



REPORT TO EXECUTIVE

PORTFOLIO AREA: ENVIRONMENT & INFRASTRUCTURE

Date of Meeting: 12 June 2006

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework

Title: WASTE MINIMISATION – The Alternate Week Collection
Feasibility Study

Report of: Director of Community Services

Report reference: CS 29/06

Summary:

The report presents the findings of the Feasibility Study of the implementation of Option 2 (the Alternate Week Collection option).

Recommendations:

The Executive is recommended to accept the findings of the Feasibility Study and approve the adoption and subsequent implementation of Option 2 (the Alternate Week Collection option).

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

1. BACKGROUND INFORMATION AND OPTIONS

1.1 The 'Alternate Week Collection Feasibility Study' has been produced for the Executive as requested in minute reference EX206/05. This stated that:

- (i) (The Executive) Note that option 2 (The Alternate Week Collection option) is emerging as the preferred option for waste minimisation;
- (ii) (The Executive) Request officers to carry out a comprehensive and detailed feasibility study on how this could be implemented. The results of this study to be reported back to a further Executive meeting.

1.2 The feasibility study outlines why there is a need to change the current arrangements for the collection of household waste in Carlisle. The study explains why the Alternate Week Collection option (the proposed AWC scheme) was chosen and how it will be implemented. The study also details the impact that the proposed AWC scheme will make on the waste collection infrastructure and how it fits with the emerging Municipal Waste Management Strategy for Cumbria. The report quantifies the outcome of the proposed AWC scheme and presents both its capital and revenue costs to the Executive.

1.3 A copy of the feasibility study's Executive Summary is attached to this report (copies of the full feasibility study have been lodged in each of the group offices). The Executive Summary lists the key findings of the feasibility study and provides full details of the Capital and Revenue costs of implementing the proposed AWC scheme. The feasibility study has concluded that the proposed AWC scheme will:

- significantly reduce the amount of residual household waste going to landfill;
- increase the amount of household waste recycled;
- extend the provision of the Council's kerbside recycling services.

1.4 The feasibility study recommends that the proposed AWC scheme addresses the major caveats of the Waste Collection Focus Group (set up by the Executive to consider the future waste collection options available to the Council). These caveats stated that for any future waste collection scheme to successfully reduce the amount of household waste going to landfill would require the provision of:

- enhanced recycling facilities (to provide householders with a realistic alternative to the dustbin),
- extended Civic Amenity Site provision provided by the County Council;

- successfully communicating the waste minimisation message to the public.

1.5 The essential element of the proposed AWC scheme is therefore a significant extension to the current provision of kerbside recycling in both urban and rural Carlisle:

- Every household included in the proposed AWC scheme will be eligible for participation in the garden waste scheme.
- The trial kerbside collection of plastics and cardboard will be extended to a minimum of 30,000 households.
- The number of households participating in the current Greenbox scheme will be increased.

The feasibility study has identified that the proposed AWC scheme will generate sufficient efficiencies to enable the above extensions to the Council's popular kerbside recycling services to be delivered at no additional revenue cost to the Council, (i.e. the proposed AWC scheme is revenue neutral).

2. CONSULTATION

The proposed AWC scheme was the subject of a special consultation process involving the Waste Collection Focus Group. Subsequent to this the proposal has been widely consulted on with members of the public via Neighbourhood Forums and other community meetings and events.

3. RECOMMENDATIONS

The Executive is recommended to accept the findings of the Feasibility Study and approve the adoption and subsequent implementation of Option 2 (the Alternate Week Collection option).

4. REASONS FOR RECOMMENDATIONS

The reasons for the recommendations are fully detailed in the feasibility study.

5. IMPLICATIONS

- Staffing/Resources – 3 additional full time employees will be required as ‘loaders’ under the proposed AWC scheme, (N.B. these will replace the existing temporary staff employed under the trial kerbside plastic and cardboard recycling scheme). There is no additional revenue cost.

- Financial –
 - (i) This initiative involves a significant commitment of existing resources (c.£2m) to embark on a new scheme over a long term period. The initiative can be seen to tie in well with the priority of ‘Cleaner Greener and Safer’ however the agreement to it requires an acknowledgement that it may limit future choices in the budget process.

 - (ii) A saving of £69k per annum from 2007/08 has been included in the budget. This was put forward by the Director of the then Commercial & Technical Services as part of the budget process. Alternatives for meeting savings will need to be investigated.

