

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET
7th February 2017

REPORT AUTHOR: County Councillor John Powell
Portfolio Holder for Waste and Recycling

SUBJECT: Household Waste Recycling Centre Review – Future
Options Following Consultation

REPORT FOR: Decision

1.0 Summary

- 1.1 The Council currently provides five Household Waste Recycling Centres (HWRCs) for residents to deposit bulky waste and recycling. The statutory requirement is to provide at least one facility.
- 1.2 A proposal put forward in the Medium Term Financial Strategy (MTFS), agreed in principle by Council in February 2016, is to close two of the five sites to realise a saving of £700,000 from April 2017.
- 1.3 A number of options are now being considered as part of this HWRC review which include reducing opening days and materials accepted at all sites as well as a reduction in the number of facilities.
- 1.4 So that Cabinet can make an informed decision on the future of these sites, a consultation process was carried out to determine opinion on the available options and also evaluate the impact of the implementation of these options.
- 1.5 There was a large response to the consultation with the findings showing overwhelmingly that residents favoured reducing opening days at sites as opposed to closing facilities overall.
- 1.6 Additional funding has been made available in the short term following the results of this consultation resulting in further negotiations with the current contractor as to how the remaining saving can be achieved.

2.0 Background

- 2.1 Under Section 51(1)(b) of the Environmental Protection Act 1990, the Council has a statutory obligation to provide its residents with at least one facility where they may deposit their household waste.
- 2.2 These sites, known as Household Waste Recycling Centres (HWRCs) allow residents to deposit bulkier waste and material not collected at the kerbside for either recycling or disposal. For the financial year 2015/16, 18,755 tonnes of waste

passed through these sites, which represents 27.3% of the total municipal waste. 68.6% of this was recycled, contributing 18.7 percentage points to the total recycling rate of 58.85%. The sites being operated under the new contracts are now routinely achieving in excess of 80% recycling.

- 2.3 There are currently five sites across Powys, operated under contract, with two owned by the Council (Ystradgynlais and Brecon) and three owned by the contractors (Newtown, Llandegley and Welshpool). In order to retain the service within the then existing budget, the site at Machynlleth was closed in January 2015 with users being directed to Newtown.
- 2.4 Discussions have been held with both Neath Port Talbot and Carmarthenshire with regards to them contributing to the cost of operating the Ystradgynlais facility. This would address the cross border movement of waste, but due to both these Councils facing similar budgetary constraints, they are not prepared to do so. Under the current contract the sites are provided for Powys residents only and this will be actively monitored and enforced as necessary.
- 2.5 A proposal was included in the Medium Term Financial Strategy (MTFS) to close two HWRCs in order to save £700k. The MTFS was agreed in principle by Council on 11th February 2016 with the caveat that this proposal would need to be worked up in greater detail before being considered for approval by Cabinet.
- 2.6 As part of the HWRC review, both short and long term options have been considered. As the service is currently operated under contract, negotiations have been held with the contractor to explore options for savings in the short term. The longer term options include potentially operating the service in house or as part of any future commissioned operating vehicle. The Council is currently securing its own facilities in Llandrindod and the north of the county.
- 2.7 The options presented within the consultation process were:
 - 2.7.1 **Option 1** – Reduce opening days at all sites to three per week to include Saturday, Sunday and one weekday – potential savings of up to £140k (£28k per site).
 - 2.7.2 **Option 2** – Close one HWRC, either one in Montgomeryshire or one in Brecknockshire – potential savings of up to £350k.
 - 2.7.3 **Option 3** – Close one HWRCs and reduce opening days at the remaining sites – potential saving of up to £462k.
 - 2.7.4 **Option 4** – Close two HWRCs to leave one in each shire – potential savings of up to £700k.
 - 2.7.5 **Option 5** – Close two HWRCs and reduce opening days at the remaining sites – potential saving of up to £784k.
 - 2.7.6 The consultation also asked for views on charging an entry fee, charging for specific materials such as soil and rubble and plasterboard, and restricting use by commercial type vehicles.

3.0 Outcomes of Consultation

- 3.1 In total 882 residents responded to the consultation. In addition to the survey the council received over 70 letters, emails or web comments with representations from Assembly Members, local councillors and other organisations. There were also petitions from Newtown and Welshpool residents (over 3000 signatures), and Ystradgynlais residents (over 2300 signatures).
- 3.2 56.5% of respondents were in favour of option 1, keeping all sites open and reducing opening days. This did vary from site to site with 82% of users of the Ystradgynlais site in favour of this option and 74% of Welshpool users. This is to be expected as these are the sites likely to be most at risk if sites are to close.
- 3.3 When asked what days and times people used the sites, the most popular appeared to be weekday mornings and Saturday mornings, with limited appetite for early morning or late evening opening.
- 3.4 Of the 882 respondents, 409 would support charging for certain materials, 369 would support a small entry fee and 355 would support restricting use of the site by commercial type vehicles.
- 3.5 In terms of the types of material taken to the site, nearly half of the respondents said that they used it for 'additional waste that won't fit in my wheeled bin or purple sack'. A third of respondents also said that they used the HWRC for materials collected at the kerbside. This would suggest that if residents fully utilise their kerbside recycling service, they would have less need to visit the site.
- 3.6 The full results of the consultation are presented as Appendix 1 to this report.

