

Report to Cabinet

Title: A progress update and review of Household Recycling Centre (HRC) service changes and the future operation of Burnham Household Recycling Centre

Date: 9 September 2019

Date can be implemented: 17 September 2019

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Local members affected: All

Portfolio areas affected: All

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

Changes agreed by Cabinet on 7th January 2019 to Buckinghamshire County Council's (the Council) Household Recycling Centre (HRC) service were introduced on 1st April 2019. One of the decisions made was to agree that a final decision be made on Burnham HRC in September, following a detailed financial appraisal of the other savings implemented on 1st April 2019.

The financial savings of the HRC changes to date are currently below the expected levels, due to lower than anticipated income levels from waste charging. However, income levels and savings are expected to be delivered in the medium to long term and as such are deemed to be low risk.

The purpose of this report is to seek approval to:

- 1. Keep Burnham HRC open and to continue to operate it on 5 days a week, with closing days being Wednesdays and Thursdays.**

This report seeks to:

- summarise the current performance of Buckinghamshire's Household Recycling Centres since the service changes were implemented from 1st April 2019.
- obtain a decision for the future operation of Burnham Household Recycling Centre (HRC) post 30th September 2019 based on the summary of financial performance.

Recommendation

It is recommended that Cabinet AGREE to keep Burnham HRC open and continue to operate it 5 days a week, with closing days being Wednesdays and Thursdays.

A. Narrative setting out the reasons for the decision

1. The HRC service supports the Council's Strategic Plan to 'Ensure Buckinghamshire is Thriving and Attractive'.
2. The Council's HRC service is provided under s.51 of the Environmental Protection Act 1990 (EPA 1990). Since 1st April 2019 the HRC service consists of nine HRC sites¹.
3. **Since 1st April 2019 the HRC service has been changed to include charging for non-household waste, weekday closures and a permanent site closure.**
 - 3.1. The changes to weekday opening at three sites² and the permanent closure of the site at Bledlow have been implemented (from 1st April 2019) and the associated savings are being realised. Reports from sites show that most residents are aware of the changes and the vast majority of residents are not visiting sites in error when they are closed.
 - 3.2. The introduction of charges for non-household waste has been implemented across all sites. There has been an increase in enquiries and complaints but it has been much less than expected and is being managed effectively. Residents are making

¹ Amersham, Aston Clinton, Aylesbury (Rabans Lane), Beaconsfield, Buckingham, Burnham, Chesham, High Heavens and Langley.

² Aylesbury (Rabans Lane), Burnham and Chesham – closed on Wednesdays and Thursdays

card based payments (no cash is taken). Staff at the HRCs are managing and administering the service changes.

3.3. As a result of the implementation of the charging scheme there has been a slight reduction in the overall recycling performance for the HRCs from 75% to 73%. This reduction was expected as the materials that are now charged for contribute to the recycling performance of the HRC network. The drop in recycling performance is however, less than expected and the current HRC recycling performance is still high being in excess of 70% and the diversion from landfill remains very high, exceeding 99%.

4. **HRC related feedback: (for further details see Appendix 1)**

4.1. During April to July 2019, compared to April to July 2018:

- Complaints rose from 11 to 20 (with the main increase due to quality of service);
- Customer Service Centre waste related calls increased by 11.5%³;
- Freedom of Information requests relating to the HRC service increased from 5 to 17.

During April to July 2019, the Waste Strategy mailbox received a total of 222⁴ HRC specific emails (76 in April, 54 in May, 48 in June and 44 in July) and the Cabinet Member for Planning and Environment received a total of 34 specific HRC enquiries directly through email during the same period.

5. **Fly tipping (for further details see Appendix 1)**

5.1. During the public consultation and following the Cabinet decision, significant concerns were raised by residents and other stakeholders on possible risks related to an increase in fly tipping.

5.2. Current data on fly tipping incidents in Buckinghamshire shows no correlation and / or impact on fly tipping incidents due to changes at the HRCs.

5.3. This is in line with evidence from other authorities who have previously implemented similar changes. The additional mitigation measures related to prevention and investigation work are continuing to reduce associated fly tipping risks wherever possible. Furthermore, of the fly tipping prosecutions in Buckinghamshire, 64.1% are related to commercial waste and not waste that would normally come to HRCs. This

³ waste related calls accounted for **3.9%** of all calls to the Customer Service Centre in July 2019.

⁴ A total of 261 HRC specific emails were received between January and July 2019.

further demonstrates there are no linkages between HRC changes and the risks associated with an increase in fly tipping.

- Buckinghamshire has a very high success rate in successfully prosecuting fly tippers. In August 2018, the Waste Partnership launched the Hertfordshire campaign, “SCRAP fly tipping” in Buckinghamshire (branding kindly shared without charge by the Hertfordshire Waste Partnership). Fly tipping levels have fallen consistently in Bucks following that launch – a fall in fly tipping of over 11% from 2017/18 data).

