbyshire's network of HWRCs.

An initial analysis has shown that in order to achieve this quantum of savings, a radical rethink of the way in which Waste Management services are delivered will be needed. No one single project could deliver the savings alone, therefore, a combination of fundamental changes to current service provision is being considered, including a forensic analysis of contracts, sites, operations and the County Council's relationship with its partners.

In order to achieve the first phase of savings required in 2017-18, the way in which the County Council delivers HWRC services is being reviewed. Three initial proposals have been identified which would combine savings and income generation through restricting access and introducing charges.

**Proposal 1** - Restrict use of Derbyshire HWRCs to Derbyshire residents.

**Proposal 2** - Require vans, trailers and pickups used for personal use to apply for a free permit to use the HWRCs.

**Proposal 3** - Charge for non-household waste, such as soil, bricks and rubble.

On 26 July 2016, Cabinet approved a public consultation on the proposals to be carried out in the summer/early autumn 2016 (Minute No. 222/16 refers). This report outlines the outcomes of the consultation and details proposals and recommendations.

**Current Service Provision**

The County Council currently provides nine HWRCs across the County. There are two contracts in place for the management and operation of the HWRCs; one with Suez for the operation of the Buxton HWRC and a second contract with Resource Recovery Solutions (Derbyshire) Ltd (RRS) which operates the remaining eight facilities.

The County Council, as a Waste Disposal Authority, has a duty under Section 51 of the Environmental Protection Act 1990, to arrange for “the disposal of waste collected by the Waste Collection Authorities (WCAs) and for places to be provided at which persons’ resident in its area may deposit their “household” waste and for the disposal of waste so deposited”. The County Council has discretion on the acceptance of other “non-household” waste types, i.e. construction waste (bricks, rubble, soil, tiles, plasterboard, asbestos bathroom fittings and kitchen fittings) for which a charge may be made.

The Environmental Protection Act 1990 requires that each facility provided is open at all reasonable times, including at least one period on a Saturday or Sunday. The County Council has discretion to determine the number of these facilities, the location of such facilities, the opening hours to be operated and the charges it makes, if any, for accepting non-household waste.

A map showing the location of the sites is presented at Appendix 1 to this report. Key information about each HWRC site is shown in Appendix 2. All HWRCs broadly accept the same range of materials. Currently, there is a restriction on householders who wish to dispose of construction and demolition waste.

The County Council currently accepts around 8,000 tonnes of construction and demolition type waste. The current policy applies a limit to householders of 50kg per week. No charges are currently made for the disposal of this waste.

Vehicles over 3.5 tonnes gross vehicle weight (that is standard Ford transit size or equivalent) and trailers over 2 metres in length are not allowed on HWRC sites. Householders do not currently need a permit to enter any of the County Council’s sites.

There are no formal systems in place, e.g. permit or pre-registration schemes, which restrict use of the HWRCs by 'out of county' residents. However, should site staff become aware of a non-Derbyshire resident they will be refused access to the facilities, albeit this is a fairly uncommon occurrence.

## **Outcome of the Consultation**

The public consultation took place between 1 August and 21 October 2016. A total of 1,182 responses were submitted; 96% from people living in Derbyshire, 3% from people living outside Derbyshire and 1% of other respondents including a business. Written responses were also received from three district councils, a parish council, a Member of Parliament and one neighbouring authority.

The detailed results of the public consultation are given in Appendix 3. In summary, the main issues raised in the feedback were as follows:

- A relatively high level of support (87%) was given for only allowing people to use the County Council's centres if they live in Derbyshire.
- 79% of respondents supported (either strongly agreed or tend to agree) consideration of options to restrict certain vehicle types and trailers.
- 47% of respondents agreed (strongly agreed or tend to agree) with the proposal to charge people for bringing non-household waste to the HWRCs, such as soil, rubble and bricks. Whilst 43% of respondents either tend to disagree or strongly disagreed with the proposal, 10% neither agreed nor disagreed.
- Concerns were expressed about the impact of introducing charges, 21% said it would make disposal of waste a little more difficult whilst 16% said it would be much more difficult. Conversely, 54% said there would be little or no negative impact.
- The majority of respondents indicated that introduction of restrictions for non-Derbyshire residents and certain types of vehicles and trailers would have little or no negative impact.
- Approximately 31% of respondents stated that they never take non-household waste to the HWRCs, 45% take it once a year or less and 19% every three to six months. The remaining 5% take this type of waste to the HWRCs more frequently.
- Just under a third of respondents suggested any charges should be less than £1 per 25kg sack and just under a third between £1 - £1.99. 21% of respondents suggested charges should be in the £2 to £5 price bracket.

The consultation was accompanied by a wide variety of comments reflecting the varying levels of support for different approaches to achieve savings; these have been summarised in Appendix 3.

The most commonly mentioned concern was about the risk of more fly-tipping. There was also a frequently expressed desire to minimise the administrative procedures (from a time and cost perspective) of any proposals, to see greater levels of re-use and recycling, more education on recycling and waste reduction, and the introduction of items for sale.

In terms of other comments about the HWRCs, a large number commented on the excellent services provided at HWRCs and in particular gave compliments on the high level of customer service given by site staff.

### **Proposals for Implementation**

Taking account of the consultation feedback and further analysis of the options, it is proposed that service changes for the implementation of charges for construction and demolition waste be taken forward. Further reports on the proposed restrictions on access will be presented at a later date.

Although a significant number of respondents were opposed to the implementation of charges, it has been concluded that charging is preferable to discontinuing the service altogether, allowing a valued service to continue for those who wish to use it, at a reasonable cost. The proposed charges are relatively low, and only apply to items not generally disposed of on a frequent basis.

In parallel to the public consultation, officers have undertaken detailed development and costing of the proposals in conjunction with the HWRC contractors to help establish the true potential of the savings options and future opportunities. This has included examining the likely impact and response of service users, implementation and operating costs.

The following measures for the application of charges are proposed for implementation from 3 April 2017 or as soon as practicable thereafter:

- Charging for construction and demolition waste (see waste types detailed in Appendix 4) to include ceramics (e.g. bathroom suites).
- Lifting the current limit on the quantity of construction and demolition waste that can be deposited.
- Applying charges to householders at the time of their visit to a HWRC.
- Site operatives to make an assessment on the type and quantity of waste being deposited and apply the appropriate charge(s).
- Payment for waste to be taken on site by card machine, no cash or cheques to be accepted due to the associated audit and security risks. (This is the practice adopted by most other authorities that levy charges on site).
- Charges to be levied at £3 per “Standard Rubble Sack” (up to 820mm x 535mm) these are widely available in DIY shops (charges can be reviewed and adjusted in the future as necessary).

- Householders unable to pay will be asked to leave the site with their waste and return later with a means of payment.

Following negotiations with both HWRC contractors, they have proposed to implement the scheme on the following terms:

- Operate the scheme initially on a three year term with a review point.
- Incur all fixed and variable costs (including set up costs; staffing; card machines, transaction cost, etc.)
- Guarantee a level of income to the Council regardless of actual chargeable tonnes.

The guaranteed level of income has been determined based upon the costs of implementation and operation and assumptions around tonnages. Officers have analysed the method and consider that the proposal is reasonable and adequately reflects the level risk and reward of the scheme.

The proposed charge is in excess of the level preferred by the consultation respondents, however, in order to make the scheme cost effective and to contribute to the savings target, it has been necessary to set the charge at a higher rate. It should be noted that the proposed charges are still relatively low, and only apply to items not generally disposed of on a frequent basis.

### **Risks and Issues**

Unlike household waste disposal at the HWRCs, acceptance of construction and demolition waste is discretionary. Given the level of savings required, doing nothing is not an option. Overall, it is considered that charging for this waste is preferable to discontinuing it altogether, allowing a valued service to continue for those who wish to use it, at a reasonable cost.

The alternative is to withdraw the service for the acceptance of construction and demolition waste completely. However, the absence of a disposal route for this material might increase the temptation to fly tip due to lack of accessible places to take the waste.

Conversely, it is argued that charging for this waste could also result in increases in fly-tipping. WCAs are particularly concerned about having to meet additional fly-tipping collection costs as a consequence of the savings made by the County Council.