4.0 Proposal

- 4.1 In order to make the full saving of £700k as proposed in the MTFs, the only option available would be to close two sites, providing one site in each Shire.
- 4.2 Following the feedback from the consultation and the general strength of feeling on this issue, Cabinet have initially proposed through the Financial Resource Model process to provide £200k to reduce the pressure on this service. A further £300k contribution has now been proposed for the financial year 2017/18 to allow the service area to develop alternative proposals to make the full savings from 2018/19, primarily through the development of infrastructure to provide a longer term solution. This has left the service with a shortfall of £200k to be found for 2017/18.
- 4.3 On the basis of the additional funding and the outcome of the consultation, the following proposals have been considered as appropriate to deliver the remaining 2017/18 savings target:
- 4.4 **Proposal 1 - to reduce the opening days at all sites**
- 4.4.1 This is broadly similar to Option 1 in the consultation but with some changes to gain operational efficiencies as follows:

- Each site would be open for three days, with two weekdays and one day at the weekend.
- The two sites in the north of the County would be open on different days and similarly the two in the south. The site in mid Powys would then cover the remaining day within the three days that it is open. This arrangement would ensure that there was a site open every day within a reasonable travelling distance should residents not be able to wait until their nearest site was open. An example programme is attached as Appendix 2.

4.4.2 A number of other authorities in Wales open some or all of their sites on a similar basis including Pembrokeshire, Anglesey, Caerphilly, Flint, and Gwynedd.

4.4.3 Three of the sites operated by neighbouring Herefordshire Council are open three days per week, including Kington on the border with Powys.

4.5 **Proposal 2 – to install compaction equipment where possible at the sites**

4.5.1 This would require some capital investment to realise savings over the long term as it would reduce haulage costs on materials such as residual waste, cardboard and green waste. The only impact on site users would be that they would place material into a hopper rather than an open container and there would be very short waiting periods whilst the packer was operating.

4.5.2 The Council has recently installed baling equipment at the Brecon Transfer Station. This project was supported by Welsh Government grant funding and PCC core capital resources. The combination of funding has resulted in an underspend within this budget. It is proposed that a virement of £250k be undertaken to a new budget code to procure and install compaction equipment at our HWRCs and rolled forward to 2017/18 to take account of the lead in time required.

4.6 **Proposal 3 – to increase the cost of a trade recycling permit from £150 to £200**

4.6.1 There are currently 98 traders with permits, half of which are primarily gardeners using the green waste facilities.

4.6.2 These permits are a very low cost option for businesses and are aimed at the small trader to assist them to recycle their waste. An increased charge would still represent excellent value for money when compared to the commercially available alternatives. This is a fairly unique service with most authorities charging traders per visit if they are accepted at all.

4.6.3 The permits will continue to be monitored for appropriate use to ensure that they are only being used by the small traders for which they are intended.

4.7 **Proposal 4 – to restrict the use of commercial vehicles and large trailers on sites to those with a current trade recycling permit**

4.7.1 The sites are designed for residents to take their household waste in reasonable quantities and it is expected that larger quantities would be disposed of through alternative routes such as using a skip company. It is also expected that residents would use private domestic vehicles for delivering waste and recycling to a HWRC.

- 4.7.2 The only control that is currently in place to restrict commercial vehicles using the site is a disclaimer system where users are asked to sign a form to say that the waste is from their own household. This system is very simple to circumvent and hence open to potential abuse from traders illegally using the site without a permit.
- 4.7.3 The restriction would apply to all commercial type vehicles and trailers except for single axle non-commercial trailers.
- 4.7.4 Several other Welsh and neighbouring authorities already operate some form of restriction on commercial vehicles.
- 4.7.5 Detailed proposals will be worked up and agreed in conjunction with the Portfolio Holder before implementation by the contractor.
- 4.7.6 It is noted that the implementation of such a scheme can be complicated but if we are to deliver the savings it is essential that we tackle the abuse of the site by commercial operators and other inappropriate use.
- 4.8 Through a process of negotiation with the contractor operating the sites, the combined savings for implementing all four proposals have been agreed at £200k per annum. As the individual savings for each of the proposals have not been separately identified, further negotiation would be required if any one of the proposals is not approved. This would not however deliver the required savings target.
- 4.9 It should be noted that there will be a delay in the savings realised through compaction on site due to the lead in times for procuring and installing the equipment. It is anticipated that all necessary compaction equipment will be installed within 6 months of approval.

5.0 One Powys Plan

- 5.1 One of the key priorities of the One Powys Plan is remodelling council services to respond to reduced funding.

6.0 Options Considered/Available

- 6.1 All of the options that were consulted upon have been considered before making the above proposals to meet the reduced savings target.
- 6.2 There is the option to leave all sites operating as they currently are but this would require savings to be made in other service areas.
- 6.3 The option of charging for materials was considered, but due to issues of handling cash on site and differentiating between what could and could not be charged for, this was not considered feasible at this stage.
- 6.4 Only a limited number of alternative suggestions were put forward through the consultation and these included the provision of re-use stores, charging for users

from outside of the county and the community delivery of facilities. Whilst these are not being taken forward at present, they will be considered in more detail.

