

**DERBYSHIRE COUNTY COUNCIL**

**CABINET MEETING**

**22 January 2013**

Report of the Strategic Director – Environmental Services

**NEW RECYCLING SERVICE – AMBER VALLEY BOROUGH  
COUNCIL – POTENTIAL DIVERSION SAVINGS (TECHNOLOGY  
AND RECYCLING)**

(1) **Purpose of the Report** To consider a request from Amber Valley Borough Council (AVBC) for a financial contribution of up to £855,000 to purchase wheeled bins for the implementation of its garden waste collection service which is being rolled out as part of new collection services which commenced in November 2012.

(2) **Information and Analysis** Until recently, AVBC's recycling and composting service collected the following materials:

- dry recyclables (cans and foil) (in orange boxes)
- dry recyclables (glass bottle and jars) (in yellow boxes)
- dry recyclables (paper) (in blue bags)
- dry recyclables (cardboard and directories) (in orange bags)
- garden waste (240 litre bin) – only on a chargeable basis.

The materials were collected on an alternate weekly basis, with residual waste being collected one week and recyclables the other.

The new collection service is being delivered through AVBC's existing waste contractor, Veolia, as part of a 7 year contract extension and is as follows:

- residual waste to be collected fortnightly;
- dry recyclables to be collected fortnightly using a single 240 litres bin (Paper, cardboard, cans, plastics), with a 40 litre caddy inside (Glass);
- garden waste to be collected separately on a fortnightly basis – available free of charge across the Borough with a one-off charge to residents of £20 to meet the purchase and delivery costs of the bin.

The new service sees the addition of plastics being collected and a move from a charged for garden waste collection service to a free, Borough wide, service

with a one-off charge to residents of £20 to meet the purchase and delivery costs of the bin. The subscribers to the existing garden waste service will not be asked to pay the £20 charge for the bin as they already have them.

The first collections of dry recyclables commenced on 19 November 2012, whilst the bins for the new garden waste service will be delivered throughout February and March 2013 with collections scheduled to begin on 2 April 2013.

Appendix 1 details AVBC's estimated increase in tonnages for the individual waste streams up to 2014/15.

To assess the business case for funding, an analysis of additional tonnage estimated to be diverted from landfill up to 2014/15 and the potential cost savings has been undertaken. Tonnage data from WasteDataFlow together with an estimate of future performance, provided by AVBC, has been analysed. Estimates of future performance assume all residents participate in the scheme.

In order to determine the potential cost savings in Amber Valley that could be made by the County Council as Waste Disposal Authority, the previous collection scheme tonnages are being compared against the new scheme's estimated tonnages and multiplied by the relevant management costs.

The theory is that if the previous collection scheme had continued, it is unlikely there would have been any significant increases in the amount of waste recycled/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. AVBC is forecasting that the new scheme will deliver an increase in dry recycling and composting, and a decrease in residual waste in 2013/14 and 2014/15.

Appendix 2 sets out the financial impact of this performance.

Based upon the AVBC forecasts, it is estimated that actual savings of the order of £597,183 could be made by the County Council over the period ending March 2015 from which a financial contribution to AVBC could be made.

Since the service is being implemented in two phases, no savings will be made in 2012/13. Savings would only start to accrue in 2013/14 with the implementation of the garden waste service. Therefore, it is recommended that any contribution from the County Council to AVBC is made in 2013/14 following the successful implementation of the garden waste service.

In the long term, the project will help the County Council avoid increasing costs of landfill. On the basis of an "invest to save" project the business case

for providing a financial contribution to AVBC exists and offers a potential “win-win” for both Councils.

There is no guarantee, however, that AVBC’s forecast improvement in recycling and composting, and thus the diversion of waste from landfill, will be achieved, particularly bearing in mind the one-off charge for the composting bin. Therefore, it is prudent to assess the business case and the potential savings if a more cautious approach were adopted. If the services delivered an improvement in recycling and composting performance, achieving only 50% of the forecast tonnages, the potential savings set out in Appendix 3, would be generated.

In the scenario detailed in Appendix 3, if a full contribution of £200,000 was provided to AVBC, then the savings to the Authority would be £186,259.

On this basis, it is proposed that a financial contribution be given to AVBC from the Waste Management Revenue budget to support the purchase of wheeled bins for the implementation of AVBC’s green waste collection which will also deliver AVBC’s savings for the County Council.