There is no conclusive evidence available of a direct correlation between restrictions at the HWRCs and fly-tipping, however, anecdotal evidence from other authorities, which have implemented similar charging schemes, has shown no notable impact.

Levels of fly-tipping will be closely monitored and the County Council will work with WCAs and the Environment Agency to minimise any adverse impacts, should they occur. This could include, for example, a co-ordinated campaign of publicity and enforcement. Communications around the changes will include messages and advice to encourage re-use and recycling as alternative approaches to disposal.

The exact savings arising from the measures proposed in this report are difficult to predict accurately as they depend in part upon the behaviour of residents in response to the measures and the effectiveness of enforcement by the County Council and its contractors. Other local authorities who have implemented similar charging schemes have seen a 75-80% reduction in this type of waste. It is also accepted that some of this waste may find its way back into the residual waste stream although this is likely to be a small amount.

The new on-site controls and charges are likely to be initially unpopular with service users who have, until now, experienced relatively free access to the HWRCs. As a result, additional customer support and communications will need to accompany the implementation of the changes. There are currently around 1.3 million visits to the HWRCs. Careful consideration will be given to how this will be effectively managed when the changes are implemented.

## Implementation

Subject to Cabinet approval, the next step in this project would be for contract documents to be varied to enable the contractors to prepare and implement the necessary service changes. A proposed project timetable is detailed below.

**Table 1 - Proposed Project Timetable**

Date	Action	Status
10 January 2017	Report to Cabinet with outcome of consultation recommendations for decision making	Ongoing
30 January 2017	If approved, the Scheme advertised to residents (9 weeks pre-implementation)	Ongoing
3 April 2017	Implementation of charges for non-household waste	Ongoing

The aim is to implement charges with effect from 3 April 2017 or as soon as practicable thereafter. The implementation date will be subject to completing

all contractual variations with current contractors in a timely manner and allowing for sufficient advance notification to residents.

(3) **Financial Considerations** As previously outlined, the exact savings arising from the measures proposed in this report are difficult to predict accurately as they depend in part upon the behaviour of residents in response to the measures. However, allowing for a reduction in waste arisings of 75% - 80% and based upon a charge of £3 per bag, it is estimated that an income of approximately £0.130m per annum could be achieved.

Both HWRC contractors have agreed to guarantee a level of income regardless of chargeable tonnes received. Therefore, the minimum amount of income per annum will be £70,000.

In the first year there will be set up costs which will reduce the income level. The set up costs are estimated to be £60,000 reducing the estimated income in year one to £70,000. In the event the scheme was terminated early by the Council, the Council has been asked to compensate the contractors for any fixed costs not depreciated. In year one the fixed costs would be £32,000 and at the end of year two £16,000. Beyond that period there would be no further fixed costs.

In the event the scheme was to be terminated early, the County Council has been asked to compensate the contractors for any fixed costs not depreciated.

(4) **Legal Considerations** Derbyshire County Council, as a Waste Disposal Authority, has a duty under Section 51 of the Environmental Protection Act 1990 to arrange for the disposal of waste collected by the WCAs and for places to be provided at which person's resident in its area may deposit their household waste and for the disposal of waste so deposited.

The County Council has discretion on the acceptance of other "non-household" waste types i.e. construction waste (bricks, rubble, soil, tiles, plasterboard, asbestos bathroom fittings and kitchen fittings), for which a charge may be made.

The Department for Communities and Local Government (DCLG) has recently issued a press release indicating that councils should heed guidance issued by the Waste and Resources Action Programme (WRAP), that DIY waste taken to HWRCs should be treated as household waste. This guidance is not statutory guidance and the Council may choose not to follow it if it considers it has good reason to do so. The relevant part of the WRAP guidance states that:

*"DIY waste is classed as household waste if it results from work a householder would normally carry out. However interpretations differ on*

*the householder's ability to perform certain home improvement tasks and if a householder employs the services of a trades person to perform domestic tasks consideration must be given to the classification of the resultant waste."*

It is not considered that this statement reflects the correct legal position under the Environmental Protection Act 1990 and the Controlled Waste Regulations 2012. The Controlled Waste Regulations 2012 Schedule 1 sets out waste which is to be treated as household waste, commercial waste or industrial waste. Waste from construction or demolition works (including preparatory works) is classed as industrial waste, notwithstanding the place where it is produced. Construction and demolition waste from a domestic property would therefore be classed as industrial waste.

Neither the Environmental Protection Act 1990 nor the Controlled Waste Regulations 2012 contain any reference to "DIY waste" nor do they refer to any exceptions to the classification.

(5) **Equality and Diversity** An initial Equality Impact Assessment was undertaken prior to consultation and has been reviewed to take account of the outcomes of the public consultation.

In summary, the principal impact is the affordability of charges for construction and demolition waste for members of protected groups; however, the proposed charges are relatively low and only apply to items not generally disposed of on a frequent basis. The proposed charge will not have a disproportionate impact on members of protected groups when compared to other groups.

(6) **Environmental Considerations** The County Council is required to make arrangements under the Environmental Protection Act 1990 for the treatment and disposal of municipal waste.

(7) **Social Value Considerations** In delivering services to local residents the principle impact is the affordability of charges. However, the proposed charges are relatively low, and only apply to items not generally disposed of on a frequent basis. Furthermore, charging for this waste is preferable to discontinuing it altogether, allowing a valued service to continue for those who wish to use it, at a reasonable cost.

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

(8) **Key Decision** Yes.



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

(10) **Background Papers** Held on file within the Economy, Transport and Communities Department. Officer contact details – Claire Brailsford, extension 39775.

(11) **OFFICER'S RECOMMENDATIONS** That Cabinet:

- 11.1 Notes the results of the public consultation on proposed service changes to Household Waste Recycling Centres.
- 11.2 Approves the implementation of charges for the deposit of construction and demolition waste (non-household waste) at Household Waste Recycling Centres with effect from 3 April 2017, or as soon as practicable thereafter, as detailed in the report.
- 11.3 Delegates authority to the Strategic Director – Economy, Transport and Communities, in consultation with the Cabinet Member for Highways, Transport and Infrastructure, to make any further necessary decisions in order to implement the measures set out in the report to achieve the required savings, including the making of any consequential amendments to the Household Waste Recycling Centre operators contracts.

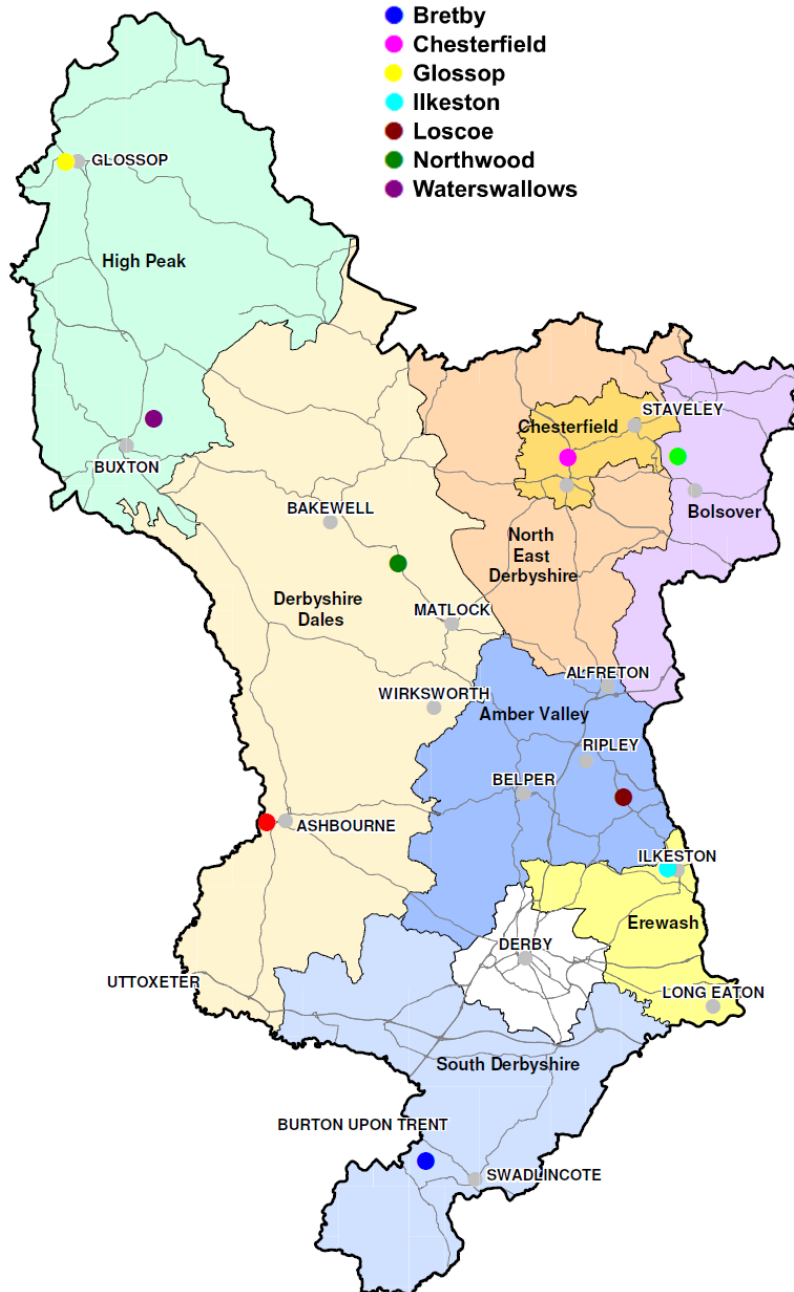
**Mike Ashworth**  
**Strategic Director – Economy, Transport and Communities**