7.0 Preferred Choice and Reasons

7.1 To implement the proposals 1 to 4 (inclusive) as outlined in paragraphs 4.4 to 4.7 above.

7.2 The alternative would involve a considerably reduced service to the public through the complete closure of one or more sites.

7.3 It should be noted that an additional £300k saving will need to be made from 2018/19, which may require the option of closing sites to be revisited if the savings cannot be realised through alternative methods.

8.0 Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc

8.1 It is not anticipated that there will be a sustainability or environmental impact once residents have adapted to the changes.

8.2 A Single Integrated Impact Assessment is included as Appendix 3 which includes issues of equality. As the changes will impact equally on all residents there are no equality issues.

8.3 The proposal does not impact on Crime and Disorder, Welsh Language and other policies.

9.0 Children and Young People's Impact Statement – Safeguarding and Wellbeing

9.1 The proposal does not impact on securing the safety and protection of children and young people and supporting the promotion of their wellbeing.

10.0 Local Members

10.1 All Members will be affected by the proposal as it will be a countywide revision to the service.

11.0 Other Front Line Services

11.1 There may be an increase in use of the kerbside recycling scheme and also the Community Recycling (bring) Sites which will need to be monitored to ensure that these services are able to absorb any changes.

12.0 Support Services (Legal, Finance, HR, ICT, BPU)

12.1 **Finance – Revenue** - The Finance Business Partner notes the contents of the report. The proposals suggested by the service meet the £200k efficiency required in 2017/18. Final workings involving both the service and corporate finance will be carried out following the decision. There is a risk of an additional cost to the service as highlighted in the SIIA through potential flytipping and additional pressure on Community Recycling Sites. It is noted that mitigating actions are identified for these pressures.

Further work will need to be completed to meet the £300k savings required in 2018/19.

12.2 **Finance – Capital** - The Capital and Financial Planning Accountant confirms that the savings to be made in 2017/18 are £200k with a further £300k to be made in 2018/19. The capital budget for the baling equipment is forecast to underspend so £250k could be vired to a new HWRC Compaction budget in 2017/18.

12.3 **Legal** – The Professional Lead-Legal has no comment to make on the aim to save money however the proposals recommended not only have to take into account the authority's obligations under Section 51(1)(b) of the Environmental Protection Act 1990, but it also has to provide a service in accordance with Section 51(2)(a), i.e. each place is situated either within the area of the authority or so as to be reasonably accessible to persons resident in its area.

12.4 **Procurement** – Any variations to the contract will need to be formally varied and recorded on the contracts register with consideration given to any costs from the contractor which are currently undefined. Consideration needs to be given for procurement activities to comply with the Contract Procedure Rules. A formal variation to the current contract may be required to cover the operation of the compactor equipment with any costs (maintenance/servicing, insurances, breakdown procedures, etc.) being accounted for prior to any savings being formalised.

12.5 Comments from HR, ICT and BPU are not required.

13.0 Local Service Board/Partnerships/Stakeholders, etc

13.1 There is no direct impact on the Council's partners and stakeholders.

14.0 Communications

14.1 The decision will be extensively communicated through the press, website and social media giving all residents information on the new arrangements and alternative options for their waste and recycling.

15.0 Statutory Officers

- 15.1 The Solicitor to the Council (Monitoring Officer) has commented as follows: I note the legal comment and would draw attention the need to agree with the Contractor the contract variation needed to achieve Recommendations 1 and 2.
- 15.2 Section 151 Officer - The Strategic Director notes the comments made by Finance and confirms that the proposed budget for 2017/18 has £500k of support for this service. It is essential the remaining £200k savings target for 2017/18 is delivered as outlined.

16.0 Members Interests

- 16.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
1) To reduce the opening days at all sites to three days per week including one weekend day and ensuring there is a site available on each day of the week throughout the County	To realise the combined savings of £200k whilst maintaining an equal service across the County.
2) To authorise the roll forward and virement of £250k from the baling equipment budget to install compaction equipment where possible at the sites.	To realise the combined savings of £200k whilst maintaining an equal service across the County.
3) To increase the cost of a trade recycling permit from £150 to £200.	To realise the combined savings of £200k whilst maintaining an equal service across the County.
4) To restrict the use of commercial vehicles and large trailers on sites to those with a current trade recycling permit. Detailed implementation to be agreed by the Portfolio Holder	To realise the combined savings of £200k whilst maintaining an equal service across the County.

Relevant Policy (ies):	Powys Change Plan		
Within Policy:	Yes	Within Budget:	Yes

Relevant Local Member(s):	All Members
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Person(s) To Implement Decision:	Nigel Brinn
Date By When Decision To Be Fully Implemented:	April 2017

Contact Officer

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Appendix 1 – Consultation Report

Appendix 2 – Example Opening Programme

Appendix 3 – Single Integrated Impact Assessment