

**HOUSEHOLD RECYCLING SERVICE REVIEW**

*To:* **Highways and Community Infrastructure Committee**

*Meeting Date:* **15 July 2014**

*From:* **Executive Director: Economy, Transport and Environment**

*Electoral division(s):* **All**

*Forward Plan ref:* **N/A** *Key decision:* **No**

*Purpose:* **To inform the Committee of the options being considered in relation to the Household Recycling Service Review; seek approval to proceed to consultation on the options identified; and approve the approach set out for further analysis of cost savings to be made.**

*Recommendation:* **The Committee is asked to:**

**a) Agree the options contained in paragraph 2.4 of the report and Appendix 2 as the basis for consultation**

**b) Endorse the approach to consultation set out in paragraphs 3.2 and 3.3**

**c) Approve the approach set out in paragraphs 3.5 and 3.6, including looking at additional savings beyond 2015/16, as the basis for further analysis, to be brought back to committee in the autumn**

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## **1. BACKGROUND**

- 1.1 The Household Recycling Service Strategy (HRSS) document was approved by Cabinet on 15 April 2014

<http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=9633>

This document provides the overarching strategy to help steer the review of the Household Recycling Service. There is a statutory requirement for the County Council to deliver a household recycling service, albeit there are no explicit rules on how this needs to be delivered. At present, there are nine Household Recycling Centres (HRCs) in Cambridgeshire. The current provision in Cambridgeshire in comparison to other authorities is shown in **Appendix 1**.

- 1.2 A key driver for this review is the Council's medium to longer term financial situation, as set out in the current Business Plan, which sets out a savings target of £440,000 for the service to be delivered in 2015/16. The Business Plan indicates that this saving could comprise "reductions in service levels, including up to 3 potential site closures and consideration of revenue raising opportunities." However, the Council faces substantial additional savings targets for later years, which have not been allocated to particular services. The approach being taken by the review is to re-design the service to be viable in the longer term and to identify longer term savings proposals, whilst achieving the savings currently identified for 2015/16. A key consideration in shaping the service will be the changes that will result from new developments in the County.
- 1.3 The general principles behind this review are to seek to deliver a household recycling service which meets the needs of the communities within financial constraints. This takes account of the changes in demographics and the geography of the whole County through the growth agenda. Greater partnership working with our RECAP partners (the local authorities of Cambridgeshire and Peterborough) is also key to this review. Such work considers the potential changing nature of the waste streams to the HRCs in the future, which is likely to be influenced by the changes to the collection services by the City / District Councils and joint work on developing a whole systems approach.
- 1.4 Following the adoption of the HRSS, work has progressed on defining options for realigning the service. The emerging options have been shared with the Waste Private Finance Initiative (PFI) contractor (AmeyCespa) and our RECAP partners to help identify potential savings and costs early on in the process and to address any potential for 'cost shunting' between authorities or financial penalties that could arise from changes to the Waste PFI contract. These early discussions have helped to inform the options table shown in **Appendix 2**.

## **2. THE SCOPE OF THE OPTIONS BEING CONSIDERED**

- 2.1 To meet the objectives of the review, including the immediate challenge of the savings of £440,000 in 2015/16, a number of options have been considered (see Appendix 2).