## LOCATION OF HOUSEHOLD WASTE RECYCLING CENTRES IN DERBYSHIRE



### Household Waste Recycling Centres

- Ashbourne
- Bolsolver
- Bretby
- Chesterfield
- Glossop
- Ilkeston
- Loscoe
- Northwood
- Waterswallows



## Key Information on HWRCs

<b>Derbyshire HWRCs</b>	<b>Annual Number of Visits (2015-16)</b>	<b>Estimated Operating Cost per Tonne</b>	<b>Annual Tonnage Received (2015-16) (tonnes)</b>	<b>Estimated Operating Cost per Annum (£m)</b>
Ashbourne	132,436	£113	4,322	£0.490
Bolsover	170,339	£81	9,441	£0.764
Bretby (Newhall)	129,304*	£89	6,464	£0.576
Buxton (Waterswallows)	142,913	£49	6,801	£0.330
Chesterfield (Stonegravels)	276,291	£78	12,280	£0.954
Glossop	90,548	£113	3,556	£0.403
Ilkeston	172,731	£81	8,185	£0.665
Loscoe	252,858	£77	13,695	£1.057
Northwood (Darley Dale)	132,705	£104	4,653	£0.485

\* estimated traffic count, counter has been down since December 2015 (14-15 figures used for missing months)

**Summary of Consultation Responses****1. Introduction**

The Waste Management Service is working towards an overall cut in its budget of £4.000m by 2018-19, with the first phase of savings of £0.500m being required in 2017-18.

The Waste Management Service revenue budget in 2016-17 is £36.296m. The majority of costs relate to contractual payments for the recycling, treatment and disposal of household waste collected by Derbyshire's district and borough councils, and for all waste managed through Derbyshire's network of Household Waste Recycling Centres (HWRCs).

An initial analysis has shown that in order to achieve this quantum of savings, a radical rethink of the way in which waste management services are delivered will be needed. No one single initiative could deliver the saving alone, therefore, a combination of fundamental changes to current service provision is being considered, including a forensic analysis of contracts, sites, operations and the County Council's relationship with its partners.

**2. Proposals for Savings and Income Generation at HWRCs**

In order to achieve the first phase of savings required in 2017-18, the way in which the County Council delivers HWRC services is being reviewed. Three initial proposals have been identified which would combine savings and income generation through restricting access and introducing charges.

**Proposal 1** - Restrict use of Derbyshire HWRCs to Derbyshire residents.

**Proposal 2** - Require vans, trailers and pickups used for personal use to apply for a free permit to use the HWRCs.

**Proposal 3** - Charge for non-household waste, such as soil, bricks and rubble.

A public consultation took place between 1 August and 21 October 2016 on the changes proposed to the HWRC service in Derbyshire. An online survey and paper copies of the consultation were made available to the public. Stakeholders were also informed of the consultation.

The consultation was promoted through the following ways:

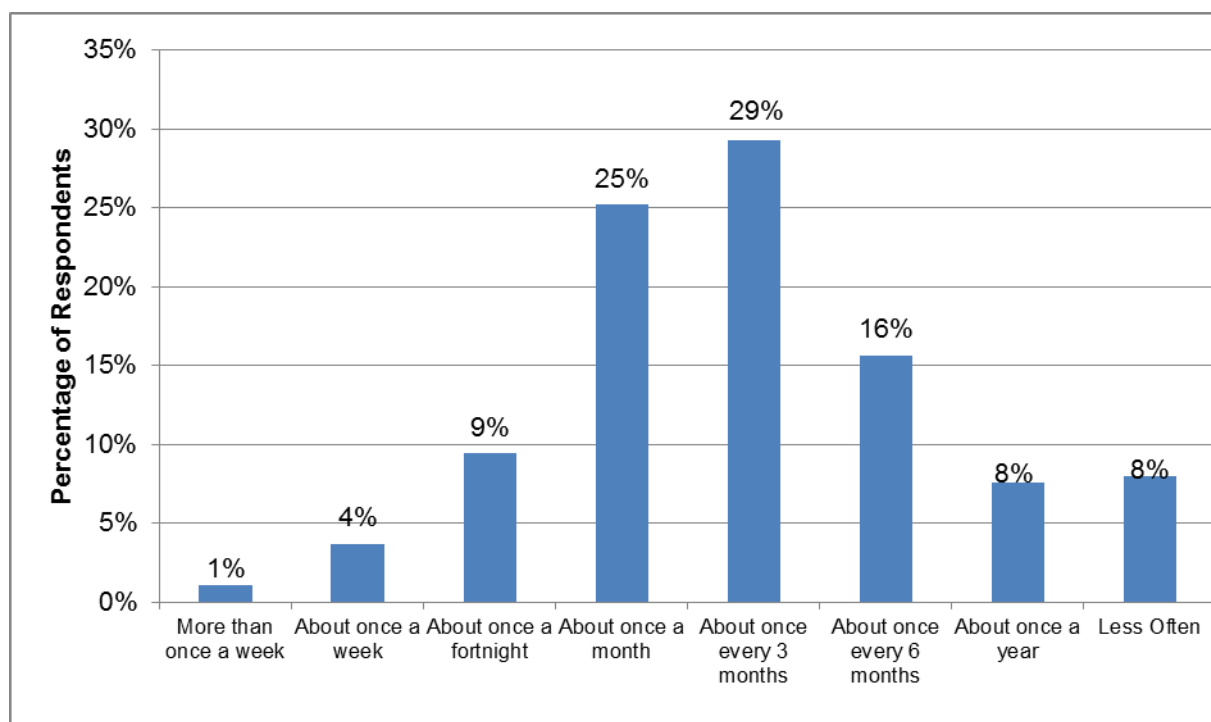
- press releases sent to local media;
- social media messages on Facebook at regular points throughout the consultation;
- information on the County Council's website front page banner and on the consultation webpage;
- flyers issued to visitors to the HWRCs.

### 3. Survey Results

The findings from the public consultation are presented in this report. A total of 1,182 responses were received to the consultation. 96% of respondents were from Derbyshire residents, 3% from people living outside Derbyshire and a small number of other respondents including a business. Written responses were also received from three district/borough councils, a parish council, a Member of Parliament and one neighbouring authority.

