

Agenda Item No. 8(i)

DERBYSHIRE COUNTY COUNCIL

CABINET

26 July 2016

Report of the Strategic Director – Economy, Transport and Communities

**FUTURE OPTIONS FOR THE PROVISION OF HOUSEHOLD WASTE  
RECYCLING CENTRE SERVICES (HIGHWAYS, TRANSPORT AND  
INFRASTRUCTURE)**

(1) **Purpose of Report** To advise Cabinet of options to achieve future cost savings and income generation from the Waste Management budget that will contribute towards the Council's overall budget reduction programme of meeting £109m of budget cuts by 2021, as set out in the Council's Five Year Financial Plan.

(2) **Information and Analysis** 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 project could deliver the saving alone, therefore a combination of fundamental changes to current service provision will need to be considered, including a forensic analysis of contracts, sites, operations and the Council's relationship with its partners. Options and proposals will be the subject of future reports.

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.

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 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.

Key information about each HWRC site is shown in Table 1 below:

**Table 1 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)

A map showing the location of the sites is presented at Appendix One to this report.

In order to achieve the first phase of savings required in 2017-18, the following options combining both savings and income generation at HWRCs have been identified:

- **Introduce charges**
  - charge for disposal of construction and demolition waste, namely soil, bricks and rubble.
- **Restrict Access**
  - restrict use by certain vehicle types e.g. vans/trailers;
  - restrict use by 'out of county' residents.

Further detailed information on each of these options and the potential savings/income is provided below.

### **Introduce Charges for Non-Household Waste Types**

The Council could consider charging for the receipt, handling and disposal of certain non-household waste types.

The County Council currently accepts around 8,000 tonnes of non-household construction type waste, namely bricks, rubble/hardcore and soil. The current HWRC Policy applies a limit to householders of 50kg per week.

Rather than ceasing to accept this type of waste (which the Council has no obligation to accept), it is proposed the Council changes the current policy to continue to accept it, but introduce a charge. At the same time it is proposed the limit on quantity be lifted. A charging policy would generate income for the Council.

Experience at other local authorities, which have implemented similar charging schemes, have seen a 75-80% reduction in construction type waste. It is also accepted that some of this waste may find its way back into the residual waste stream. However, even allowing for this and based upon a provisional charge of £3 per 25kg bag, it is estimated that an income of £0.160m per annum could be achieved.

This income level is only an estimate and cannot be guaranteed as it will vary dependent upon the behaviour of residents. There will also be set up costs in the first year and therefore the level of income in year one is likely to be less, estimated to be approximately £0.120m.

It is proposed that the charges would be applied to householders at the time of their visit to a HWRC. Site operatives would make an assessment on the type and quantity of waste being deposited and apply the appropriate charge(s).

### **Restrict Access – Certain Vehicle Types**

A number of local authorities operate vehicle restrictions at HWRCs, typically by asking residents to apply for a free permit to use the sites. The principle being that commercial type vehicles, e.g. vans, trailers and pickups, are more likely to deposit commercial waste which is not permitted at HWRCs and is a cost the Council has no obligation to meet nor can it afford.

Currently, the Council, through its HWRC contractor, endeavours to identify any traders trying to deposit commercial waste at HWRCs and will refuse access where appropriate. However, restricting access through a permit scheme has been proven to be a more effective method of control elsewhere in the Country.

As the waste is similar in nature to household waste, it is difficult to differentiate the different sources and therefore quantify the amount of commercial waste deposited at Derbyshire HWRCs. However, following a small number of basic on-site surveys, it is estimated that in the order of 1,800 tonnes of commercial waste may be deposited per annum.

If 50% of this commercial waste were prevented from being deposited through adoption of a permit scheme, this could potentially deliver a saving of approximately £0.090m per annum. However, it must be noted that this saving does not take account of the administration and management system that would need to be introduced to accrue such savings. It is estimated that the costs of such systems could be £0.050m per annum, thereby reducing the potential cost savings to £0.040m, although more detailed analysis would be required.

