

SURREY COUNTY COUNCIL**CABINET****DATE: 24 NOVEMBER 2015****REPORT OF: MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND PLANNING****LEAD OFFICER: MR TREVOR PUGH, STRATEGIC DIRECTOR, ENVIRONMENT & INFRASTRUCTURE****SUBJECT: SHAPING SURREY'S COMMUNITY RECYCLING CENTRES****SUMMARY OF ISSUE:**

The Environment Service has identified a number of efficiency measures in the operation of Community Recycling Centres (CRCs) that will lead to operational cost reductions of £1.8 million commencing in 2016/17.

The CRCs are the most highly rated service provided by SCC, with over 80% of users stating that they are satisfied or very satisfied with the service. A public consultation was carried out over the summer seeking Surrey residents' and other stakeholders' views on the cost savings options (Para 17).

Having taken into consideration these factors, this report recommends implementing changes that will:

- Reduce contract costs and improve efficiencies.
- Retain all fifteen existing CRCs and ensure these are operated efficiently.
- Protect the use of the sites for the deposit of household waste by Surrey residents, by excluding the free use of sites by traders, and enabling Surrey residents to deposit reasonable amounts of non-household waste.
- Retain a comprehensive service but with a reduction in opening times, and days, when sites are less well used on value for money grounds.
- Develop a strategy to tackle fly tipping in Surrey.

RECOMMENDATIONS:

It is recommended that changes, as set out in paragraphs 24 to 51 below, are implemented as soon as is operationally possible.

REASON FOR RECOMMENDATIONS:

All council services are required to consider options for cost reduction. Any savings must be recommended with due regard to the customer and stakeholder views expressed through consultation. As Annex 2 shows, there are times and days when it is not value for money to operate the sites.