#### Frequency of HWRC Use

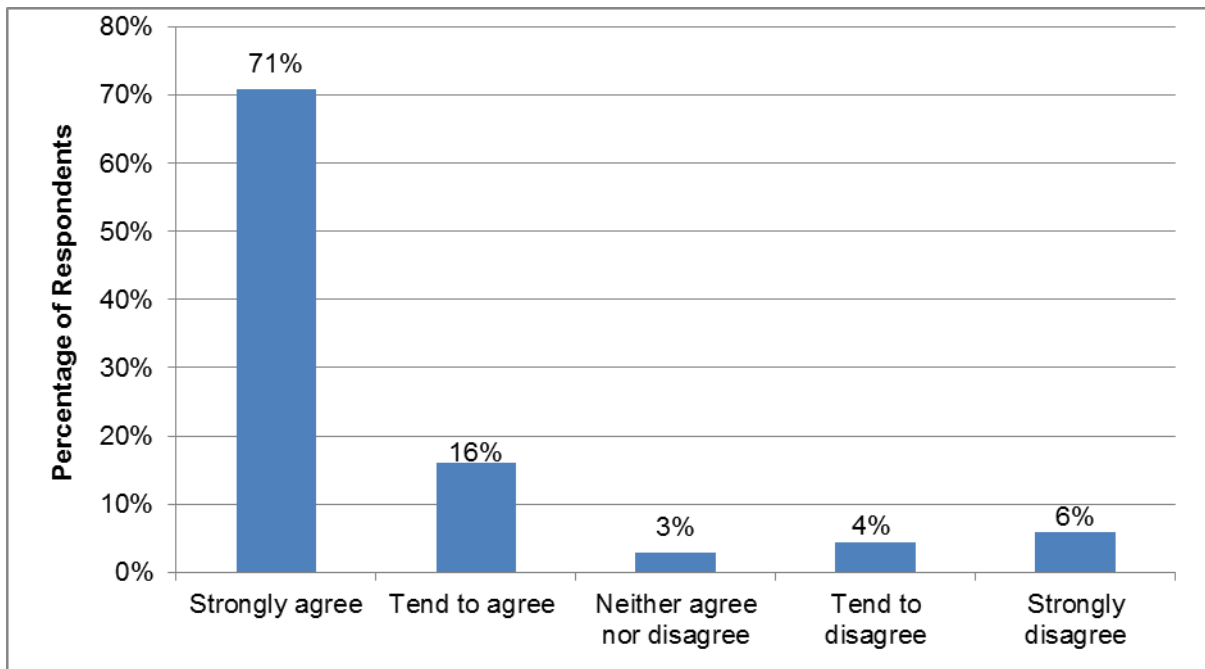
When asked how frequently respondents use the HWRC service, 25% indicated once a month, 29% once every 3 months, 16% once every 6 months and 16% once a year or less.



#### Proposal 1 - Restrict Use of HWRCs for Derbyshire Residents only.

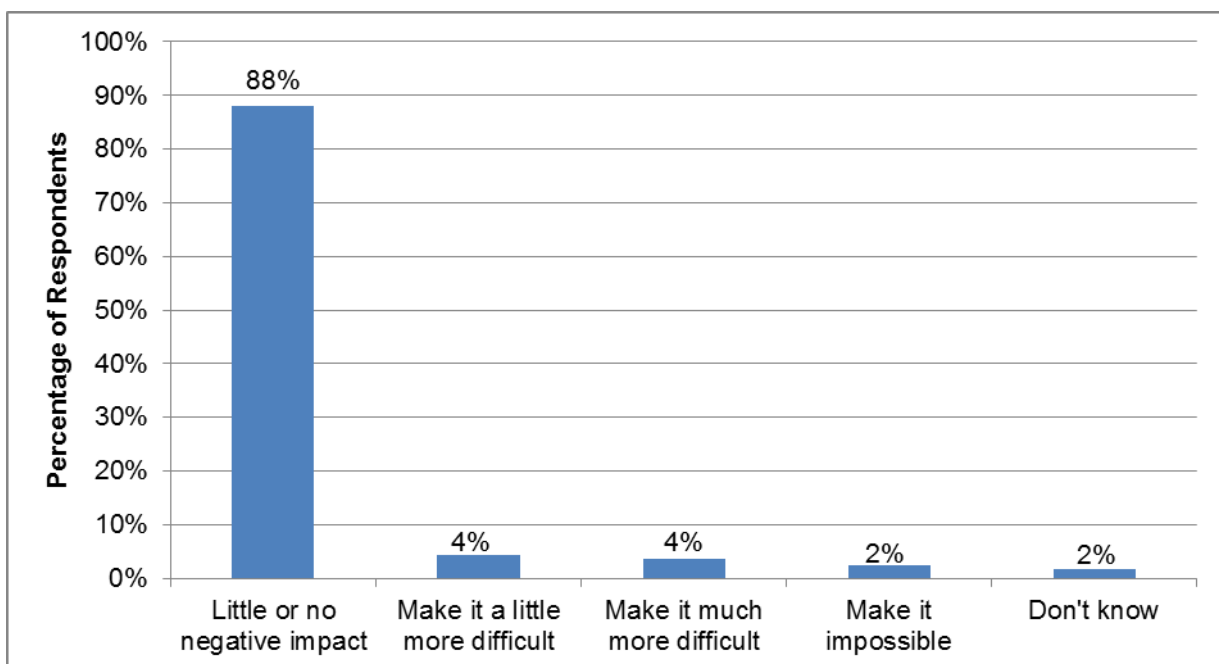
***How strongly do you agree or disagree with only allowing people to use our centres if they live in Derbyshire (excluding Derby City) to make sure we're not picking up the cost of dealing with waste from outside the county.***

87% of respondents agreed with only allowing Derbyshire residents to use the County Council's HWRCs.



***How would it affect your ability to dispose of your waste if we restricted the use of the HWRCs to Derbyshire residents?***

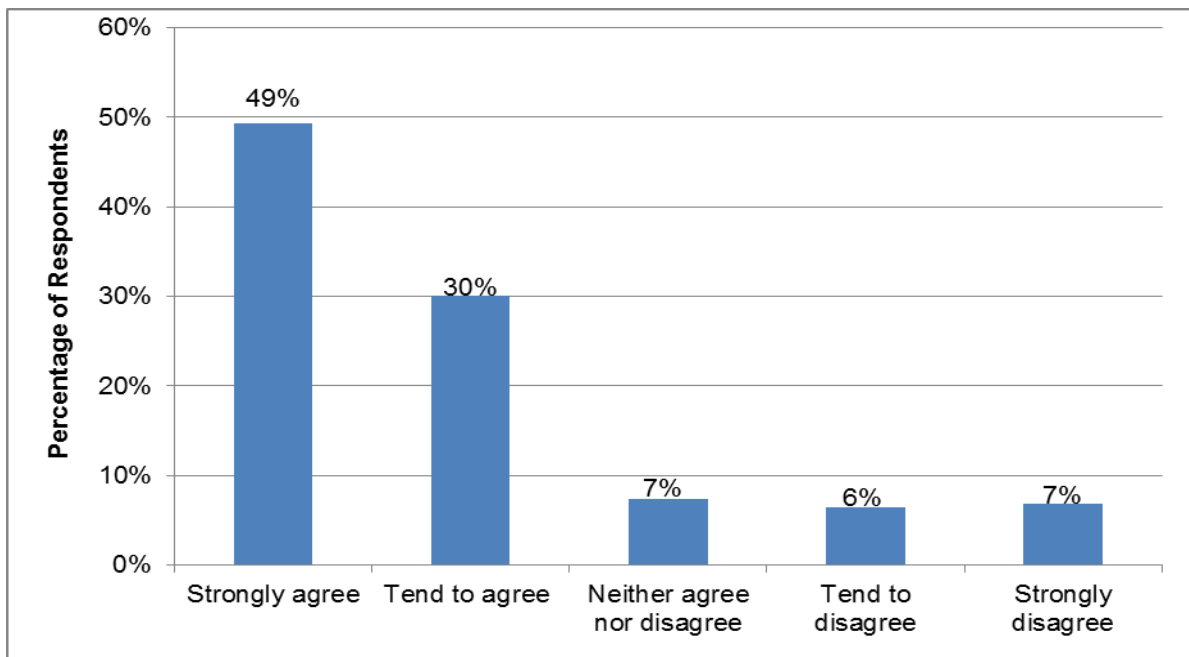
88% of respondents stated that there would be little or no negative impact.