5.4. Fly tipping reporting from April to July 2018 compared to April to July 2019:

- Overall there were fewer clearances of fly tipping reported by the District Councils in April-July 2019 (920) than were reported in April-July 2018 (938), 18 fewer compared to the same period the previous year.
- The Council does not believe that this data supports any link between changes introduced at HRCs and increases in fly tipping.

5.5. Nevertheless the situation will continue to be monitored, adjusting any fly tipping enforcement activities as necessary.

5.6. An interim BCC Waste Enforcement Officer has been appointed (as indicated in the Cabinet paper in January 2019), with a particular remit to investigate and monitor the implementation of the HRC service changes and the Council’s Waste Access and Acceptance Policy (WAAP). There is a close working relationship between this Officer and with the Council’s existing fly tipping Enforcement team to enhance and bolster fly tipping enforcement activities.

6. **Other indicators – commercial skip hire companies and skip permit requests (for more detail see Appendix 1)**

6.1. Anecdotal feedback obtained so far from local skip hire companies is that there has been no significant change in the number of skips being hired compared to the previous year. However, one company had noticed an increase in trade vehicle waste since HRC changes were introduced it is therefore reasonable to assume legitimate alternatives routes are being sought by potential commercial users.

6.2. Skip permits issued by Transport for Bucks have increased by 86% during April-July 2019 (52 issued) compared to the same period in April-July 2018, when 28 were issued. It is therefore reasonable to assume legitimate alternatives are being sought for specific waste streams.

7. Financial analysis post HRC changes

- 7.1. The financial analysis considers the changes to HRC service and the impacts associated with these changes, including: less waste being brought to all HRCs; waste displaced to different HRCs across the network (differing transport and specific site operating costs); amount of non-household waste charged for; weekday closures; and permanent site closure.
- 7.2. The financial savings of the HRC changes to date are currently below the anticipated levels.
- 7.3. Table 1 shows initial indicative / projected net savings position using data from the first four months of HRC performance plus projected impact of the changes, including the impact of the additional capital investment.

The capital investment in plant and vehicles in 2019/20, per the Budget Amendments to the Approved Capital Programme decision published 19/03/2019, means that the revenue pressure will decrease. This decrease in revenue pressure is due to reduced operating and maintenance costs related to vehicles and mobile compaction equipment.

- 7.4. Table 1 Financial implications of maintaining a 9 site HRC service

Financial assessment of HRC service changes as implemented on 1 st April 2019	2019/20 Year 1		2020/21 Year 2	
Service model changes including: Charging and avoided costs for Non-household Waste, closure of Bledlow Ridge HRC, reduced opening days for Aylesbury, Burnham and Chesham as well service contract costs.	£1,216k to £1,365k		£1,237k to £1,507k	
Target savings	£1,570k		£1,303k	
Do measures achieve the annual savings needed to enable Burnham HRC to remain open?	Yes	No ✓	Yes ✓	No
Total Opportunity/Risk Range (per annum)	-£354k to -£205k		-£66k to £204k	
Financial risk to the Authority in achieving the necessary savings as a result of waste volumetrics (customer behaviour, market conditions)	LOW		LOW	

The table also shows an increase in charges and avoided costs in future years. It is predicted that the income from charging will increase whilst the avoided costs

decreases, this is in line with evidence from other local authorities who have previously implemented similar changes.

7.5. Income from charging for non-household waste

During the first four months since implementation, income from charging for non-household waste has been lower than projected figures. This is possibly due to a significant increase in the amount of waste entering the network prior to the chargeable scheme being introduced in March⁵ (a 50% increase compared to March 2018). Due to the high increase in waste volumes during March 2019, it is assumed customers have undertaken clearances before the changes came into effect. The communications campaign was highly successful and this increase in March demonstrates that residents were aware of the service changes being implemented from the 1st April.

