



AGENDA

CABINET

MONDAY, 6 JUNE 2005

10.30 AM

**COUNCIL CHAMBER, COUNCIL OFFICES, ST PETERS HILL,
GRANTHAM**

Duncan Kerr, Chief Executive

CABINET MEMBERS:	Councillor Mrs. Linda Neal (Leader/ Portfolio: Strategic Partnerships), Councillor Peter Martin-Mayhew (Deputy Leader/Portfolio: Community Safety), Councillor Teri Bryant (Portfolio: Resources & Assets), Councillor Ray Auger (Portfolio: Healthy Environment), Councillor Paul Carpenter (Portfolio: Access and Engagement), Councillor Mrs Frances Cartwright (Portfolio: Organisational Development) and Councillor John Smith (Portfolio: Economic)
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Cabinet Support Officer:	Lena Shuttlewood tel: 01476 406119 e-mail: l.shuttlewood@southkesteven.gov.uk
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Members of the public are entitled to attend the meeting of the Cabinet at which key decisions will be taken on the issues listed on the following page. Key decisions are marked *.

1. *Green Waste Scheme

Report number CEX290 by the Chief Executive and the Director of Finance and Strategic Resources. **(attached)**

REPORT TO CABINET

This Report is to be considered as a matter of urgency because of the need for the Council to take prompt action to respond to the unexpectedly high demand on the waste collection created by the success of Green Waste recycling.

JOINT

REPORT OF: Chief Executive & Director of Finance & Strategic Resources

REPORT NO. CEX290

DATE: 6th June 2005

TITLE:	Green Waste Scheme
FORWARD PLAN ITEM:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Yes
COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Councillor Ray Auger, Healthy Environment Portfolio Councillor Teri Bryant, Resources Portfolio
CORPORATE PRIORITY:	Recycling
CRIME AND DISORDER IMPLICATIONS:	N/A
FREEDOM OF INFORMATION ACT IMPLICATIONS:	N/A

Background

Predicting the demand for any new recycling service is not easy. When the scheme was originally prepared and submitted in March 2004, figures for waste being recycled through this route were derived from the nearest neighbouring authority to offer such a service, which was North Kesteven. Based on their data it was anticipated that some 40 tonnes per week (2,000 tonnes per annum) would be collected making a 4% contribution to our recycling rate, improving it from 14% to 18%. Calculations were based on operating over only a partial area of the district with waste being collected by two vehicles and two crews.

As members will be aware the original bid was rejected. The Council was however given the opportunity to revise the bid and have it re-considered in August 2004. At a meeting with DEFRA attended by Councillor Auger, the portfolio-holder and officers from the Council, waste management professionals appointed by DEFRA provided guidance to the authority on the adjustments to the bid which would improve its prospects of success. Two of these factors had implications on the costs of the scheme. These were:

1. The concern that the scheme did not discriminate against rural communities by being made available to all.
2. The view that, in order to assist waste diversion and minimise the impact on total waste airings, householders should make some token financial contribution to the scheme.

In the light of these suggestions the calculations were reconsidered. At the time there was no evidence to suggest that these adjustments to the scheme would have any impact on the total weight of material being recycled, but the operating capacity was increased by 50% from two to three vehicles to reflect the increased costs and downtime associated with serving the more dispersed rural communities.

This revised bid was successful and the Council has received just short of £1 million to implement the scheme with effect from the 1st April 2005.

Performance of the Scheme

Since its introduction, the amount of green waste has consistently exceeded predictions (see Appendix A). As the implementation period coincided with the spring growth season, which is known nationally to create the greatest monthly totals of green waste, it has needed an operational period of at least two months before any reliable yearly projections could be attempted.

To-date although only 14,000 bins have been distributed (56% of those available), the waste arising from these green bins has averaged over 150 tonnes per week. Taking account of the seasonal impact, we have estimated the total material being recycled in the year will equate to 150 tonnes for 30 weeks and 50 tonnes for 18 weeks giving an average over the year of 112 tonnes. Taking account of the number of bins we have distributed, this means that the levels of green waste being produced is over three times that we predicted. The amount of green waste now projected to be recycled in this year will make a 9% (as opposed to a 4%) increase in our overall recycling rate to 23%, only 1% short of the revised target recently set by Council for two years time (2007/8).