**Proposal 2 - Require vans, trailers and pickups used for personal use to apply for a free permit to use the HWRCs.**

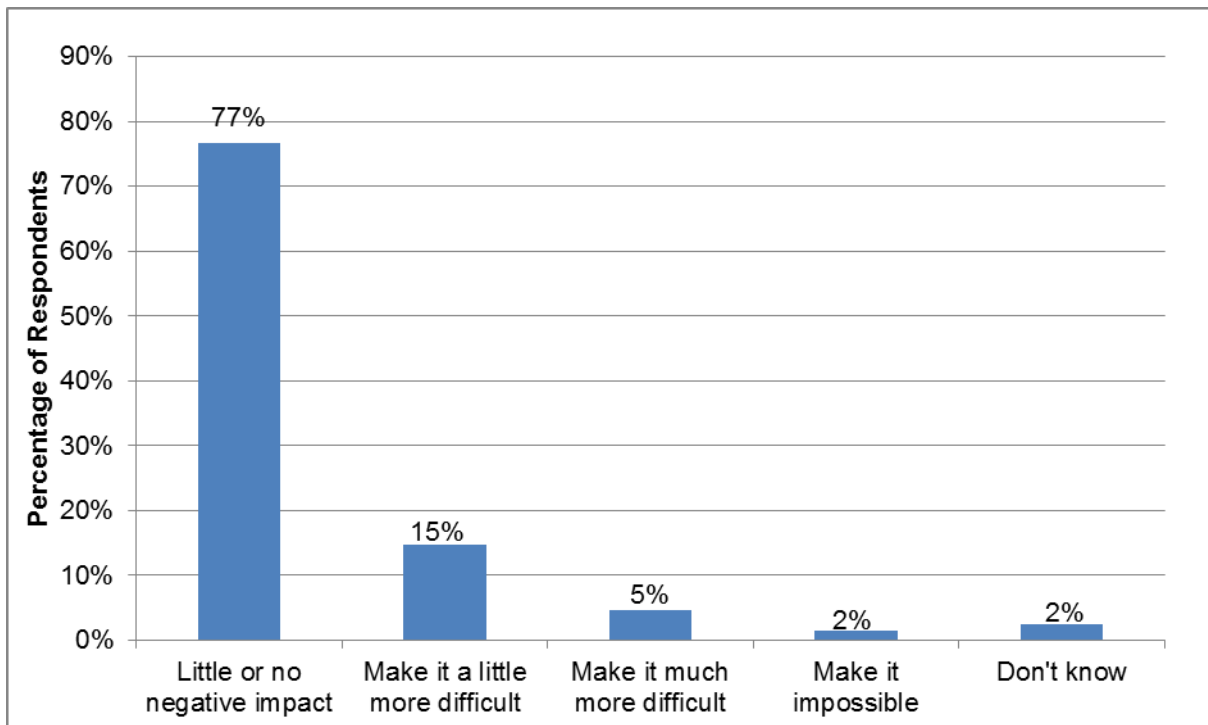
***How strongly do you agree or disagree with requesting vans, trailers and pickups (used for personal use) to apply for a free permit to use our centres.***

79% of respondents agreed with vans, trailers and pickups (used for personal use) applying for a free permit to use the County Council's HWRCs.



***How would it affect your ability to dispose of your waste if we requested vans, trailers and pickups (used for personal use) to apply for a free permit to use our centres?***

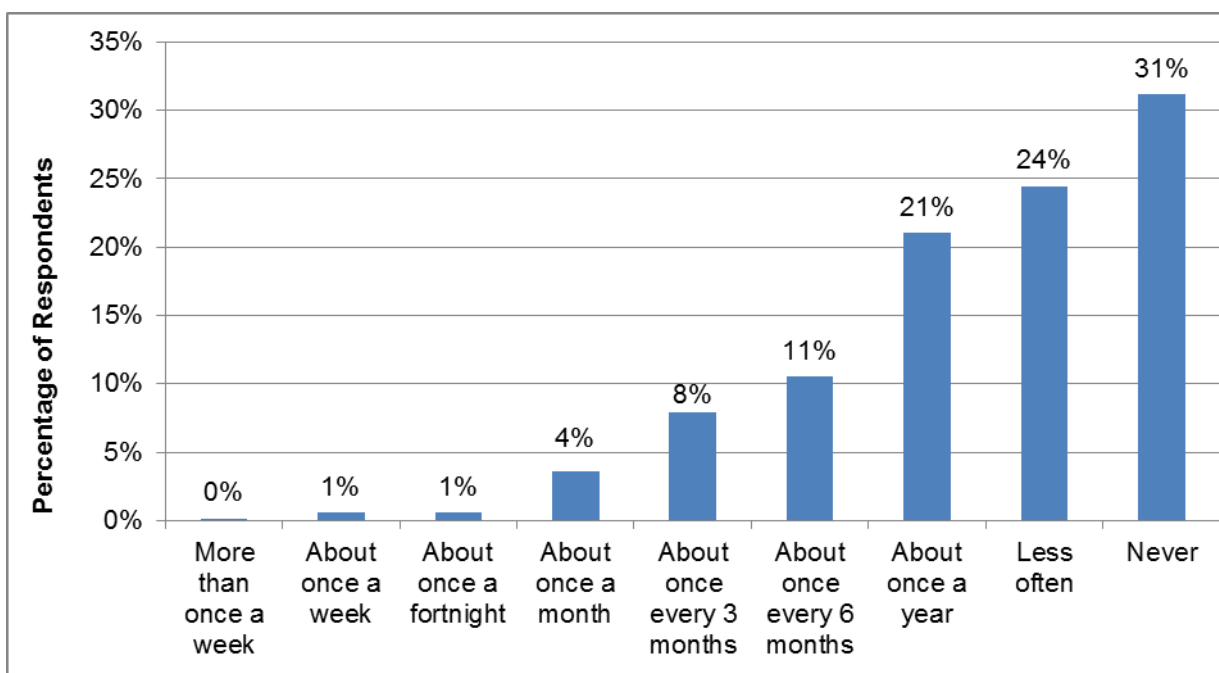
77% of respondents stated that there would be little or no negative impact.



**Proposal 3 - Charge for Non-Household Waste, namely soil, bricks and rubble.**

***On average how often do you take non-household waste, such as soil, bricks and rubble to one of our recycling centres?***

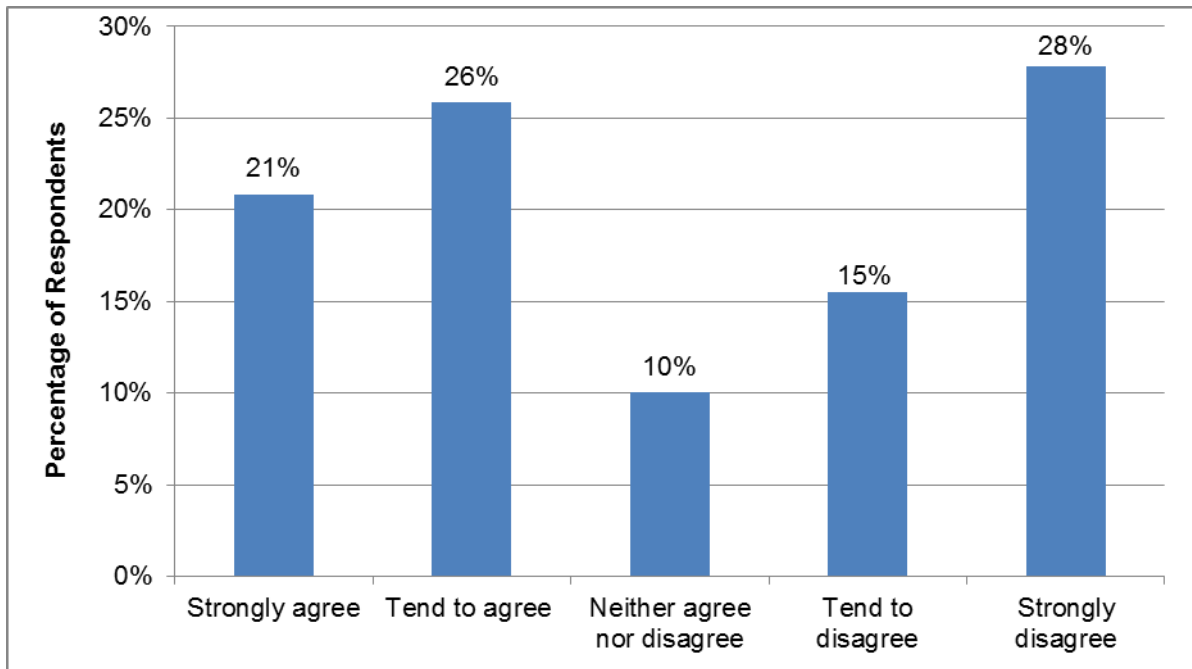
21% of respondents reported that they would take non-household waste about once a year, 24% less often than this and 31% never take this waste.