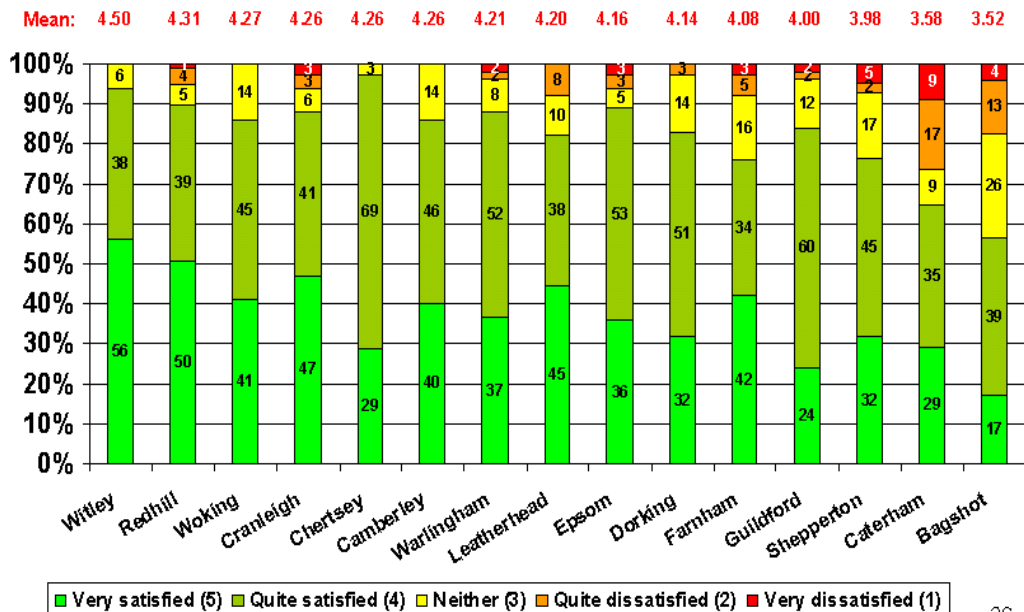
The current service

1. Surrey County Council (SCC) provides 15 CRCs site across the county. They manage, in total, 144,000 tonnes of material per year.
2. SCC has been providing this service for around 40 years, during which time the service has changed and evolved. Fourteen of the sites are open 7 days per week. Due to planning restrictions, one site is open 6 days per week throughout the year but apart from this the sites are only closed on Christmas day, Boxing day and New Year's day.
3. Opening times vary with the seasons. The sites open 8am on weekdays and 9am on weekends all year round, but close at 4:15pm on weekdays and weekends in winter. During the summer, sites close at 5:15 on weekdays and 4:45 on weekends.