To appreciate the extent to which the success of this scheme has improved the performance of the Council it is informative to compare with other authorities in Lincolnshire. Unfortunately the 2004/5 data is not yet available for all authorities so earlier data has to be used. In 2003/4 our total recycling rate of 13.65% was the worst in the county. If we had achieved a 23% rate in that year we would have moved from the worst performer to the best. In practice all Councils are seeking to improve recycling and it is likely that a 23% recycling rate will now place us somewhere in the middle of the "Lincolnshire league table".

However the sheer quantity of green waste being presented for collection is posing considerable operational problems and does not appear to have been matched by a corresponding decrease in the amount taken to landfill sites. The hours available for collection is limited both by the restrictions on the opening hours of the recycling facility (which closes at 5.30pm) and by the legal limitations on the number of hours that HGV drivers can operate. Even if the number of properties serviced by the scheme is restricted to the 14,000 properties already provided with wheeled bins, the Council will need to provide another vehicle and crew to ensure that it complies with health and safety and vehicle operating legislation. Any breach of these obligations is not only a serious criminal matter but could result in the authority having its Vehicle Operators licence suspended and having to cease refuse collection.

Resolving the Operational Issues Resulting from the High Demand

There are a number of efficiency improvements which are being considered to respond to the higher than expected demand. These include extending the collections days to include the whole of Monday (originally set aside for vehicle maintenance which has been re-scheduled to the weekend) and consideration of collections on Saturday mornings (when the recycling site closes at 12.30). We are also considering the potential for relief drivers.

However our risk assessment concludes that these measures will not be sufficient to enable us to meet the current demand in a manner which is safe and legal. Therefore consideration has been given to the procurement of an additional vehicle and crew. There is a six month lead time for new vehicles. However, this can be avoided and the total costs reduced by the procurement of a used vehicle.

The cost of purchasing this vehicle is estimated at £50,000 with associated estimated revenue costs of £110,000 per annum including wages, running costs and overheads. Although this provision would meet currently projected demand it would not facilitate the increased capacity needed to service the remaining 11,000 bins if they are also distributed. It is therefore also necessary to postpone the issuing of further bins until we have had a better opportunity to assess the quantity of green waste being collected over a longer period and make decisions on how this can be financed. If this enables us to re-instate provision before the end of the financial year the Council will be able to secure the £110,000 included within the budget from the sale of bins. However if the current trend continues and it is not possible to seek to re-instate the provision of bins by March 2006 then there will be a further loss of income of £110,000 to the Council in 2005/6. Given the current volumes being collected, it is more advantageous to request a supplementary estimate for this loss of income, than to have to incur the additional costs of collection from a further 11,000 properties at the current time. Although a postponement to the provision of bins will obviously disappoint residents considering making an application, all the publicity for the scheme stressed that the number of bins was limited and that they would be provided on a first come, first served basis. In the event of a postponement the Council would operate a waiting list.

Given the urgency of the situation and the risks to the Council of drivers exceeding the statutory limitations on their working hours, I propose the following recommendations.

Recommendation

1. That the Cabinet resolves that as a temporary measure, the green waste scheme is closed to new applicants.
2. To Vire up to £69,000 from salaries to recruit a crew for the new vehicle as a temporary measure.
3. To allocate the remaining £50,000 from the Capacity and Priority setting budget to Recycling
4. To purchase a second hand vehicle – financed from Existing Asset Provision within the Capital Programme.
5. Seek to provide a full costing for the remainder of this year and for next year to ascertain the financial impact of the service. This is to be completed by the end of July to form part of the Medium Term Financial Strategy and request at that time any supplementary estimates required to be considered by Council.

Consultation

In accordance with the requirements of the constitution, and in the absence of the Chairman of the relevant DSP, Cllr Nick Craft Vice-Chairman of the DSP has been notified of the content and recommendations of this report.

Duncan Kerr
Chief Executive

John Blair
Corporate Director Finance and Strategic Resources

APPENDIX A – GREEN WASTE ARISING IN SKDC IN 2005/6

Anticipated arisings = 50,000 tonnes per week.

