



# **INFRASTRUCTURE OVERVIEW AND SCRUTINY COMMITTEE**

## ***Committee Report***

**Public**

**Date of Meeting:** 10 April 2008

**Title:** Waste Services Scrutiny task and finish group

**Report of:** Waste Services Manager and Scrutiny Manager

**Report reference:** OS02/08

### **Summary:**

This report updates the Committee on the work of the Waste Services task and finish group and how the group proposes to continue its work into the new Civic year.

### **Questions for / input required from Scrutiny:**

Members are asked to note the work of the task and finish group work.

### **Recommendation:**

The Committee is asked to consider the re-establishment of the task group at the 19 June 2008 meeting, to enable the Committee to continue its work and produce a final report to the Executive.

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## **1. Terms of reference**

At the Infrastructure Scrutiny Committee on 24 January 2008, members agreed the terms of reference for the task and finish group to investigate the development of a strategy for the Council's commercial waste collection service. It was agreed that the group would consider the following options for developing the strategy, identifying the benefits and disadvantages of each option:

- Option 1: Do nothing
- Option 2: Mechanical Biological Treatment (MBT) of all commercial waste collected
- Option 3: Develop recycling, achieve targets and landfill residual
- Option 4: Develop recycling, achieve targets and MBT residual
- Option 5: Sell commercial waste operation

The Committee also agreed that the task group would focus initially on commercial waste, with a view to looking at bulky household waste collections at a later date.

## **2. Task and finish group work**

The task group held two sessions to investigate the development of a strategy for the Council's commercial waste collection service.

### **Witness evidence session - 18 February 2008**

Three witnesses gave evidence to the Committee: a representative from Cumbria Strategic Waste Partnership, an officer from Allerdale Borough Council, and a representative from the Carlisle Enterprise Centre. This gave members the opportunity to look at the Cumbria Strategic Waste Partnership's role in commercial waste, another authority with a developed commercial waste service and a representative of businesses in Carlisle.

Members considered the options for developing a commercial waste strategy and agreed that further consideration should be given to Option 3 (Develop recycling, achieve targets and landfill residual) and Option 4 (Develop recycling, achieve targets and Mechanical Biological Treatment of residual) to be delivered via one of the following mechanisms:

- the Council acting on its own;
- a partnership arrangement; or
- a contractual arrangement.

It was recognised that Option 4 would only become viable when Cumbria has MBT facilities in place, so the focus should be on Option 3 at present.

### **Risk assessment matrix session – 11 March 2008**

The task group completed a risk assessment matrix to review the potential mechanisms for implementing Option 3 against key risks to the Council (see Appendix 1).

The task group summarised that the delivery mechanisms that showed the most promise were the Council owned service and the Partnership arrangement, however, there was no single clear preferred delivery mechanism at this stage. It would depend on the approach the Council took to delivering the service, and on the type of contracts or partnership agreements that would be put in place. Further detailed work to examine the delivery mechanisms would be required.

### **3. Way forward**

In addition to undertaking an assessment of the delivery mechanisms, the group felt it would be useful to conduct a survey of other Councils who currently undertook commercial cardboard recycling. The Waste Services Manager agreed to undertake a survey of other local authorities and report back to the task group. Considering the timescales involved in undertaking this survey, it was agreed that the task group should continue into the new Municipal Year to enable it to fully consider the findings and inform the group's final report to the Executive.

The task group agreed to provide a report summarising its progress to the Infrastructure Committee, proposing that the work should continue into the new Municipal Year and the re-establishment of the task group should be discussed at the Committee meeting on 19 June 2008. The Committee should also consider if they want to undertake a review of bulky household waste at this stage.

**APPENDIX 1 - Risk matrix for commercial waste service**

	Risks to the Council (5 = most important, 1 = least important)							Total score (highest score = least risk to the Council)
	5 Revenue cost to Council (income?) *	5 LATS implications	5 Continuity of service	4 Capital cost to the Council	3 Legal implications	3 Standard of service and costs to businesses	2 Service to rural customers	
<b>Options for delivering a recycling service as part of our commercial waste collection service</b>								
<b>Council owned service - (i.e. delivered by 'in-house' service)</b>	Wages, man hours, control over costs apart from money from materials. Could make advantages for business growth. More flexibility - we can change what we do - or pull out? Monitoring costs	Best LATS gain	Can change your method of collection (eg kerbside sorting). More flexibility. Invest in staff training to improve service. Less expertise with end markets. More control to sustain the service.	Bins, vehicles, grants available to set up? Wouldn't need much - small scale. Can we use our existing vehicles/staff to reduce costs?	Control over all aspects. Possible contract with end markets	Control over our service, but private sector could be more reliable?	Could be catered for by the domestic waste collection? More flexibility if needs change	13
<b>External contractor - (there are a number of commercial waste collection firms who may be interested in delivering a service on our behalf)</b>	Fixed price for income from materials. Not many contractors - will be more expensive? Not as vigorous as the Council at building up customers, may not have the capacity to grow. Will have to pay for changes/increased recycling. Monitoring costs	Possible LATS gain, may not increase the tonnage collected, but loss of control over recycling	Less flexibility in method of collection. Expertise/greater access to end markets.	Costs would be the contractors	Tight contract to ensure the service continues.	Could negotiate targets with contractor to deliver the service effectively. Less control depends on the contractor and what resources they have. Level of service at a cost	Unless specified in the contract - contractor could charge higher rate. Less flexibility	9
<b>Partnership - (there may be opportunities to work with a private or public sector partner to deliver and develop our commercial waste collection service)</b>	Depends if we are the majority partner - who would have more control? The greatest flexibility? Could give access to new customers - eg we could recycle for Biffa customers. Monitoring costs	Possible LATS gain but risk increasing your tonnage and don't get the recycling benefits	Expertise/greater access to end markets.	Depends on the arrangement and who you have it with.	Sound agreement on service provided.	More control over service - would depend on the partnership	Some flexibility - depend on who the partner was	12

\* The task group were unable to score the *Revenue cost to the Council* column as they felt it depended on what approach the Council took to delivering a service. From a budgeting point of view, the contractors would provide a fixed annual cost which would enable the authority to budget effectively. However, a Council owned service or partnership arrangement would be more flexible and would have to potential to grow or reduce costs.