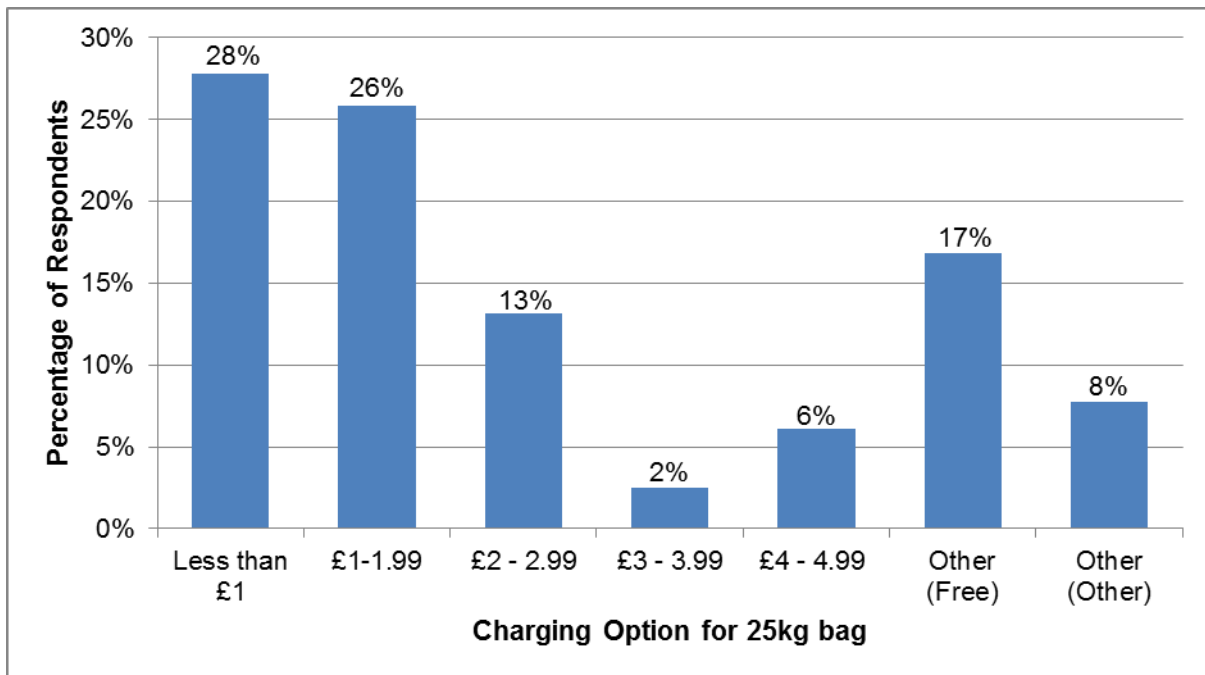
**How strongly do you agree or disagree with charging people for bringing non-household waste to our sites such as soil, bricks and rubble.**

47% of respondents agreed with charging, 43% disagreed and 10% neither agreed nor disagreed.



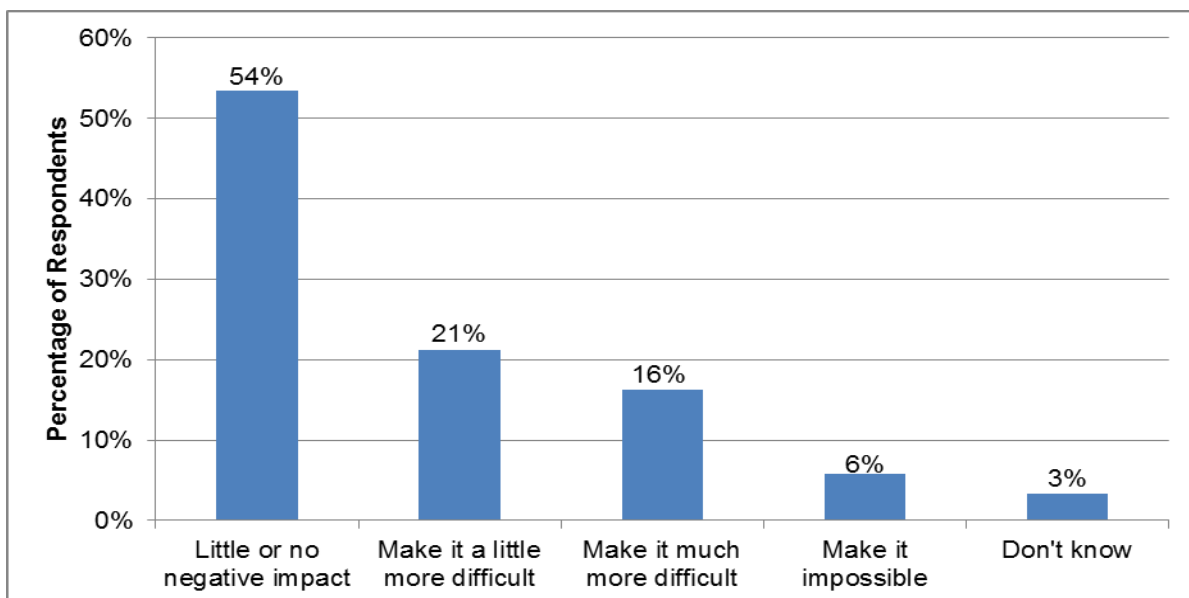
**How much do you think we should charge people to take non-household waste to our centres?**

28% of respondents would be willing to pay less than £1 per 25kg bag, 26% £1-£1.99, 21% between £2 - £4.99 and 17% of respondents selected the 'other' category and recorded that there should be no charge.



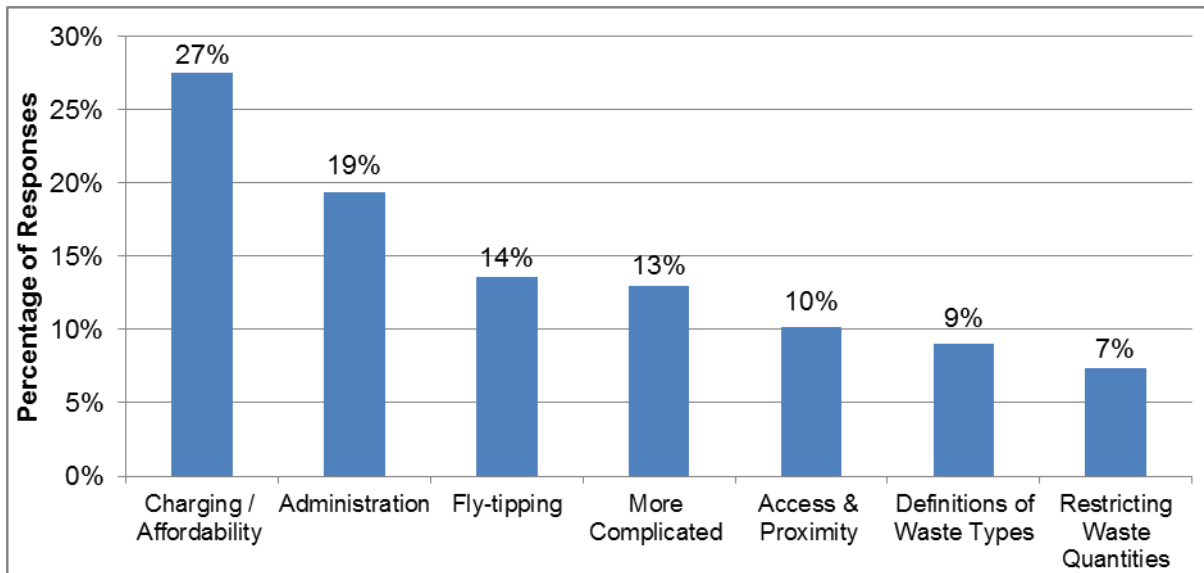
**How would it affect your ability to dispose of your waste if we implemented a charge for people bringing non-household waste to our sites such as soil, bricks and rubble.**

54% of respondents felt that there would be little or no negative impact on them, 21% of respondents felt that it would make it a little more difficult and 22% stated it would make it much more difficult or impossible.