4. In 2014/15, 64% of the materials collected at the CRCs were recycled. This does not include materials which are sent for energy recovery or other beneficial use. When all materials are considered, 96% of material was diverted away from landfill in 2014/15.

Customer satisfaction

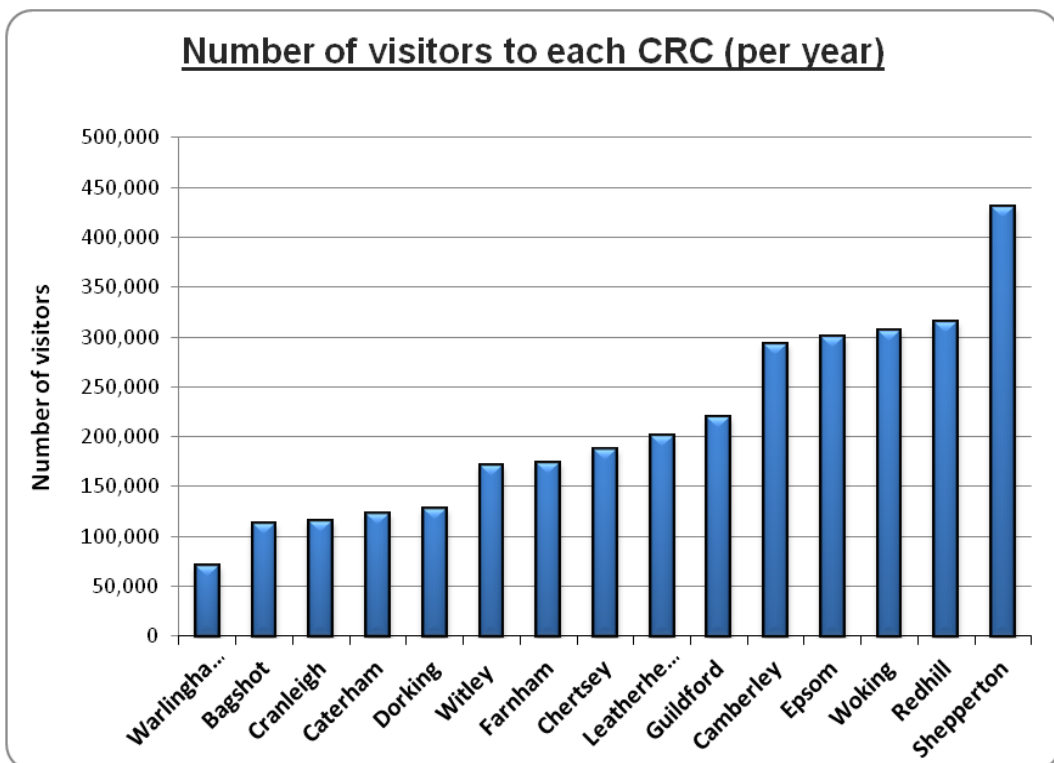
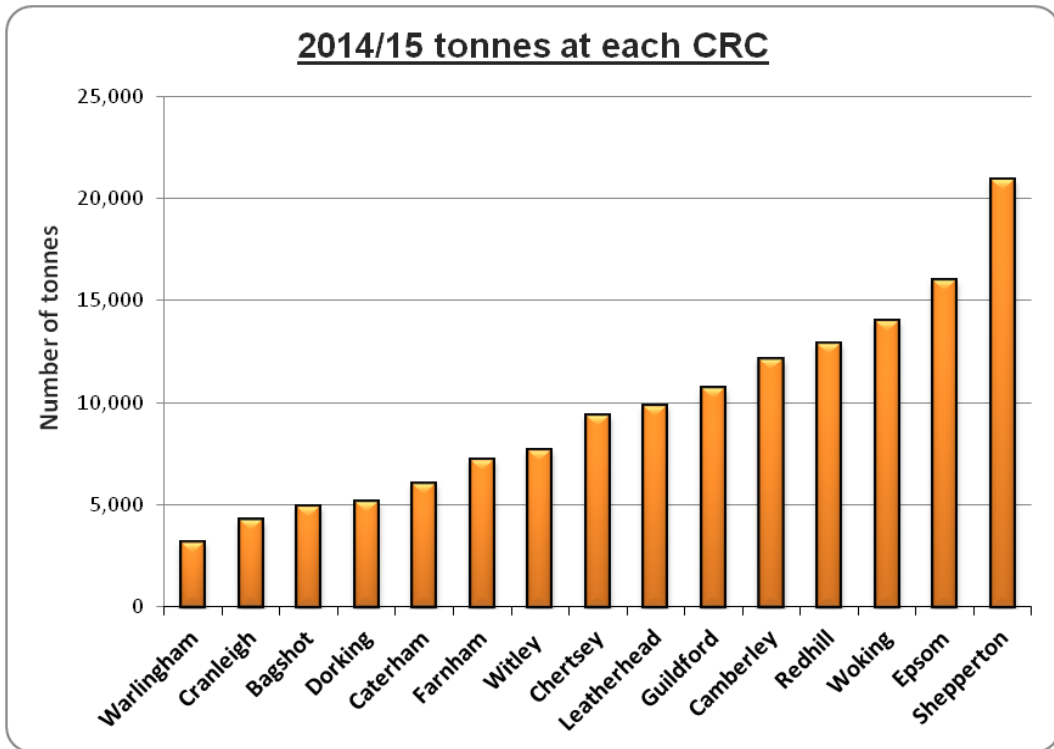
5. The CRCs are very popular with Surrey residents and attract more than 3 million visits per year. The quarterly Surrey resident surveys, undertaken by SCC, show that the CRCs are the highest rated service that SCC provides, with over 80% of respondents consistently stating that they are satisfied or very satisfied with the service.
6. Research undertaken by the county council in 2014 shows a similar picture, although there are differences between the sites. The results of the 2014 survey are set out in the following table. Sites that Surrey residents are most satisfied with are on the left and least satisfied on the right.