 - (iii) The Risk Register details the financial risks of the proposed AWC scheme. The key financial risks are as follows
 - Fuel costs increase above R.P.I.;
 - Vehicle hire costs exceed those budgeted for;
 - Potential imbalance between income received and revenue costs (i.e. the amount of ‘income’ received from materials collected for recycling is less than anticipated).

A sensitivity analysis (included with Appendix 12 of the Feasibility Study) has identified that if the quantity of recyclables is 10% less than that anticipated, the financial cost to the authority would be an additional £50,000p.a. Conversely, a 10% increase in recyclables collected would result in additional revenue of £50,000p.a.

- (iv) Whilst it is acknowledged that a ‘float’ of 6000 wheeled bins is included in the capital budget to provide replacement bins in the early years of the proposed scheme, there is currently nothing included in the revenue assumptions to provide for the long term replacement of ‘assets’ (i.e. wheeled bins) totalling £762k in Appendix 11 (Capital Costs). This issue requires resolving prior to

the new scheme being implemented. Such a provision could amount to additional costs of up to a maximum of £76k per annum being required (based on a minimum 10 year life span). Alternative options include: (i) charging householders for future replacement bins (as is the existing policy of the Council), (ii) funding replacement bins from a charge levied for the Council's bulky household waste collection service, or (iii) utilising any excess income arising from the proposed AWC scheme to purchase replacement bins.

It is proposed that these options will be fully explored and will be reported to the Executive at a future meeting.

- (v) As this initiative largely involves obtaining more for the same (subject to the issue of the replacements provision above being addressed) there is an opportunity to capture some cashable and non cashable savings under Gershon. These need to be worked up to enable the Council to meet its £1.8m target 2005/06 to 2007/08.

- Legal – None
- Corporate – The corporate implications of the proposed AWC scheme are fully detailed in the Feasibility Study. The proposal positively contributes to the key corporate aim of 'Cleaner, Greener & Safer'.

The Audit Commission has concluded that the lack of any control measures on the amount of household waste collected is the major contributor to the growth in household waste in Carlisle. It is suggested that a failure to implement control measures (such as those included in the proposed AWC scheme) could result in a reduction in the Council's C.P.A. rating.

- Risk Management – A full risk register is included in the feasibility study
- Equality Issues – None
- Environmental – The proposed AWC scheme will significantly reduce the amount of household waste landfilled.
- Crime and Disorder – The proposed AWC scheme should significantly reduce litter resulting from household waste and thus improve the cleanliness of

neighbourhoods. This issue is further explored in paragraph 13 of the feasibility study.

- Impact on Customers – The full impacts of the proposed AWC scheme are detailed in the feasibility study

The Alternate Week Collection Scheme: A Feasibility Study

May 2006

Waste Services section, Community Services, Carlisle City Council

3. Executive Summary

3.1 Why the need for change?

- 3.1.1 Since 1997 the amount of household waste recycled in Carlisle has almost trebled. In 2004/05 Carlisle was the 6th best performing authority of the 26 authorities in our 'Best Value Family Group'.
- 3.1.2 Despite this, the average amount of residual waste thrown out by each Carlisle household compares unfavourably with other authorities. Carlisle lies 18th out of the 26 authorities in our 'Best value Family Group'.
- 3.1.3 BV84 measures the total amount of waste produced per head of population (residual waste and recycling). The 4 worst performing authorities in the Family Group are Cumbrian.
- 3.1.4 With the introduction of the Landfill Allowance Trading Scheme (LATS) in April 2005, Cumbria County Council (as the Waste Disposal Authority - WDA) has been given allowances (or quotas) limiting the amount of biodegradable municipal waste that can be disposed of to landfill. If the allowances are exceeded, then the WDA is liable to be fined at a rate equivalent to £150 per tonne for every tonne over and above the allowance. Whilst the duty to comply with LATS rests with the WDA, in practice each of the 6 Cumbrian Waste Collection Authorities (including Carlisle City Council) has a significant role to play in helping Cumbria meet the challenge of LATS.
- 3.1.5 The combination of LATS and the Government's ongoing review of the national waste strategy, and its proposals for significantly higher national recycling targets, will mean that the Council will be required to continue to increase the amount of household waste recycled beyond current levels.