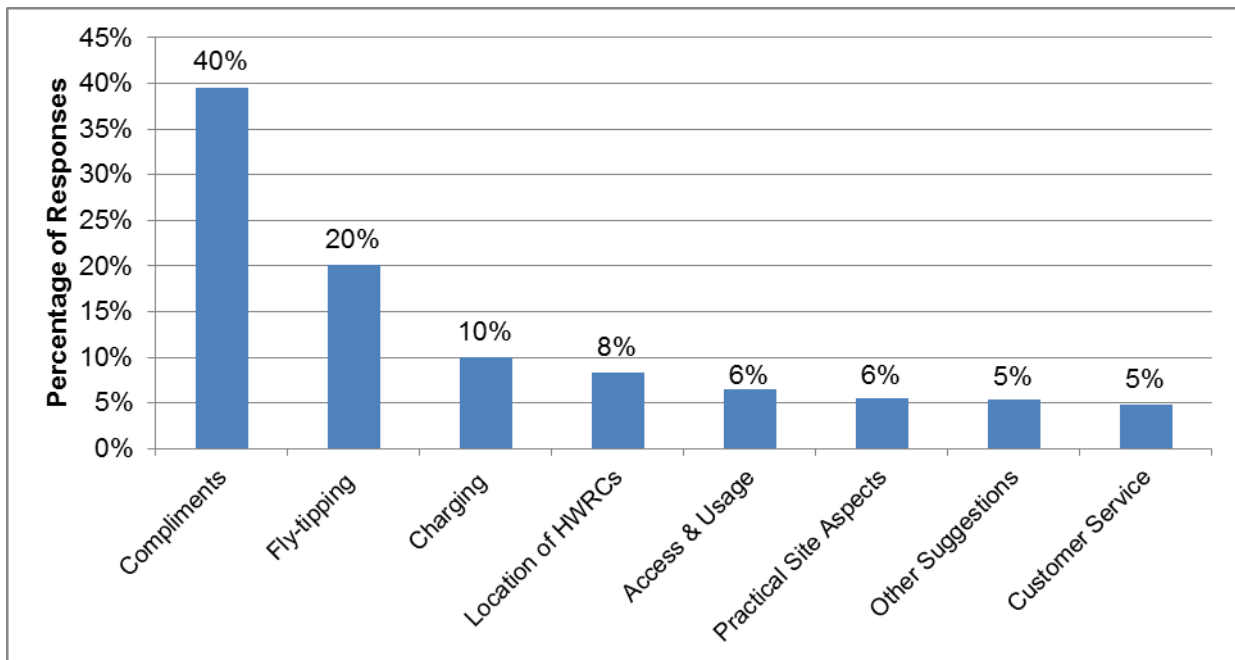
**For each of the 3 proposals respondents who had answered that it would make it 'more difficult' or 'impossible' for them to dispose of their waste were asked what would make it easier for them.**

Most of the comments did not make any suggestions on how it could be made easier. The comments tended to focus on the impacts of the proposals. 100 comments were made by respondents although often contained more than one point. The main comments made were around charging and the impact of costs on members of the public, the process of administration, the impact on accessing HWRC services, making the service more complicated and perceived impacts of increased fly-tipping.



### Comments made about the HWRC service

Respondents were asked for any other comments they would like to make on the HWRC service. 99 comments were made by respondents although often contained more than one point. The majority of comments were positive and complementary about the HWRC service. Concerns of increased fly-tipping resulting from the implementation of proposals were also raised.



### Responses from Other Stakeholders

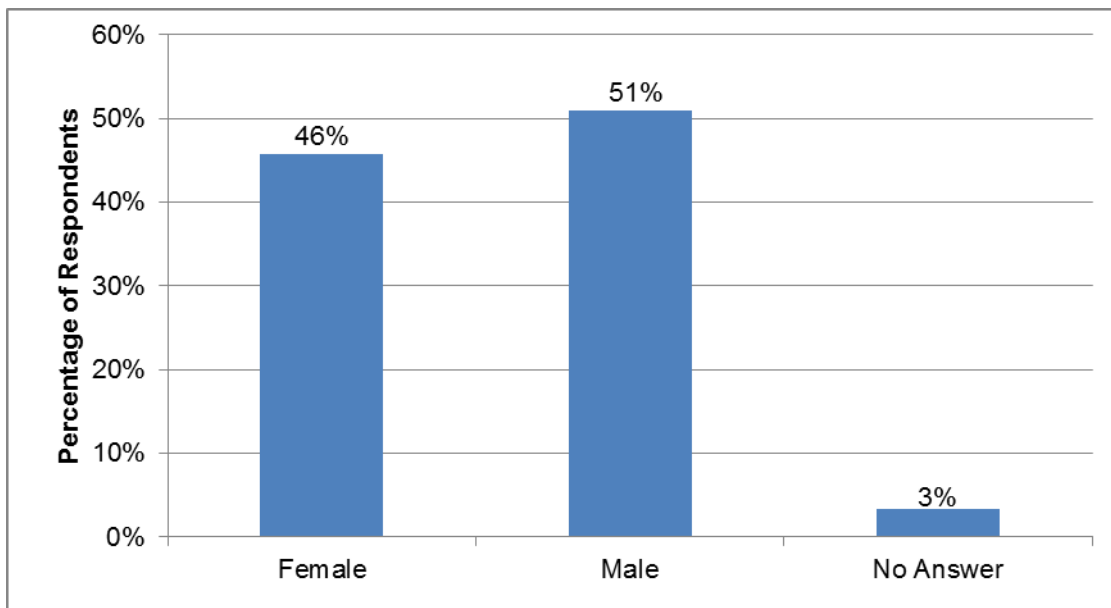
Written responses were received from High Peak Borough Council, North East Derbyshire District Council, Bolsover District Council, Mayfield Parish Council, Staffordshire County Council, and the Member of Parliament for Derby North.

The main points made related to concerns about the reduction of flexibility for members of the public and their ability to use HWRCs in neighbouring authorities, potential risk of increased fly-tipping and associated cost. Also, the reduction in real savings, after administration costs, is taken into account and the need for flexible and easy procedures for service users to register and prove residency. Some respondents also requested measures be put in place to accommodate people who had not registered or brought appropriate ID to the HWRCs to avoid fly-tipping, and finally that consideration be made to potential knock on effects such as the potential transfer of non-household waste into the kerbside residual waste stream.

A number of local councils who responded were supportive of the proposals. A request was, however, made for consideration to be given to ways to streamline existing HWRC operating costs prior to these proposals being progressed.