It is proposed that similar restrictions are considered by the Council.

### **Restrict Access – Out of County Residents**

Until recently, the County Council and its neighbouring authorities have operated an open cross border policy whereby residents in neighbouring areas have been able to use sites in Derbyshire without any formal restrictions being in place and vice versa. This principle has worked and there has been an acceptance that some cross boundary movement of waste has taken place over the years.

Nottinghamshire County Council has recently introduced a pre-registration scheme for HWRCs whereby residents must first register their vehicle(s) with the Council before visiting a HWRC. To register, you must be a Nottinghamshire resident and therefore Derbyshire residents are now excluded. The intention is that the restrictions will result in a reduction in users, waste tonnages and thus deliver a cost saving.

The implications for Derbyshire residents are two-fold. Firstly, some residents will no longer have access to their preferred site. Secondly, there is potential that some Nottinghamshire residents may seek to access Derbyshire HWRCs where there are currently no formal access restrictions. Such actions are likely to result in increased waste arisings and costs for Derbyshire, albeit the quantum of those increases is unknown.

The County Council could apply similar restrictions to out of county residents either by asking for proof of address, such as a photocard driving licence, when residents arrive, or asking residents to apply for a permit to use the sites.

Whilst there is not an accurate figure of the extent of cross border abuse, the 2015 HWRC customer satisfaction survey suggests that 7-8% of visitors to Derbyshire HWRCs are non-Derbyshire residents.

If waste arising's at HWRCs were reduced by 7-8%, it is estimated that this could deliver cost savings of £0.45m. However, this figure does not take account of additional costs that would be incurred through the implementation and administration of such a scheme. Furthermore, account should also be taken of the cost of additional waste generated as a result of Derbyshire residents being refused access into neighbouring authority sites. The additional costs could be between £0.250m - £0.350m giving a net potential cost saving of between £0.100m - £0.200m.

In light of the changes in neighbouring authorities and the budget pressures, it is proposed that similar restrictions be considered in Derbyshire.

Table two below provides a summary of the potential savings for the cost saving options to be considered.

**Table Two - Summary of Potential Savings for All Options**

<b>Item</b>	<b>Possible Annual Saving (£m)</b>
Introduce Charges for construction type waste	£0.160
Restrict Access – Certain Vehicle Types	£0.040
Restrict Access – Out of County Residents	£0.100 - £0.200
<b>Total</b>	<b>£0.300 - £0.400</b>

Further information on the policies and service levels provided by neighbouring authorities is provided in Appendix 2.

### **Timetable and Consultation**

The next step in this process would be for a consultation exercise to be commenced followed by a further report to Cabinet with the outcome of the

consultation and detailed savings proposals. A proposed project timetable is shown below.

The timetable for the introduction of any changes in the provision of the HWRC service will be subject to the outcomes of public consultation and negotiations with the contractors that currently operate the sites.

It is proposed that service changes would be implemented on a phased basis, with charges for non-household waste being the first scheme, subject to the outcomes of public consultation. Further reports on the proposed restrictions on access would be presented at a later date, however, it is proposed the consultation considers all three service changes.

**Table Three - Proposed project timetable**

<b>Date</b>	<b>Action</b>
26 July 2016	Cabinet Report seeking approval to consult on service changes
1 August to 21 October 2016 (12 weeks)	Public Consultation
21 October to 25 November 2016	Analysis of results of consultation and development of options
10 January 2017	Report to Cabinet with outcome of consultation recommendations for decision making
30 January 2017	If approved, the Scheme advertised to residents (9 weeks pre-implementation)
3 April 2017	Implementation of charges for non-household waste

(3) **Financial Considerations** It is important to highlight that the proposed savings and income generation are a broad estimate and cannot be guaranteed. They would depend upon the level of waste coming from out of county visitors, the amount of commercial waste deposited and critically, the behavioural response of residents to the application of charges for non-household waste, all of which are very difficult to determine with any level of accuracy. They would also depend on the administration and management costs of the options, both initial set up costs and on-going costs.