- 3.1.6 Studies assessing the environmental impact of the various waste management options consistently show that recycling is the most environmentally friendly method of dealing with waste.
- 3.1.7 The Audit Commission's 'follow up' inspection in 2005 concluded that the lack of any control measures on the amount of household waste collected is the major contributor to the high levels of household waste in Carlisle and Cumbria.
- 3.1.8 Evidence from other authorities across the country demonstrates that the amount of household waste collected by a WCA and disposed of in landfill can be significantly reduced by amending its residual waste collection policies.
- 3.1.9 To investigate this evidence further and assess its relevance and applicability to Carlisle, a 'Waste Collection Focus Group', comprising of cross party representation from the Council's Infrastructure O & S Committee along with members of the Environment Forum and an Officer representative from Eden District Council, was engaged to assess the future options for our refuse collection service
- 3.1.10 The Focus Group was given three different waste collection options to consider.

The 3 options assessed were as follows:

- *Option 1: Wheeled bins provided for residual waste (i.e. refuse) and restrictions placed on 'side waste' collected (i.e. only waste in the bin is collected). Collection of residual waste to be weekly. Recyclables collected on alternate weeks, as is presently the case.*
- *Option 2: Wheeled bins to be provided for residual waste (i.e. refuse) and restrictions placed on side waste collected (i.e. only waste in the bin is collected). Collection of residual waste would be fortnightly alternating with recycling collections.*
- *Option 3: Coloured sacks provided for residual waste (i.e., refuse). Restriction on the number of sacks collected. Collection of residual waste would be weekly. Recyclables would be collected on alternate weeks.*

3.1.11 The Focus Group was asked to assess each of the above 3 options against the following criteria:

- *Will it reduce the amount of household waste we send to landfill?*
- *How much will it cost (capital & revenue) compared with our existing arrangements?*
- *How practical is it for Carlisle?*

3.1.12 A clear and unambiguous consensus resulted in the Focus Group making a recommendation that Option 2 (the 'Alternate Week Collection' option), albeit with a number of caveats, represents the option most likely to enable Carlisle to successfully address the agenda outlined in this report.

3.2 The Alternate Week Collection proposal – how will it work in practice?

3.2.1 Following extensive consultation with the Council's Infrastructure Overview and Scrutiny Committee, Neighbourhood Forums and community organisations across the urban and rural areas, the following collection policies have been developed for the proposed Alternate Week Collection (AWC) scheme.

3.2.2 The standard wheeled bin issued will be a 240 litre bin. Householders can request a smaller bin (140 litre). Additional bins (140 litre) will normally only be issued to householders following a 'waste audit'. In normal circumstances, additional bins will only be issued to households of 5 or more individuals or households with 2 or more babies using disposable nappies.

3.2.3 It is proposed that all properties would be provided with the 'Alternate Week Collection' service except in the following circumstances:

- (i) Where the householder is unable to get a wheeled bin from its normal point of storage to the point of collection. It is proposed that properties that meet this criteria will be identified prior to the scheme's implementation.

(ii) Where access for the Council's refuse collection vehicle precludes a household's participation in the scheme. Properties not included in the proposed AWC scheme will receive a weekly sack collection. The number of sacks collected will be restricted to 2 sacks per household per week. It is proposed that all properties receiving a weekly sack collection will, where practical, be required to present their waste for collection at the front of their property.

3.2.4 All properties that have a garden and that do not fall into the categories detailed in paragraph 3.2.3 will be offered a garden waste wheeled bin and will be included in the proposed AWC scheme.

3.2.5 Those currently eligible for an assisted collection will continue to receive an assisted collection under the proposed AWC scheme.

3.2.6 No 'side waste' will be collected. Side waste is defined as any waste presented for collection outside of the wheeled bin provided by the Council for the collection of non-recyclable household waste, or, in the case of those properties receiving a weekly sack collection, in excess of the 2 sacks per household per collection. Householders presenting 'side waste' for collection will first receive a warning. On subsequent occasions fixed penalty notices under the Clean Neighbourhoods and Environment Act may be issued to persistent offenders.

3.2.7 To help keep odour and pest related nuisances in check, wheeled bins must be presented for collection with their lids shut.

3.2.8 It is proposed that details outlining the collection policies and the standard of service to be provided are made available to each household.