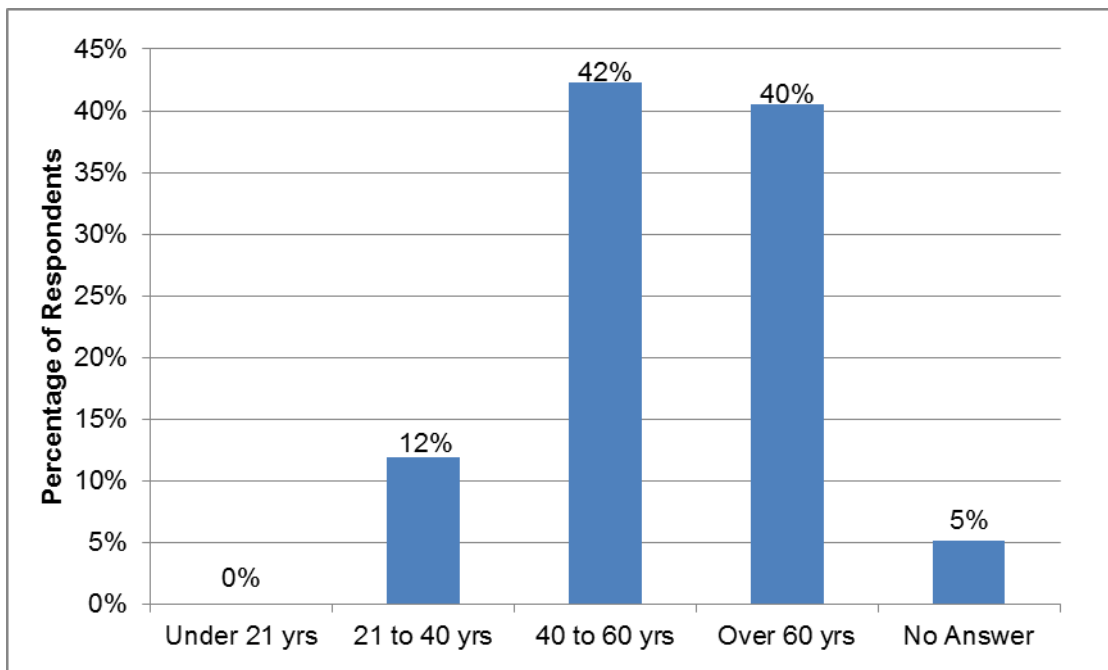
## About the Consultation Respondents

### *Gender*

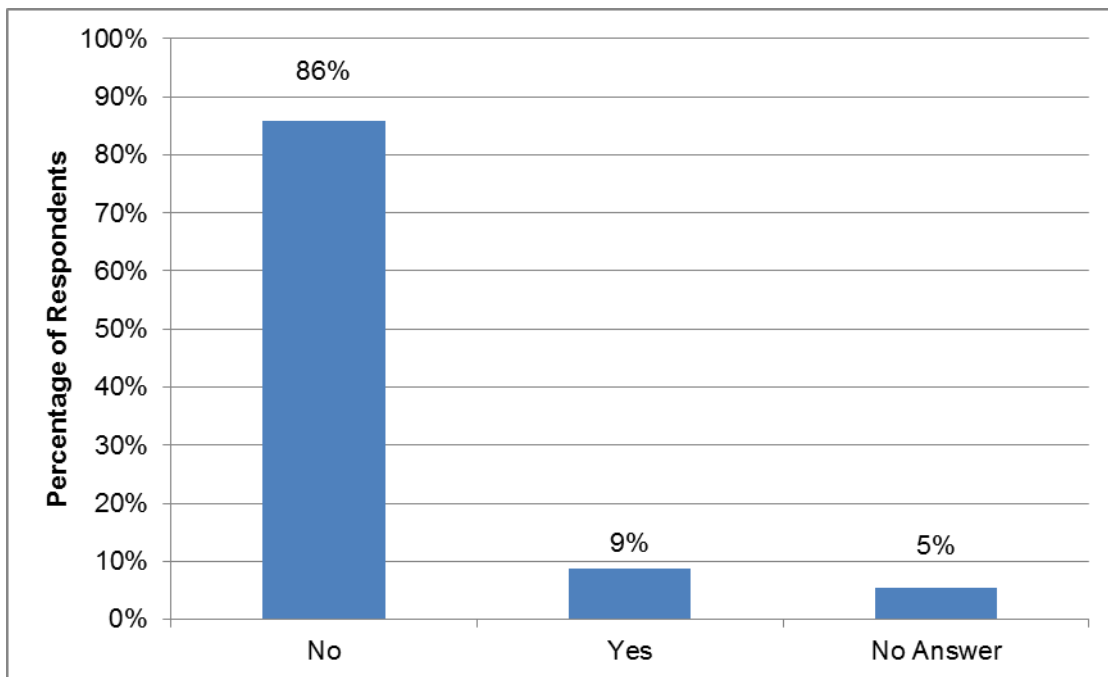


### *Age of Respondents*

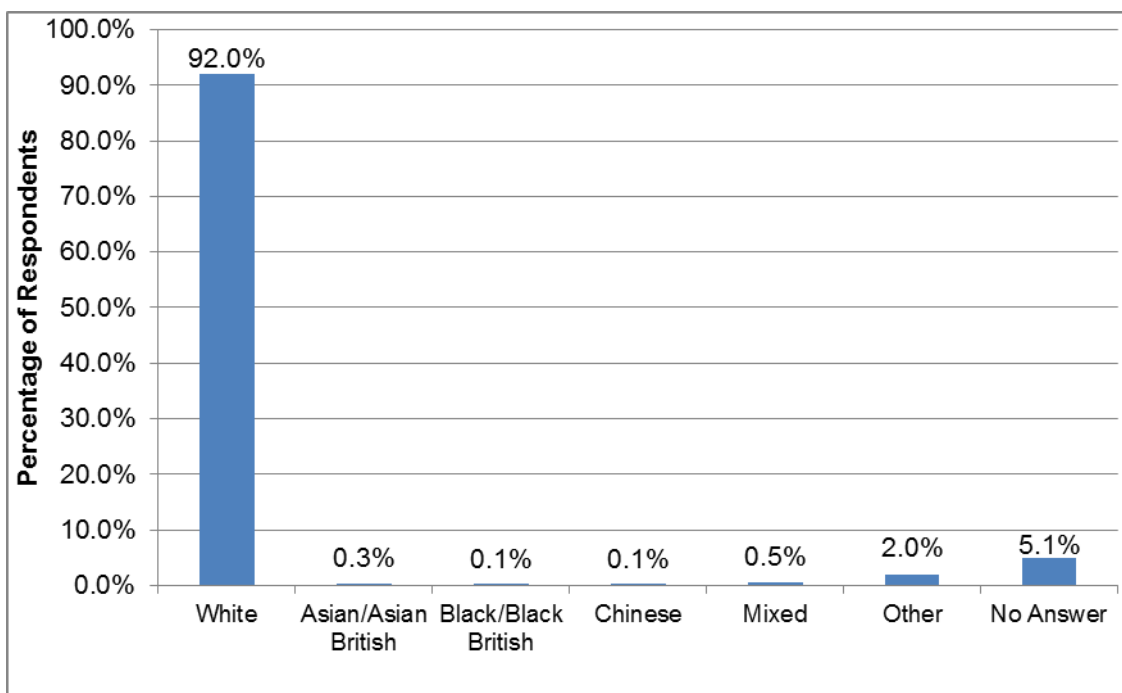
The figures in this graph have been rounded up and does not show the 1 respondent who was under 21.



## ***Disability***



## ***Ethnic Group***



## **Non-Household Waste Charges - Waste Types Included**

### **Concrete, Cement and Mortar**

- Whole paving slabs
- Concrete posts and lintels
- Bags (in granular form or set hard)
- Mortar and rendering

### **Rubble/Hardcore**

- Bricks, blocks, paving and block paving (broken or whole)
- Rubble, hardcore and aggregates
- Sand, gravel, stones, rocks and pebbles
- Soil and clay from excavations
- Tarmac
- Chimney pots, slates and roof tiles
- Earthenware drains and sewer pipes

### **Ceramics**

- Bath
- Shower tray
- Bidet
- Wash hand basin/pedestal
- Toilet or cistern
- Sink
- Ceramic wall/floor tiles

### **Charges do not apply for:**

- Domestic garden ornaments
- Pots
- Crockery
- Cement bonded asbestos
- Plasterboard and plasterboard products
- Metal and plastic baths, sinks, shower trays, cisterns and toilets