(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 Waste Collection Authorities 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.

In carrying out the proposed public consultation it is essential that the information provided is sufficient to ensure that those being consulted understand the proposals being put forward, the reasons the proposals are being made (including information about potential savings), as well as what the impact of the proposed changes is likely to be on them, if implemented. They must have the opportunity to state whether or not they agree with the proposals and to put forward any alternatives that they think the Council should consider.

An initial Equality Impact Assessment has been undertaken and will be reviewed when the outcome of the public consultation is known.

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

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

(6) **Key Decision** No.

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

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

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

9.1 Notes the proposed potential cost savings and income generation options detailed in the report.

9.2 Approves a public consultation on the proposals to be carried out in the summer/early autumn 2016.

9.3 Notes that a further report on the outcome of the consultation and presenting detailed proposals and recommendations, together with an Equality Impact Assessment will be presented to Cabinet in January 2017.

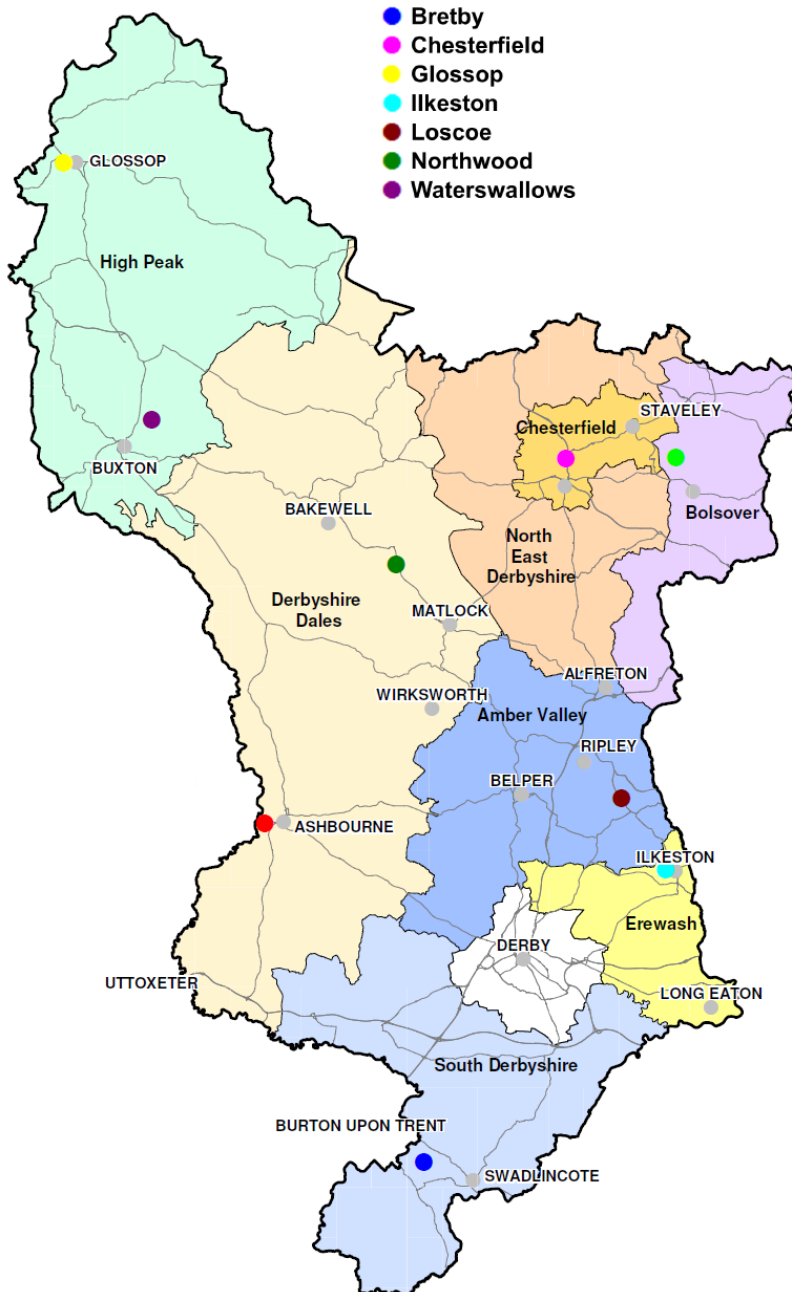
**Mike Ashworth**  
**Strategic Director – Economy, Transport and Communities**