7.6. Behavioural Change

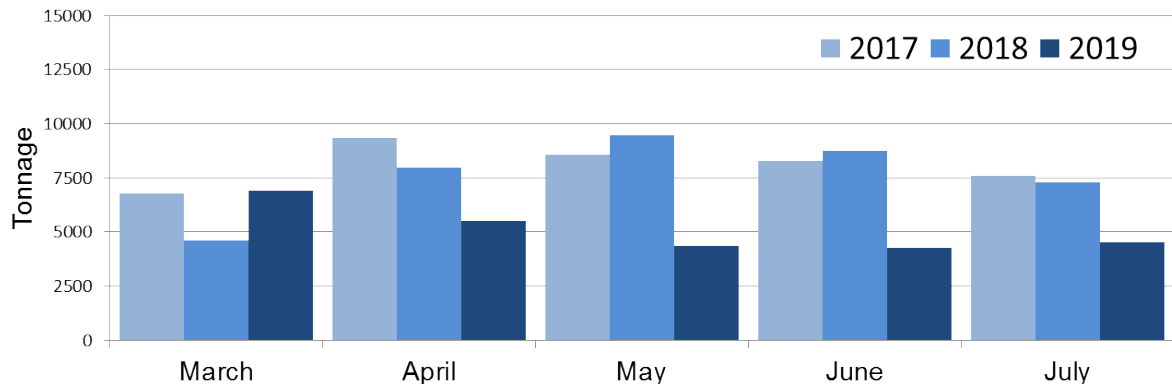
Part of the impact of charging was an expected behavioural change, where a proportion of non-household waste is no longer being presented by users of the HRCs. This includes a reduction in the amount of commercial waste being disposed of at the HRC's, which may have previously been presented illegitimately as household waste. The reduction in waste inputs is showing across nearly all waste streams at all HRCs, with a particularly large drop in the amount of rubble and wood being disposed of. There is no evidence to support the waste has moved into different collection systems waste volumes have decreased and/or within expectations from kerbside collection systems. The savings from this reduction supports the financial savings anticipated by the changes.

⁵ HRC tonnage increased by over 2,300 tonnes to 6,923 tonnes.

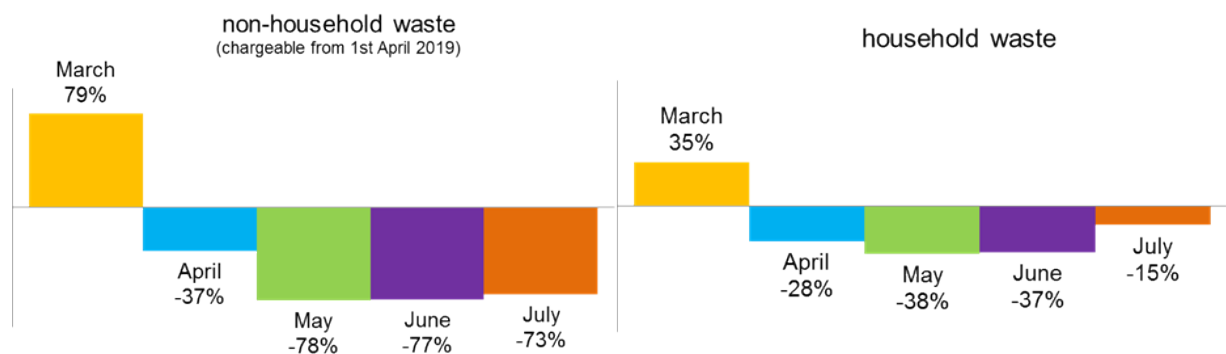
7.7 Waste tonnage across all HRC sites compared to previous years

Please note: In the event of any waste volume data changing these changes will be reported at the Cabinet meeting on 9th September 2019.

Historical total HRC waste tonnage throughput from March, April, May, June and July is shown below:



HRC household and non-household waste tonnage has declined since 1st April 2019. March to July 2018 compared to March to July 2019:



7.8 The financial savings of the HRC changes to date are currently below the anticipated levels, due to lower than anticipated income levels from waste charging. The charging income in the first year is forecast to be lower than expected; total opportunity range is between £550k and £615K. This is partially driven by the higher volume of waste delivered to the HRC's before the charging scheme was implemented. It is therefore anticipated that the income levels will rise in future months and years, meaning this is only a short term pressure. To finance this short term pressure, a ring-fenced waste reserve will be used that was created to cover essential costs of this nature. There is a greater benefit from avoided cost where the waste has not been presented through the HRC network. Income levels and savings

are expected to be delivered in the medium to long term and as such are deemed to be low risk.

- 7.9 The financial savings in the second and subsequent years is expected to increase to close to or exceeding the savings target for the 9 site model (see Table 1 above). This has been analysed using the first 4 months of up to date data.

B. Other options available, and their pros and cons

8. **Decide to close Burnham permanently** – continue with the decision to close *Burnham HRC* (from 30th September 2019). This option is not recommended, as the financial analysis indicates that the future years' savings target could be met with a 9 site model and Burnham is considered to be a continuing strategic asset to support future performance of the HRC service.
9. **Delay the decision to close Burnham permanently** – the Council could *delay the closure of Burnham HRC until autumn 2020*⁶. This option is not recommended due, in part, to the length of delay which might require a new full public consultation and because of continued uncertainty for residents.