**Overall satisfaction with each site
(ranked in descending order)**



(Source – CRC satisfaction survey, August 2014)

7. Sites that have been redeveloped are predominantly those with the highest satisfaction levels.
8. The graphs below show the annual tonnages and visitor numbers to CRCs from lowest and least busy on the left, to highest and busiest on the right. The annual tonnage ranges from just over 3,000 tonnes at the smallest site in Warlingham, to over 20,000 tonnes at the largest site in Shepperton. Annual visitor numbers range from 70,000 at Warlingham to 430,000 at Shepperton.



Operational improvements and efficiencies already implemented

9. As part of the long-term waste disposal contract with SITA, over £9 million of capital has been invested in upgrading 9 of the 15 CRCs.
10. It has not been possible to identify options for major upgrades for the 6 remaining sites, which operate on a single level and are too small to redevelop into modern split level sites.
11. In 2007, SCC negotiated changes to the contract with SITA Surrey to improve customer service and recycling performance. As a consequence, there has been a significant increase in recycling performance and landfill diversion, as well as a significant reduction in complaints about the service.
12. A number of measures have already been introduced to improve the efficiency of the service. These measures are set out in the table below.

Cost saving measure	Commentary
Van permit scheme	All users of vans or trailers are required to have a permit and usage of the sites is monitored to prevent unauthorised use by traders. This is to be further enhanced in 2016 with the introduction of a limit on the number of visits that can be made with a permit in any calendar year.
Enhanced Surrey resident scheme (at 4 CRCs)	The use of 4 of our CRCs is restricted to Surrey residents only.
Increased range of materials that can be recycled	Over 35 separate materials can now be recycled at all sites.
Extracting maximum value from materials	Outlets for materials are kept under constant review to ensure maximum income or lowest cost.
Black bag sorting	Recyclable materials are being separated from black bags resulting in savings of approximately £0.5m per year.
Enhanced security	In October 2015, enhanced security measures were introduced at the CRCs to reduce the amount of unauthorised trade waste being delivered to the sites.

The drivers for change

13. As set out in the introduction to this paper, there is a need to identify further efficiency measures from the operation of the service. In addition, there are pressures relating to the operations of the sites which need to be addressed. Firstly, we have seen increasing levels of non-household waste being deposited at the CRCs and, secondly, we have reached the point where further development of the CRCs is not possible due to space limitations. Furthermore, it is very difficult to identify new sites although we continue to look for, and evaluate, any new opportunities that might arise.

14. Surrey is not unique in facing these challenges and officers have undertaken extensive research to understand what service changes other waste disposal authorities have been introducing to reduce the cost of operating this service. The results of this research are summarised in the table below.

Cost saving measure	Commentary
Restrictions and charging for non-household waste	Over two thirds of WDAs restrict non-household waste in some way, with one quarter of authorities making a charge with or without minimum allowances.
Reuse shops	Other authorities, such as Warwickshire, receive income from reuse shops.
Reducing staffing levels, opening hours and opening days	Authorities such as Leicestershire open their sites only 5 days a week and Hampshire have recently reduced opening hours.
Closing sites	Other authorities, such as Somerset and Oxfordshire, are proposing to, or have already closed some of their sites.

Consultation

15. A public consultation, detailed in the next section, was conducted during summer 2015 and asked Surrey residents on the options provided and any preferences or comments regarding a number of ways of reducing costs. Feedback was taken into account and has helped shape the recommendations in this report. A summary report of the consultation responses is set out in **Annex 1** to this report.

Timescale for implementation

16. In order to maximise the impact of the savings measures, it is recommended that the proposed changes be introduced as soon as is operationally possible. This is expected to be during February 2016.

CONSULTATION:

17. A public consultation on potential changes to the CRC service was conducted from 15 July 2015 to 30 September 2015. The following proposals were included in the public consultation:
- a) Charging for non-household waste
 - b) Residual waste in clear sacks
 - c) Reuse shops
 - d) Reducing opening hours and days
 - e) Closure of some sites
18. The consultation was advertised online, in social media and the local press including TV and radio coverage of the consultation. Information was made available at council offices, libraries as well as community recycling centres. In addition, all Surrey MP's, County Councillors, Borough and District Councils and all Parish Councils were notified of the consultation.
19. Surrey residents could complete an online survey or request a paper consultation pack from our contact centre. The resources have been shared with district and borough councils and through the Surrey Waste Partnership.

20. 4581 people have responded to the consultation which compares well to the response rate that Hampshire achieved from a similar consultation in summer 2014. The following are the most commonly expressed views:
- There is a strong desire to retain the existing service as it is at present and concerns that this choice was not an option in the consultation.
 - Concerns raised by Surrey residents that changes to the service could have the potential to increase fly tipping.
 - Concerns from districts and boroughs that additional material will end up in kerbside collections.
 - Surrey residents commented that council tax should cover service or service changes.
21. Surrey residents were asked to assess the four proposals in terms of their impact on the service. The table below ranks these in order of impact, with 1 being the least impact and 4 being the most, that is to say 1 is the most supported of the options and 4 the least supported. This feedback is reflected in the recommendations.

Proposal	Rank
Reduced opening hours at off peak times	1
Reduce opening days at some sites	2
Charging for non-household waste	3
Closing of some CRCs	4

22. Consultation responses raised the question of whether there would be an effect on kerbside recycling activity. Given the types of materials taken to CRCs, it is not anticipated that there will be a significant effect. However, officers will monitor the situation.
23. Consultation responses also agreed there may be benefit in using clear plastic bags to assist in maximising recycling at CRCs. Officers will assess the cost benefit of this potential initiative before implementation.