- 2.2 The table in Appendix 2 takes account of likely costs and risks associated with each particular option, which includes the potential for increased costs to the City / District Councils, which are responsible for waste collection and dealing with flytipping. This ensures that the waste stream is considered as a whole and not just as the savings associated with the service provided by the County Council.
- 2.3 The table in Appendix 2 also indicates the potential financial risks associated with each option and the expected difficulties of delivery. Further work will be undertaken to refine this assessment, including detailed financial modelling. Options can be 'mixed and matched' to meet or exceed the required savings to take into account the different demographic and geographic factors and constraints within the County, although care needs to be taken not to double count savings.
- 2.4 The following provides a summary of the options and cost implications being considered within Appendix 2:
- Option 1: Introducing a permitting scheme to reduce the potential abuse of our sites for trade waste - this gives rise to potential increased flytipping but would have limited cost implications for the Waste PFI contract;
  - Option 2: Charging for particular waste streams such as hardcore and gas bottles which are not deemed to be 'strictly household waste' - this could increase flytipping but would have limited cost implications for the Waste PFI contract;
  - Options 3-5: Reduction in opening hours at **all** HRCs - this would have significant implications for the Waste PFI (and its funders) leading to penalty costs; also potential increases in flytipped materials and increased use of the black bin stream for residual waste;
  - Option 6: Closing **all** HRC sites for 2 / 3 days during the week - this would have implications for the Waste PFI (and its funders) leading to penalty costs; also potential increases in flytipped materials and increased use of the black bin stream for residual waste;
  - Option 7: Full closure of **one** HRC site considered on an individual basis - this would have cost implications for the Waste PFI (and its funders) leading to penalty costs and increased drive times to facilities; also potential increases in flytipped materials and increased use of the black bin stream for residual waste;
  - Options 8 and 9: Full closure of **two / three** HRC sites considered on an individual basis - as above, but with greater implications;
  - Option 10: Transfer of **one** HRC site to a Third Sector operator (e.g. a charitable organisation) – this would have cost implications for the Waste PFI (and its funders) leading to penalty costs and the potential for increased use of 'free' sites where charges are imposed by the operator adding strain to the existing network, also potential increases in flytipped materials and increased use of the black bin stream for residual waste;
  - Options 11 and 12: Transfer of **two / three** HRC sites to a Third Sector operator (e.g. a charitable organisation) - as above but with greater implications;
  - Option 13: Bring **all** HRCs back in-house (i.e. Council run) to allow flexibility of changes in the future - this would have implications for the Waste PFI (and its funders) leading to one-off penalty costs; there would also be costs associated with transferring staff and the need to build up our management capacity to oversee this work.

### **3. EXISTING AND PROPOSED CONSULTATION AND WORK REQUIRED**

- 3.1 Early discussion with our RECAP partners and the Waste PFI Contractor (AmeyCespa) has helped to shape the initial options. However, further discussions and consultation will need to take place with these key stakeholders to refine the implications of each option, identify if there are further options and inform the process going forward.
- 3.2 To help inform the service review, it is proposed to undertake public consultation. Initial consultation will focus on the existing users of the service. This will take the form of customer surveys, conducted by AmeyCespa on our behalf, at the HRCs in August. The questions will be tailored to help our understanding of how HRCs are used by the communities in Cambridgeshire and all HRCs will be surveyed to ensure we have a full picture of all the users across the County, including their days and time of use. In addition to the HRC surveys, early information has already been collected at the annual AmeyCespa Open Day on 21 June to help inform this review.
- 3.3 In September it is proposed to undertake a wider consultation on the options being considered. This will be communicated through the use of local websites, such as 'Shape your Place' and the RECAP website; and local District/Village magazines where possible. Local members will be kept informed.
- 3.4 From early consultation with the Waste PFI contractor (AmeyCespa), our RECAP partners, and the general public via the Open Day at AmeyCespa on 21 June 2014, some options are proving more popular than others. The implementation of a permitting scheme, for example, and amending the weekday hours and weekday opening regimes are considered far more preferable than the permanent closure of any of the 9 sites across Cambridgeshire. The charging of certain waste streams linked to DIY projects such as hardcore and plasterboard, received a mixed response at the AmeyCespa Open Day, although many appreciated the fact that these waste streams are not technically 'household waste'. These early responses will be reviewed alongside information received through further consultation outlined in paragraphs 3.2 and 3.3, prior to the Committee making decisions on the way forward in November.
- 3.5 As many of the options outlined in paragraph 3.4 are interlinked; it is advisable to consider a combination of these to see if the savings are achievable. For example, the reduction of weekday openings and weekday hours across the sites could be reviewed as one option to show the true saving if both are implemented, with the creation of a permitting scheme and the potential to charge for certain waste streams as two further options.
- 3.6 The potential strategy focuses initially on making the best use of existing site infrastructure by reducing days of operation and changes to opening hours during weekdays. From early work, such changes could potentially meet the savings requirement for 2015/16. However, this is subject to further work on the PFI implications. In addition, the longer-term savings needs of the Council suggest that consideration should be given to savings required beyond