C. Resource implications

10. Based on four months of actual data and the assumed income for the remainder of the year 2019/20, the HRC performance is projected to slightly fall short of the savings target for year one 2019/20. It is, however, too early to assume that current performance will continue, although it would seem prudent to assume that income from the charging scheme is likely to increase as residents become accustomed with the scheme and realise that it provides a costs effective solution for the disposal of small amounts of non-household waste. In addition other local authorities who have implemented similar service changes have seen their waste volumes increase over time
11. With the income anticipated to continue to increase and coupled with savings from the other HRC service changes, including use of capital funds in the capital programme to deliver future revenue savings, the savings targets for subsequent years are on track to be achieved from 2020/21. The savings target for 2020/21 is £1,303k and the current financial analysis indicates there is a low risk that these

⁶ It is recommended that any deferral of the decision to close Burnham HRC permanently be scheduled until at least autumn 2020 in light of the Unitary Council formation.

savings will not be made. This analysis is based on assumptions and will be kept under review as part of normal budget monitoring.

12. Burnham HRC's annual net operational costs are c.£87k – this amount would be covered by the savings expected to be achieved as a result of the overall service changes.
13. Based on April 2019's figures, Burnham HRC would have a projected annual income of c.£31k (c.£56k of net operational costs are not covered by income from Burnham HRC).

D. Value for Money (VfM) Self-Assessment

14. The financial efficiencies achieved following the implementation of the service changes are enabling the Council to meet the identified financial pressures. The recommendation will provide a more acceptable balance between VfM and service provision levels compared with alternative options.

E. Legal implications

15. The Council's HRC service is provided under the EPA 1990. Section 51 requires the Council as a Waste Disposal Authority (WDA) to arrange for places to be provided at which residents may deposit household waste and for the disposal of any waste deposited.
16. The arrangements should secure that each place is:
 - situated within the area or so as to be reasonably accessible to persons resident in its area;
 - available at all reasonable times (including at least one period on the Saturday or following day or each week, except the 25th December or 1st January); and
 - available for the deposit of household waste free of charge by residents.
17. However, the arrangements may restrict the availability of specified places to specified descriptions of waste.
18. The WDA may also include arrangements for the HRCs provided under s.51 to be available for the deposit of household or other controlled waste by other persons on such terms as to payment (if any) as the authority determines.
19. Household waste is defined in the Controlled Waste (England and Wales) Regulations 2012. Construction and demolition waste is defined as industrial waste, regardless of whether it is produced from domestic premises or not.

20. The Local Authorities (Prohibition of Charging Residents to Deposit Household Waste) Order 2015 prohibits WDAs from charging its own residents to enter into, or exit from, a HRC or deposit household waste at a HRC.
21. Legal implications have been fully considered in the previous report to Cabinet on 7th January 2019 on the Proposed Household Recycling Centre service changes.
22. There are no further legal implications arising specifically from this report.

F. Property implications

23. The Council's estate is managed through the Corporate Landlord function. Depending on the decision taken regarding the closure of Burnham, there could be an implication for the Council's Estate which will be considered separately. No benefit from the release of assets had been factored into the financial implications above.

G. Other implications/issues

24. The HRC service change implementation Equalities Impact Assessment (EqIA) has been reviewed and updated in light of the recommendation being made (see Appendix 2). The assessment concludes that the negative impact identified in the January 2019 report will be reduced if a decision is made to keep Burnham HRC open.

24.1. Positive impact

If Cabinet proceed as planned from the decision taken in January 2019 and close Burnham permanently from 30th September, then there is no change to the March 2019 statements in the January EqIA. However, if the decision by Cabinet on 9th September 2019 is to rescind and keep Burnham open for 5 days a week, then this will be a positive impact and does not require the impact assessment to be reviewed.

H. Feedback from Consultation, Local Area Forums and Local Member views

25. There has been no specific consultation since the changes were implemented. Information on customer contact since April 1st 2019 is set out in Appendix 1. The full consultation results were reported in the January 2019 report. The local member for Farnham Common and Burnham Beeches is supportive of the recommendation.

I. Communication issues

26. If a decision is made to keep Burnham HRC open there will be a communication campaign involving the following stakeholders:
 - Residents

- Parish, Town, District & County Councils and elected Members
- BCC Teams – Waste, Customer Services, Business Support, Communications, Libraries
- FCC Environment
- Local Media
- Bucks Business First
- Neighbouring Local Authorities

J. Progress Monitoring

27. If it is agreed that Burnham HRC should remain open after 30th September 2019 then the service will continue to monitor the entire HRC service and report progress through the Council's internal governance processes.

K. Review

28. The WAAP policy is in place and prices for the disposal of non-household waste will be reviewed annually and in line with legislation changes. The prices will be published on BCC website and available at all the HRC sites.

Appendices

Appendix 1 – HRC related feedback and performance

Appendix 2 – Household Recycling Centre Service Change Implementation – Equality Impact Assessment (EqIA) – updated August 2019

Your questions and views

If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.

If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Democratic Services Team by 5pm on 6th September 2019. This can be done by telephone (to 01296 382343 or e-mail to democracy@buckscc.gov.uk