

Wiltshire Council

Cabinet Capital Assets Committee

Date of meeting 3 July 2017

Subject: Capital Funding for Containers for Waste and Recycling

Cabinet Member: Councillor Bridget Wayman - Cabinet Member for Highways, Transport and Waste

Key Decision: Yes

Executive Summary

The purchase of containers for waste and recycling for delivery to new properties and to replace aging bins and boxes is funded through a combination of section 106 monies and the council's capital programme. The requirement for funding is to be considered within a wider review of the capital programme. As that has not yet taken place this report sets out the requirement for funding for 2017-18.

There will be a further report to CCAC at its meeting in September 2017 to update on spend and to provide projections for expenditure on containers for waste and recycling for 2018-19 and beyond.

Proposal

That Cabinet Capital Assets Committee notes the requirement for purchase of bins and boxes for waste and recycling and agrees that, subject to there being sufficient capital within the capital programme, the required funding of £435,000 is allocated in advance of the review of the capital programme.

Reason for Proposal

To enable the council to comply with its statutory duty to collect household waste and to maintain service delivery for residents.

Dr. Carlton Brand
Corporate Director

Wiltshire Council

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Key Decision: Yes

Purpose of Report

1. To seek the agreement of Cabinet Capital Assets Committee to the purchase of bins and boxes for waste and recycling and that, subject to there being sufficient capital within the capital programme, the required funding of £435,000 is allocated in advance of the review of the capital programme.

Relevance to the Council's Business Plan

2. The following action, outcomes and principle apply.

Action 10: integrate public health at the heart of all public services

Outcome 3: everyone in Wiltshire lives in a high quality environment

Outcome 5: people in Wiltshire have healthy, active and high quality lives

Principle 6: our services work well, are joined up and easy to access

Main Considerations for the Council

3. Following the removal of the 2017-18 capital budget for waste containers as part of the budget setting process, the waste services capital budget for 2017-18 is currently made up entirely of section 106 monies. This money is paid to the council by developers of new homes and a portion is identified to cover the cost of supplying containers to these new properties.
4. The council formally adopted a Supplementary Planning Document (SPD) on 21 February 2017, which provides guidance to housing developers, and which details the basis on which the council would seek section 106 contributions towards the cost of providing waste containers for residential developments. The current guidance allows the council to claim contributions for developments of 11 dwellings or more.

5. Ongoing section 106 contributions are not expected to cover the entire requirement for containers in future, but will continue to make a vital contribution to the cost of supplying containers to new properties.
6. Whilst the contribution to funding containers at new properties from section 106 money will continue, the exact amount payable within any given year is variable and will not be known until a reconciliation is undertaken at the end of each financial year. Regardless of this provision for containers for some new properties the requirement to replace aging wheeled bins and boxes and to provide containers for new properties in developments of ten dwellings or less is currently unfunded.
7. The subsidy for food waste digesters available to the public is also funded from the capital budget. The units are sold direct to the customer by a contracted provider, with the council paying a subsidy on every unit sold in order to make purchases cost effective for Wiltshire residents. The units make a return on investment at year three through avoided waste management costs. The requirement for 2017-18 is based on demand remaining at 2016-17 levels and forecast to be 42 units sold per month, on average, at a subsidy rate of £50 per unit. Residents contribute £44 per unit. The provision of these units allows the council to comply with its statutory duty to take appropriate steps to reduce waste and promote waste minimisation.

Background

8. Containers for waste and recycling include wheeled bins for residual waste, garden waste and plastic bottles and cardboard, black boxes for mixed dry recyclables, “no blow” re-useable bags, and larger wheeled containers to serve communal bin stores for multiple properties and commercial waste customers.
9. The standard containers provided to households are set out below.

Waste type	Container type - current service	Container type – future service (post August 2018)
Residual waste	180 litre wheeled bin, grey body, grey lid	No change to container type or use
Plastic bottles and cardboard	240 litre wheeled bin, grey body, blue lid	No change to container type – will be used to collect co-mingled recycling: paper; card; food and drinks cartons; plastic bottles, pots, tubs and trays; textiles; and food and drinks cans
Mixed dry recyclables	55 litre kerbside box, black box, black lid	No change to container type – will be used to collect mixed glass bottles and jars only
Garden waste	180 litre wheeled bin, grey body, green lid	No change to container type or use

10. Waste Services have an ongoing requirement to provide waste and recycling containers as outlined in Appendix 7 of the Transformation of Waste and Recycling Collections report, which was adopted by Cabinet in October 2010.
11. Section 106 monies with a total value of £195,328 identified as being in respect of payments for new waste containers had accumulated within a centralised budget since 2011-12. This funding was drawn down in its entirety into the 2016-17 waste capital budget and was used to purchase containers for waste and recycling.
12. The use of wheeled bins directly influences the amount of residual and recyclable waste the council collects each year, alongside a well-established policy of not collecting excess bags combined with a fortnightly collection frequency. The size of the bin effectively places a limit on the amount of waste each household can have collected at the kerbside, and therefore helps encourage increased participation in recycling services, as well as waste minimisation behaviour in the home.
13. The Waste Service closely monitors its stocks of waste containers in order to ensure continuity of supply. Wherever possible existing bins are repaired rather than replaced, for example by the provision of a new lid or new wheels. Over recent years the service has increasingly taken the opportunity to refurbish 1100 litre and 660 litre bins where able, instead of buying new. This approach is cheaper than buying new so has allowed more of the capital budget to be utilised for essential bin purchases. This approach will continue.

