

INFORMATION NOTE

Update on LCC Cost Sharing Agreement and Lancashire Waste Review

Waste Collection Efficiency Review

A Waste Review feedback meeting was held on the 11th November at which Environmental Consultants, AMEC, reported on the initial findings from stage 1 of the efficiency review process. Raw data was circulated from the desk top exercise which indicated that Fylde is performing well across the group with the existing in-house service on cost, productivity and performance. A number of proposed saving options were presented which focussed on decreasing the frequency of collections, including four weekly grey bin collections. Each authority was required to select 3 preferred options out of those proposed. The consultants will now undertake further work modelling these specific options to quantify the level of potential savings. The results of this work will be made known in the new year and communicated to the Committee at a subsequent meeting.

Other Considerations

LCC have tabled several budget proposals which have the potential for far reaching consequences on waste operations across the county:

- 1. To reduce processing activities and associated costs within the Farington and Thornton waste recovery parks, where these processes are uneconomic relative to available alternative disposal options* – this may influence the range and quantities of recyclable materials to be collected at the kerbside which could impact on grey bin tonnages and the recycling rate
- 2. Cease composting of co-mingled food and garden waste. Advise waste collection authorities that in future the council will only provide facilities for composting green waste that does not include food* – this would require an extensive communication campaign to advise residents to remove food from green bins, promoting home composting and use of the grey bin only. Food waste collections would be reduced down to fortnightly causing public dissatisfaction and complaints about ‘smelly’ bins. Potential confusion regarding changes to the scheme may lead to contamination of green bins resulting in rejected loads and potential penalties. This could also impact on the recycling rate and satisfaction with Council services.
- 3. Undertake market testing and procurement activity to determine potential market opportunities for reconfiguring the entirety of the council's waste services. This will include exploring the release of value from assets including the council's waste recovery parks, transfer stations and long term landfill contracts* – this may involve potential large scale changes to current collection service to meet the demands of the new configuration/provider, including changes to the range of materials collected, frequency of collection, method of delivery, tipping/reprocessing point, possible return to landfill tipping etc.

It is difficult to estimate the full impacts of these proposals as much depends on the future systems and arrangements that County may adopt. What is clear is that collection arrangements will have to change, impacting on residents across the borough with a potential reduction in service levels, possible customer satisfaction and recycling rate. There may also be implications for the waste review as it will be difficult to consider collection changes until end markets have been identified and there is confirmation of what materials can be collected moving forward.

The budget proposals do support County's intention to honour the existing cost sharing arrangement to March 2018. Collection and disposal authorities will therefore need to be mindful of the requirements of the cost sharing agreement to ensure they adhere to their obligations. In the event that County can no longer provide facilities for the reprocessing of district waste, Fylde will need to source end markets and reprocessors. This could mean some potential income but markets are very volatile. In all likelihood the authority would face increased transportation costs together with gate fees and reprocessing costs to dispose of the material. Districts may become eligible for recycling credit payments however the amount payable is unknown. LCC have previously indicated they will pay the minimum amount applicable under relevant legislation which may not cover the cost of transportation and reprocessing.

Regardless of any changes the disposal authority may impose Fylde will need to remain compliant with legislative requirements to collect recycling from the kerbside and avoid any potential challenges or charges that may be passed on at a future date.

Green Waste

The decision by Lancashire County Council to end the cost sharing arrangement leaves a significant funding gap for the Council, with a loss of £763,000 per annum from 2018/19 which is currently used to support the Council's waste and recycling services. This loss of income is in addition to other central budget cuts affecting the Authority.

Fylde Council can levy a charge for residents for the collection of green waste - something that is already in place in at least 112 local authorities and is being considered by a significant number of others. Charges vary with fees ranging from £19.20 to £70.80 (average £35) per bin per year.

To mitigate the reduction in funding by LCC which is currently an inevitable high risk in the Medium Term Financial Strategy, it may be prudent for Members to consider the implications of introducing a chargeable subscription based green waste collection service in Fylde.

FURTHER INFORMATION

Kathy Winstanley, Head of Waste and Fleet Management Services, kathyw@fylde.gov.uk, 01253 658634.