3.3 Implementation

3.3.1 The key milestones in the implementation of the scheme are as follows:

18 July 2006 - AWC proposal considered by Council;

July 2006 - Dependant on approval, specialist Plastic and cardboard kerbside collection vehicles ordered;

- July 2006 - Dec 2006 Preparatory work, including promotion;
- Dec 2006: Where relevant, residents notified of extension to the kerbside plastic and cardboard scheme;
- Jan 2007: Plastics and cardboard kerbside recycling scheme extended;
- Feb 2007: Changes to residual waste collections phased in (information packs sent to householders, new bins delivered, vehicles adapted and collections commence);
- May 2007: Implementation complete;

3.3.2 A communications 'campaign' will ensure that full details of the proposed AWC scheme are effectively communicated to all stakeholders.

3.3.3 It is proposed that all calls relating to the implementation of the proposed AWC scheme will be handled by the Council's Customer Contact Centre.

3.4. Recycling:

3.4.1 A key element of the proposed AWC scheme will be the enhanced provision of kerbside recycling.

3.4.2 Proposed provision of kerbside recycling:

- Garden Waste: Every household included in the Alternate Week Collection scheme will be eligible for participation in the garden waste scheme. The proposed AWC scheme will increase the number of households participating in the garden waste scheme by 4000. It is estimated that the extended kerbside collection of garden waste will result in 7500 tonnes of garden waste recycled annually.
- Greenbox: N.B. subject to ongoing discussions with CWR
- Blackbox (paper only recycling): N.B. subject to ongoing discussions with CWR

- **Plastics and Cardboard:** The adoption of the AWC scheme, and the efficiencies resulting from it, will enable the trial kerbside collection of plastics and cardboard to be extended to a minimum of 30,000 households. It should be noted however that this is a minimum number. It is estimated that the extended kerbside collection of plastics and cardboard will result in at least 1200 tonnes of cardboard and plastics recycled annually.
- **WEEE:** In partnership with Impact Housing Association's Centre 47, the Council collects waste electrical items for re-use and recycling.

3.5. Bulky household waste collection service

3.5.1 The bulky household waste collection service is a free service provided by the Council for the collection of bulky household items such as fridges and freezers (and other white goods) and household furniture. The bulky household waste collection service is not for the collection of excess household refuse over and above that which is collected from either the proposed wheeled bin or weekly sack collections (i.e. 'side waste'). No significant increase in the demand for this service should be expected following the introduction of the proposed AWC scheme.

3.6. Civic Amenity Site provision

3.6.1. Cumbria County Council has the responsibility for providing the Civic Amenity Site (C.A. sites) service. Experience in other parts of Cumbria where AWC has been introduced (e.g. Copeland) has demonstrated that its introduction has had a significant impact on the local C.A. site. To accommodate an anticipated increase in the amount of household waste deposited at the Bousteads Grassing C.A. site, the County Council, has agreed to extend the opening hours of the site from the current 8am – 4pm to 8am – 6pm. In addition, the County Council has made significant capital funding available for additional C.A. sites in Carlisle. Suitable sites at Kingmoor (adjacent to Cumbria Waste Recycling's depot) and if funding allows, at Brampton are currently being investigated with a view to these being operational in 2007/08.

3.7. Litter & Fly tipping

3.7.1. Evidence obtained from other authorities that have adopted AWC linking the proposed AWC scheme with any increase in fly tipping is inconclusive. The evidence suggests that the 'fly capture' website, and

the improved reporting mechanism that it has created, has resulted in a greater incidence of reporting as opposed to an actual increase in fly tipping incidents. In response to the Clean Neighbourhoods and Environment Act 2005, the Council has approved additional funding to implement the new Powers that the Act confers on authorities.

3.8. Enforcement

3.8.1. It is proposed to appoint two temporary, dedicated 'Enforcement Officers' with powers under the Clean Neighbourhoods and Environment Act 2005 to issue fixed penalty notices to those householders who persistently flout the scheme's policies and service standards (as detailed in Appendix 4).

3.9 Strategic fit with Cumbria Joint Municipal Waste Management Strategy and Cumbria County Council's procurement of a new Strategic Service Provider:

3.9.1 The Cumbria Strategic Waste Partnership has identified that the Waste Collection Authorities have a key role to play in:

- (i) Reducing the overall amount of waste requiring final treatment (currently landfill, in the future some form of 'Energy from Waste').
- (ii) Helping Cumbria keep within its LATS* allocations.