Overview and Scrutiny Engagement

14. The principle of providing containers for waste and recycling was considered and supported by an Environment Select Committee Waste Scrutiny Task Group when service changes were agreed in 2010. There would be Overview and Scrutiny engagement in the wider review of the council's capital programme.

Safeguarding Implications

15. There are no safeguarding implications arising from this decision.

Public Health Implications

16. Amongst the benefits of using wheeled bins are reduced musculoskeletal injuries to collection staff following the eradication of heavy manual lifting, combined with the public health benefits of improved storage of waste which might otherwise be attractive to vermin. This latter benefit is especially helpful when storing waste during a 14 day collection cycle.

Procurement Implications

17. Under new collection service arrangements commencing on 30 July 2018, the procurement of waste containers will become the responsibility of the new service provider. In light of delays in the commencement of the new contracts, the service will now consider purchasing via an established purchasing framework until the new service arrangements are in place.

Equalities Impact of the Proposal

18. There is no equalities impact of the proposal.

Environmental and Climate Change Considerations

19. There are no environmental and climate change considerations arising from the proposal.

Risk Assessment

Risks that may arise if the proposed decision and related work is not taken

20. If the proposed decision is not taken and related work is not carried out the council would only be able to purchase containers from section 106 monies provided in respect of developments with 11 or more dwellings. Other new properties in developments of ten dwellings or less would not receive containers and existing, life expired containers would not be replaced. This would cause significant problems for residents and the waste and recycling collection service.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

21. There is a risk that capital funding may not be identified in the review of the capital programme for the purchase of the containers and the actions to be taken to manage this risk are set out in the Financial Implications section below.

Financial Implications

22. The requirement to supply new waste containers is expected to increase year on year due to a consistent increase in the number of residential properties. The growth in households is reasonably consistent each year at circa 1% or approximately 2,000 properties.

23. The unit price of containers can also fluctuate depending on the cost of raw materials used in the manufacturing process. An annual increase in cost of 2.5% has been assumed.

24. The required funding would be an addition to the approved capital programme so either revenue budget needs to be identified to cover the annual capital financing cost or funding from the capital programme of £0.44m needs to be found.

27. The capital financing costs would be approximately £0.044m in 2017/18. This is based on an average capital financing cost of 10%.

28. The service has reviewed the 2017/18 revenue budget for waste management and is unable to identify budget to cover the capital financing costs. However there are a number of savings proposals to be implemented in waste services during 2017-18 which may reduce the total tonnes of waste treated and further reduce the costs of service delivery. For example, a reduction in total waste of 440 tonnes would be less than 0.2% of the total waste treated and may be sufficient to fund the capital financing costs.

29. There are a number of capital projects within the programme for 2017-18 and should any of these be subject to delay so that the projected expenditure is not

incurred in 2017-18 there may be sufficient capital within the programme to fund the purchase of the required containers.

30. The forecast spend for containers for waste and recycling and for the subsidy for food waste digesters is set out in the table below.

Container type	Forecast spend 2017-18 (£)
Bins (and other containers)	370,000
Food waste digester subsidy	25,000
Black boxes	40,000
Total	435,000

31. The financial year 2018-19 will be a year of significant change for the waste collection service. A new contract for the collection of recyclable materials and waste is due to commence on 30 July 2018. Under this contract the contractor purchases containers and the cost of new and replacement bins and boxes is passed through to the council. The collection system for dry recyclable materials will change so that glass bottles and jars only will be collected from the black box and the remaining materials plus plastic pots, tubs and trays and food and drink cartons will be collected from the blue lidded bin. It is anticipated that there will be an increase in requests for additional capacity for containing the co-mingled dry recyclable materials as, at present, residents only place plastic bottles and cardboard in the blue lidded bins. This increase is likely to be greater in the south of the county as Salisbury District Council issued 180l blue lidded bins prior to Wiltshire Council agreeing a standard size of 240l for the bins for plastic bottles and cardboard.
32. A further report will be presented to Cabinet Capital Assets Committee at its meeting to be held on 12 September 2017 setting out the projections for capital requirement for container replacement for 2018-19 and beyond. The report will provide an update on actual spend and projected spend for 2017-18 against this capital budget.

Legal Implications

33. There are no legal implications arising from the proposal.

Options Considered

34. The options considered are to agree to fund the purchase of waste and recycling containers for new developments of ten dwellings or less and to replace aging containers or to cease providing containers except for developments of 11 dwellings or more when section 106 funding is agreed.

Conclusions

35. The provision of suitable containers is an essential element to enable residents to manage their waste and recycling efficiently and to enable the waste and recycling collection service to operate safely and efficiently. Budget has not been identified for this purpose in the 2017-18 capital programme but options for funding this requirement have been set out in the Financial Implications section of the report above.

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The following unpublished documents have been relied on in the preparation of this Report: None

Appendices: None