DETAILED RECOMMENDATIONS

24. As a result of the consultation the following changes are recommended that will retain all 15 CRCs, and a comprehensive service, but introduce reduced opening times when the sites are not well used on value for money grounds. The changes, when taken as a whole, are expected to reduce the council's expenditure in this area by £1.8 million per year.

Officers continue to work with SITA Surrey to pursue operational efficiencies and cost reduction measures.

25. A project team, led by the council's procurement officers, will continue to work with SITA Surrey to identify and implement further efficiencies and cost savings measures. This will ensure that front line services are preserved as far as is practically possible.

Officers continue to work with SITA to enforce the council's existing trade waste and resident scheme policies.

26. The costs of operating the CRCs will be minimised by ensuring that traders are directed to waste transfer stations where waste can be paid for and that the use of four specific sites are limited to Surrey residents only.

Weekday opening hours at the CRCs are reduced at the least busy times in order to ensure the sites run as efficiently as possible.

27. The results of the consultation indicated that of all the service reduction options, reducing opening hours was the most palatable and generally acceptable to residents.
28. Traffic count data collected at all sites over the last year shows that the quietest times of the day are at the beginning and end of the day. An example of traffic count data used for this analysis is shown in **Annex 2**
29. It is proposed that opening hours are reduced at all sites, by either opening later or closing earlier, or a combination of both. The changes will be designed to maximise savings, whilst minimising impacts on site users and staff.

Opening days are reduced in order to fit with demand for the service, but to ensure that a number of sites are always made available to residents on a daily basis.

30. Consultation results showed that closing sites one or two days a week during the least busy weekdays was the next most acceptable service reduction option.
31. Traffic count data collected at all sites over the last year shows that the least busy days of the week are Wednesdays and Thursdays. This is especially true in winter, when sites can become extremely quiet compared to the summer months.
32. It is proposed that some sites in the network are closed one day during the week but that a number of strategic sites will remain open 7 days per week to accept waste. The number and location of the sites that will need to be closed one day per week will be designed to maximise savings whilst minimising the impact on members of the public and site staff.

Charging to cover costs for non-household items, comprising large gas bottles and car tyres, should be implemented across the service.

33. Charging for non-household materials divided public opinion. Almost one third of residents said it was their most preferred service change and almost one third said it was their least favourite.
34. The legal obligation of the Waste Disposal Authority is to provide places where residents can dispose of their **household** waste free of charge. However, not all waste that arises from a residents' home is classified as **household** waste. Tyres and gas bottles are not defined as **household** waste and therefore the Waste Disposal Authority does not have to accept these types of waste.
35. It is legal for local authorities to charge residents for the disposal of non-household waste and a number of Waste Disposal Authorities already charge for gas bottles and tyres.

36. The proposal would be to introduce charges to residents for dealing with tyres and large gas bottles, which would be solely to cover the costs of dealing with these materials, including the administration of the charging system.
37. Indicative charges of £4 per tyre and £15.50 for a domestic heating gas bottle were included in the consultation but the precise charges will be calculated in order to recover the cost of dealing with these materials, including the cost of administering the charging system.

Charging to cover costs for asbestos should not be implemented.

38. This is as a result of concerns raised by residents, district and borough councils and members regarding the potential for increased fly tipping. Asbestos is a hazardous material and SCC collects less than 300 tonnes per year. It is recommended that Surrey residents are able to continue to dispose of asbestos containing products from their homes free of charge at the small number of sites that are able to accept it.

Cabinet delegates authority to the Strategic Director, Environment and Infrastructure in consultation with the Cabinet Member for Environment and Planning to devise how to implement a charging scheme which allows residents to deposit small amounts of inert building material and plasterboard free of charge.