3.9.2 This key role will involve greater recycling (individual targets beyond the statutory minimum will be agreed by each of the Cumbrian local authorities – **it should be noted that these are likely to be in excess of 36%**). The proposed Alternate Week Collection Scheme should be seen as a key element of Cumbria's sustainable waste management portfolio, minimising the amount of waste requiring final treatment and disposal and thus minimising Cumbria's LATS liabilities

3.10. Partnership with Eden District Council

3.10.1 The proposed AWC scheme will take account of Carlisle's obligations under the existing joint contracts with Eden District Council.

3.11 Outcomes:

3.11.1 Summary of outcomes from the proposed AWC scheme:

	BV82	Residual waste to landfill (tonnes)	Annual LATS 'saving'	BV84	Summary of services provided
With AWC	<p>Min = 34.66%</p> <p>Max = 36.26%</p>	<p>Max = 31,013 tonnes</p> <p>Min = 28,913 tonnes</p>	<p>Min = £231,132</p> <p>Max = £587,622</p> <p><i>(N.B. suggested actual LATS saving will be in the region of £400,000 p.a.)</i></p>	<p>Max = 459 kg/head</p> <p>Min = 439 kg/head</p>	<p>40,225 households receive AWC service;</p> <p>5,375 households receive weekly refuse sack collection;</p> <p>30,000 – 39,000 households receive new kerbside plastics and card recycling scheme;</p> <p><u>All</u> households with a garden will receive the garden waste collection scheme;</p>
Without AWC	30%	34,674 tonnes	<p>No 'saving'</p> <p>Current predictions show a likely LATS fine of £1.1 million in 07/08.</p>	473 kg/head	<p>All households receive a weekly collection of refuse;</p> <p>Kerbside plastics and card recycling unable to be continued or extended unless additional funding is made available (£250,000 p.a.);</p> <p><u>No</u> extension to current garden waste recycling scheme unless additional funding is made available;</p>

3.11.2 The service gains resulting directly from the AWC efficiencies are summarised as follows:

- One less RCV is required to collect residual waste plus garden waste from an additional 4000 households (this vehicle will be utilised to cover vehicle breakdowns etc) ;
- Vehicle hire costs will be reduced as a result of the greater flexibility to utilise our own resources;
- Greater flexibility arising from AWC (in particular from the additional garden waste collections) will reduce the need to employ temporary agency staff thus reducing costs;
- Additional Recycling Credit income (£20,000 p.a.) arising from an additional 1,000 tonnes of garden waste from the 4000 households new to the scheme;
- Additional Recycling Credit and product value income (£72,000 p.a.) arising from an additional 1,200 tonnes arising from the extended kerbside plastic and cardboard recycling scheme;

3.12 Costs

3.12.1 The capital cost of the scheme is £1,016,000. Included in this cost is a capital contribution of £109,400 from Cumbria County Council. As such the capital cost of the scheme is within budget. Full details of the capital costs of the scheme are provided in Appendix 11.

3.12.2 No additional revenue funding, over and above that currently allocated for the Council's Waste Services' are required for the scheme (i.e. the proposed AWC scheme is revenue neutral). Full details of the revenue costs of the scheme are provided in Appendix 12. Details of the efficiencies arising from the proposed AWC scheme and the proposed extensions to kerbside recycling are detailed in paragraphs 20.1 and 20.2.

- Year 1 - 07/08 revenue costs* = £2,030,837
- Year 2 - 08/09 revenue costs* = £2,038,012
- Year 3 - 09/10 revenue costs* = £2,033,012

*(*all costs are calculated at 06/07 rates)*

- Assuming 10% increase in the amount of recyclables collected, revenue costs decrease by 2.5%
- Assuming 10% decrease in the amount of recyclables collected, revenue costs increase by 2.5%

Alternate Week Collection risk register summary sheet

Key:

Impact: Negligible = 1; Marginal = 2; Critical = 3; Catastrophic = 4;

Likelihood: Extremely remote = 1; Remote = 2; Reasonably probable = 3; Probable = 4.