As part of the contribution, it is proposed that AVBC be required to actively promote the County Council’s contribution to the new service including acknowledgement on promotional literature.

Similar applications for funding support from District and Borough Councils for the implementation of initiatives to reduce the County Council’s exposure to Landfill Tax, and increase recycling and composting, will be considered on their merits.

A similar contribution to Derbyshire Dales District Council was agreed on 16 October 2012 to support the roll out of its new recycling collection service. The contribution proposed for AVBC is slightly higher reflecting the larger number of households in the Borough.

**(3) Financial Considerations** The contribution of £200,000 can be met from 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 prohibited by legislation 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 AVBC referred to in the report, which will also benefit the County Council by reducing waste disposal costs.

(5) **Environmental and Health Considerations** Through the Derbyshire Joint Municipal Waste Management Strategy, the County Council is committed to increasing sustainable waste management solutions across the whole County. The proposals will contribute to this ethos by helping to improve recycling services and reduce the amount of waste sent to landfill.

(6) **Property Considerations** There are no property considerations associated with this report.

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

(7) **Key Decision** No.

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

(9) **Background Papers** None. Officer contact details – Claire Brailsford, extension 39775.

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

10.1 Welcomes the changes in service proposed by Amber Valley Borough Council and the potential improvement in recycling and composting, and cost savings the service change will generate.

10.2 Approves the allocation of £200,000 of funding to Amber Valley Borough Council to support the purchase of wheeled bins for the implementation of its green waste collection and to aid an increase in recycling and composting performance.

10.3 Agrees to this funding being allocated in two stages:

- (i) An Initial payment of £100,000.
- (ii) The remaining payment based on satisfactory introduction of the new garden waste collection scheme to 25% of eligible householders in the Borough of Amber Valley.

**Ian Stephenson**  
**Strategic Director – Environmental Services**

## Appendix 1

### 1 Amber Valley Borough Council Waste Forecasts 2012-2015

	<b>Actual Tonnages</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Year</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>
Recycling (tonnes)	9,426	10,621	11,238	11,338
Difference from previous year (tonnes)	- 402	1,195	617	101
Residual (tonnes)	30,264	31,445	22,706	22,909
Difference from previous year (tonnes)	- 956	1,181	- 8,739	203
Composting (tonnes)	1,350	1,531	7,200	7,265
Difference from previous year (tonnes)	- 86	181	5,669	65
Overall Tonnage (tonnes)	41,040	43,598	41,144	41,513

## 2 Potential Waste Disposal Cost Savings

	<b>2012/13 Waste Disposal Costs (£) Based on Current Service and 2011/12 tonnages</b>	<b>2012/2013 Derbyshire County Council (DCC) Costs with New Service</b>	<b>2013/2014 DCC Costs with New Service</b>	<b>2014/2015 DCC Costs with New Service</b>
Recycled	£446,798	£503,435	£548,635	£570,209
Composted	£47,849	£54,267	£267,912	£283,861
Residual Waste	£2,942,286	£3,057,119	£2,411,390	£2,591,945
Total	£3,436,932	£3,614,821	£3,227,937	£3,446,014
Potential Net Annual Costs/Savings to DCC		- £177,889	£687,060	- £30,581
<b>Savings to DCC for 4 Months of 2012/13, plus 2013/14 and 2014/15</b>		- £59,296	£687,060	- £30,581
<b>Total Potential Cost Saving to DCC</b>				<b>£597,183</b>

## Appendix 3

### 3 Recycling and Composting Assuming 50% of Forecast Tonnages

	<b>2012/13 Waste Disposal Costs (£) Based on Current Service and 2011/12 tonnages</b>	<b>2012/2013 DCC Costs with New Service</b>	<b>2013/2014 DCC Costs with New Service</b>	<b>2014/2015 DCC Costs with New Service</b>
Recycled	£446,798	£475,114	£519,003	£537,145
Composted	£47,849	£51,051	£160,766	£170,052
Residual Waste	£2,942,286	£3,124,019	£2,781,644	£3,050,910
<b>Total</b>	<b>£3,436,932</b>	<b>£3,650,184</b>	<b>£3,461,413</b>	<b>£3,758,108</b>
Potential Net Annual Costs/Savings to DCC		- £213,252	£494,116	- £36,773
<b>Savings to DCC for 4 Months of 2012/13, plus 2013/14 and 2014/15</b>		- £71,084	£494,116	- £36,773
<b>Total Potential Cost Saving to DCC</b>				<b>£386,259</b>