## Location of Household Waste Recycling Centres in Derbyshire



### Household Waste Recycling Centres

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





Information on Neighbouring Authorities HWRC Services

Authority	No. of HWRCs	No. of Households	No. of households per HWRC	Kg per household	Policies on charges, vehicle access and cross border
Cheshire East	8	168,370	21,046	115.81	<p>Permit system in place for: vans, pickups, commercial type 4x4's and trailers over 1.5m require a permit.</p> <p>Vehicles above 3.5 tonnes gross weight and trailers longer than 3.5m are not permitted on site.</p> <p>Limits: only DIY waste from "small DIY projects" and six sheets of asbestos.</p>
Derby City Council	1	108,130	108,130	170.10	<p>Permit system in place for: Cars with trailers and small vans up to 3.5 tonnes gross weight.</p> <p>Limits: two bags of DIY waste/rubble (50kg), three sheets of asbestos, two doors or window frames, no large fitted furniture.</p>
Greater Manchester	20	1,194,570	59,729	118.31	<p>Vehicles over 2m in height are not permitted on site.</p> <p>Limits: cement bonded asbestos and plasterboard/gypsum are not accepted (must be taken to a weighbridge facility and paid for).</p>

Leicester City Council	2	132,370	66,185	142.22	<p>Permit system in place for: vans, pickups and trailers over 1.4 metres in length. These vehicles can only use one site.</p> <p>Limits: asbestos limited to 8 sheets per visit and only to one site. Soil/Hardcore restricted to 6 x 25kg bags per visit.</p>
Leicestershire County Council	14	284,400	20,314	128.15	<p>Permit system in place for: vans, cars with trailers up to 4 foot 6 inches in length. Some sites do not accept asbestos, chemicals, paint or tyres.</p> <p>Where asbestos is accepted, a permit is required.</p> <p>Charge applied for: DIY waste (including: water tanks, greenhouse glass, asbestos and TVs/monitors).</p>
Lincolnshire County Council	11	332,690	30,245	136.90	<p>Limits: vary from site to site. 1 dustbin full of DIY waste accepted per household per day. Asbestos accepted in "small quantities".</p>
Nottinghamshire County Council	10	355,740	35,574	155.63	<p>Vans and pickups with trailer and horsebox's are not permitted on site.</p> <p>Limits: DIY waste accepted with restricted quantities.</p> <p>Cross border scheme: Introducing a cross border scheme in September 2016, all vehicles must be registered.</p>

Nottingham City Council	1	134,140	134,140	143.07	Only cars and small vans permitted on site.  Limits: DIY waste limited to a couple of bags.
Rotherham Metropolitan Borough Council	4	115,230	28,807	152.42	Permit system in place for: 4x4 pickups, vans and cars towing trailers.  Flat back transits, Luton vans, vehicles over 3.5 tonnes gross weight and trailers over 3m are not permitted on site.  Limits: one boot full of DIY waste. Asbestos is limited to small quantities.
Sheffield City Council	5	241,450	48,290	156.75	A permit system is in place for: vans and trailers.  Luton vans, pickups and twin axel vehicles are not permitted on site.
Staffordshire County Council	16	370,220	23,139	138.75	Limits: 1m <sup>3</sup> of DIY waste and 4 sheets of asbestos.