RISK CATEGORY	HAZARDS	RISKS	LIKELIHOOD	IMPACT	SCORE	RISK CONTROL
STRATEGIC						
Failure to approve AWC	Case for AWC is not made	CPA score will be adversely affected. Council's ability to contribute to Cumbria's strategy to combat LATS would be impaired.	2	3	6	Production of feasibility study and full engagement with Members.
Loss of political support during implementation	Campaign to reverse AWC policy during implementation	Loss of political support resulting in a reversal of policy could result in significant costs to the Council (both financial and political).	2	4	8	Policy is a core element of the Council's 'Cleaner, Greener, Safer' corporate aim. Communications strategy will ensure that Members, the media and the public are fully informed about the initiative.
Loss of public support	Campaign to reverse AWC policy	Public opinion turns against the scheme resulting in it being aborted with significant costs to the Council (both financial and political).	2	4	8	Extension of kerbside recycling services as an integral element of the AWC package should counter negative perceptions. Effective communication with the public essential.
New WDA (Cumbria County Council) disposal contract.	New disposal contract results in a major change to the emerging county waste strategy.	Future Energy from Waste plant requires more residual waste than the Council collects.	1	4	4	Involvement in the CSWP ensures a strategic fit for the Council's AWC proposals, i.e. that they have the full support and backing of the WDA.
Impact of unitary status	Changes in boundaries and statutory roles	Commitment to contracts which may not align with new boundaries.	2	2	4	Contract with external service providers covers potential changes to disposal facilities for garden waste.

RISK CATEGORY	HAZARDS	RISKS	LIKELIHOOD	IMPACT	SCORE	RISK CONTROL
FINANCIAL						
Costs of bins	Capital budget over-spend	Council has to meet additional capital costs.	2	2	4	Purchase via existing purchasing consortium to minimise risk of increased capital costs.
Fuel costs	Revenue implications	Costs above RPI will impact on Council.	3	2	6	20% increase in fuel costs included in vehicle budget.
Vehicle breakdowns	Additional vehicles have to be hired with revenue implications	Council has to meet additional costs.	3	2	6	£50,000 allocated to cover external vehicle hire. Introduction of AWC results in 1 less vehicle required for refuse and garden waste collections. This 'spare' vehicle will be re-allocated to the bulky household waste service and can be made available to cover breakdowns, reducing external hire costs.
Gate fees & recycling credits	Imbalance between income & revenue	Council has to meet additional costs.	2	3	6	Gate fees are subject to existing contracts (with the WDA). Flexibility introduced by the CNEA 2005, allows authorities to develop joint working arrangements to replace the existing recycling credit regime. Any alternatives to the regime in Cumbria will require the full agreement of the CSWP.
Recycling tonnage	Failure of public support to meet expectations	Council has to meet additional costs.	1	3	3	Experience of public participation in existing kerbside recycling schemes has been used to calculate projected income. Promotion of schemes given high priority. It is considered more likely that tonnages will exceed projections than it is for them to fall short.

RISK CATEGORY	HAZARDS	RISKS	LIKELIHOOD	IMPACT	SCORE	RISK CONTROL
FINANCIAL						
Employee costs	Agency staff have to be brought in to cover excessive absenteeism.	Council has to meet additional costs.	2	2	4	£70,000 allocated for agency costs. The introduction of wheeled bins should reduce absenteeism. AWC should reduce agency costs over the winter period when amount of garden waste is reduced, thus allowing more flexibility to utilise our own employees.
Trade waste	Landfill charges rise above expectations	Increased revenue costs.	3	2	6	Develop commercial waste recycling service to reduce risks. Additional costs passed to customers.
Greenbox scheme	Collapse in value of materials collected.	Increased revenue costs to Council.	2	3	6	Existing contract splits risk between ourselves and CWR.
Greenbox scheme	Significant increase in recyclables collected	Collection rounds unable to cope with materials put out for collection. Service either collapses or costs increase.	3	2.5	7.5	Restructure Greenbox rounds. Whilst income will increase, this will be offset by increased cost of contract.
Bulky household waste collections	AWC causes significant increase in requests for this service	Increased operational costs.	2	2	4	Clear guidance will be issued defining what wastes will be collected by this service (i.e. only 'bulky' items & not excessive refuse).
Bring sites	Current service provided FOC. New owner of CWR levies a charge for the service.	Increased operational costs.	3	2	6	Existing service to be the subject of a new contract with CWR.
Renewal of bins/boxes	Revenue implications	Excessive demand for renewal of bins and boxes.	2	2	4	Surplus stock ordered as a contingency to ensure sufficient replacement bins / boxes are available.