2015/16. Therefore, to take this into account and accord with the principle of a strategic approach, the committee is advised to support work to consider further savings, e.g. in the form of closure or transfer to the third sector (e.g. through a charitable organisation) of one or more sites.

#### **4. ALIGNMENT WITH CORPORATE PRIORITIES**

The following bullet points set out details of implications identified by officers:

##### **4.1 Developing the local economy for the benefit of all**

- Engagement with key partners, stakeholders and the local communities will take place to ensure that we use our resources in a way that will benefit individuals, communities and the County as a whole within the resources available.
- Taking account of the importance of investing in growth and ensuring that people have the right community infrastructure to enable them to access essential services, bearing in mind the growth agenda for Cambridgeshire.

##### **4.2 Helping people live healthy and independent lives**

- Providing an effective recycling service that helps facilitate a high quality of life, by meeting the needs of the individual, whilst remaining responsive to the changing waste needs for the wider communities. This approach will ensure that the assessment of services will be monitored; savings are met in line with the Business Plan; and facilities are delivered in the right place at the right time to serve the needs of Cambridgeshire's residents.

##### **4.3 Supporting and protecting vulnerable people**

- Continue to use our resources / services to support the new communities evolving within Cambridgeshire and in particular those people in most need of access to such facilities.

#### **5. SIGNIFICANT IMPLICATIONS**

The following bullet points set out details of implications identified by officers:

##### **5.1 Resource Implications**

- Need to consider the redesigning of the service as well as meet the financial savings outlined within the Business Plan in 2015 / 2016 and onwards.
- Staffing implications to take account of any Waste PFI Contract changes and negotiations in relation to potential costs, with input from the Legal team. This work also needs to take account of any implications for our RECAP partners to address any 'cost shunting' as part of these changes.
- Potential changes to staffing levels at the HRC sites need to take account of health and safety implications.
- Potential Waste PFI cost implications have been raised as a consideration, although more detailed work on the options will be required before final costs can be provided.

##### **5.2 Statutory, Risk and Legal Implications**

- There is a statutory requirement for the County Council to deliver a household recycling service, albeit there are no explicit rules on how this needs to be delivered.
- It will be for the more detailed work on the preferred options to highlight the Waste PFI contract negotiations / costs as highlighted in the section above. However, should the preferred options result in the closure of up to 3 sites across Cambridgeshire there will be potential reputational implications that also need to be considered, alongside financial penalties.

### 5.3 Equality and Diversity Implications

- An initial Community Impact Assessment has been carried out on the Household Recycling Service Strategy that overarches this options work. A copy of this early assessment is attached in **Appendix 3** for reference, albeit further work and adjustments will be required once the options have been identified. This further work / assessment will ensure that fairness, equality and diversity issues are taken into account as the review develops when assessing the options and feedback from wider consultation.

### 5.4 Engagement and Consultation Implications

- The options review work is proposed to be subject to wider consultation. This will be communicated by “digital first” through the use of County Council websites including such as ‘Shape your Place’ and the RECAP website. Information will be provided to local District / Village magazines where practical.

### 5.5 Localism and Local Member Involvement

- As the Household Recycling Service Review impacts on all Local Members in relation to matters affecting their divisions we have not only informed the Highways and Community Infrastructure Spokes in their May and June meetings, but have also sent out a full County Council member briefing paper on 19 June to provide an overview of the service review for all Members. A copy of this was also shared with our RECAP partners to inform our District/ City colleagues/Councillors.

### 5.6 Public Health Implications

No implications have been identified for this section.

Source Documents	Location
None	