RISK CATEGORY	HAZARDS	RISKS	LIKELIHOOD	IMPACT	SCORE	RISK CONTROL
CONTRACTUAL						
Failure of main service provider (CWR) to deliver required standards	Deterioration of service	Loss of public support & loss of revenue.	2	3	6	Supervision & adherence to contract conditions.
Sale of CWM (CWR)	Disruption or change to service	Increased revenue costs and reduction in standard of service.	3	3	9	Contracts with CWM (CWR) ensures continuity of services and existing arrangements.
Delivery of bins & bags and fitting of bin lifters fail to meet required dates	Lack of total control over suppliers	Unable to keep to implementation timetable. Contractual implications result in additional costs to Council.	3	2	6	Develop clear project plan and build in penalty safeguards into the procurement process.
WEEE scheme	Loss of service	1 year pilot scheme with Impact Housing is not renewed leading to a loss of service or increased costs.	1	2	2	Contract amended to ensure scheme's continuation.

Appendix 11

AWC cost projections (Capital)

	<u>Total cost</u>	<u>County WPEG contribution</u>	<u>Net cost to Council</u>
Wheeled bins for Residual waste *	594000	0	594000
Wheeled bins for garden waste	66000	74900	-8900
Identification chips	22500		22500
Distribution of bins	66000	0	66000
Plastic and card bags	34500	34500	0
One-off' promotional costs*	30000	0	30000
Staff training costs	5000		5000
Enforcement*	50000		50000
Hire of additional 'stand in' RCVs*	15000	0	15000
New bin lifters	102000	<u>0</u>	102000
Vehicle tracking capital costs	6000		6000
Additional Customer Contact Centre ops*	<u>25000</u>		25000
Total	1016000	109400	906600
City Council Capital budget		<u>905000</u>	
Total capital available		1014400	
Balance		-1600	

* 'One off' costs

Please note that no provision has been made to replace the wheeled bins (e.g. via a repairs and renewals budget).

The capital purchase of bins includes a 'float' of 6000 bins to cover replacements in the short to medium term.

Experience elsewhere has shown that wheeled bins can be expected to last in excess of 10 years.

It is recommended that any additional future income be utilised to 'top up' the number of bins available for replacing those damaged or lost.

Appendix 12

Executive summary of revenue expenditure

<u>Description of expenditure</u>	Before AWC	With AWC	Year 2	Year 3
	<u>06/07 budget</u>	<u>07/08 projected expenditure</u>	<u>08/09 projected expenditure</u>	<u>09/10 projected expenditure</u>
Employers liability insurance	20,400	23,195	23,195	23,195
Employee costs	814,600	805,788	807,417	807,417
Agency (and other misc suppliers) costs	189,461	113,000	113,000	113,000
Vehicle costs	797,100	904,800	897,000	897,000
Management costs	341,000	365,200	287,200	282,200
Misc costs (Commercial waste tipping charges + sacks)	100,000	78,720	78,720	78,720
Greenbox contract	480,000	500,000	500,000	500,000
Additional Greenbox as a result of AWC		60,000	60,000	60,000
Blackbox contract	15,000	15,000	15,000	15,000
Bring sites	26,000	26,000	26,000	26,000
Overheads	287,600	287,600	287,600	287,600
Projected income	(942,920)	(1,048,025)	(1,057,120)	(1,057,120)
WPEG revenue contribution from Cumbria County Council	(100,441)	(100,441)		
Net cost	2,027,800	2,030,837	2,038,012	2,033,012
Sensitivity analysis				
Assuming 10% increase in recyclables		(54,835)	(54,835)	(54,835)
Assuming 10% decrease in recyclables		49,685	49,685	49,685

Explanatory notes:

07/08 Employee related costs (including agency costs) have been based on actual expenditure in 05/06. AWC enables us to crew more vehicles with the same number of staff utilised in 06/07. Costs to external employment agencies will be reduced;

07/08 vehicle costs include 2 additional vehicles for the plastic and card kerbside recycling scheme;

07/08 Misc costs include the additional provision of sacks for those properties receiving a weekly sack collection;

07/08 projected income is anticipated to increase as a result of additional recyclables collected from the extended Garden waste, Greenbox and plastic and card collections.