39. As stated above, charging for non-household materials divided public opinion. Almost one third of residents said it was their most preferred service change and almost one third said it was their least favourite.
40. Construction and demolition waste from households and waste arising from excavations are not defined as **household** waste and, therefore, the Waste Disposal Authority does not have to accept these types of waste.
41. SCC already charges for construction and demolition waste from households if delivered to sites in vans and trailers, although it is estimated that this accounts for only 5% of the material affected by this proposal.
42. Inert material makes up over 90% of the non-household materials tonnage and costs almost £1 million per year to manage and send for processing. Inert material comprises rubble, soil, stones, concrete, bricks, ceramics and tiles. The inert material collected at the sites is very poor in quality and heavily contaminated which limits outlets and results in processing costs.
43. Plasterboard cannot be sent to landfill and therefore has to be collected separately from the rubble and soil.
44. Given the divided public opinion, a reasonable approach would be to allow residents to bring small amounts of inert materials and plasterboard for free. If large scale works are being carried out at home, then SCC would expect residents to factor this into their home improvement project costs and pay to dispose of the material at a site that is able to weigh the material and accept payments.
45. Indicative charges of £3 per 20 Kg load of inert material and £4.50 per sheet of plasterboard were included in the consultation but the precise charges will be calculated in order to recover the cost of dealing with these materials, including the cost of administering the charging system.

Reuse shops will be opened at suitable sites across the network to reduce waste sent for disposal and generate additional income.

46. Other authorities have already exploited the potential for generating income and reducing disposal costs through capturing and selling reusable items. For example, Warwickshire County Council already has a number of successful reuse shops which they franchise out to charitable organisations to generate a significant income. It is unlikely that shops could be introduced at all sites due to space constraints and they would need careful management to ensure that they did not lead to congestion of the CRCs.
47. Planning issues will also need to be considered and planning applications may be required depending on the scale and potential impacts of this activity.
48. A trial commenced at the Leatherhead CRC during October 2015, which will provide income and intelligence on how to roll out and operate reuse shops at other suitable sites across the county.

Cabinet delegates authority to the Strategic Director, Environment and Infrastructure in consultation with the Cabinet Member for Environment and Planning to lead a new initiative to co-ordinate and enhance the fly-tipping investigation, prevention and enforcement activities of district and borough councils, the Police and the Environment Agency.

49. In 2014/15, SCC had to dispose of over 2,500 tonnes of fly-tipped material collected by district and borough councils. This year there has been a significant increase in the amount of fly-tipped material collected by district and borough councils and, based on levels to date, we are projecting a year end out-turn of over that over 4,000 tonnes. The disposal cost alone is likely to be in the order of £400,000 and this is in addition to the significant costs of collection incurred by district and borough councils.
50. Officers consider that there would be merit in creating a post to assist in co-ordinating the work of existing enforcement agencies in Surrey, sharing intelligence and creating a focal point for anti-fly tipping measures. Kent County Council created a similar role some years ago as part of the Cleaner Kent initiative and this has proven to be effective in tackling fly-tipping. The idea of creating something similar in Surrey has been met with a very positive response from the respective enforcement.
51. The employment of any additional resource will be considered on an invest to save basis having regard to the current expenditure by districts, boroughs and the county council on collecting and disposing of fly-tipped material.

<u>RISK MANAGEMENT AND IMPLICATIONS:</u>

52. Many consultees raised concerns that reducing the opening times of CRCs, and introducing charges for non-household materials, could lead to an increase in fly-tipping.
53. The proposed recommendations include the creation and implementation of a strategy to co-ordinate and enhance the fly-tipping investigation, prevention and enforcement activities of district and borough councils, the Police and the Environment Agency.

Financial and Value for Money Implications

54. All of the recommendations are cost reducing or invest to save projects. Any initial costs will be met by the service budget and savings over and above spend will be achieved through the year.

Section 151 Officer Commentary

55. The measures set out in the report will deliver an estimated saving of £1.8m commencing in 2016/17. These proposals are part of a package of measures to reduce the cost of waste management and deliver the savings required in the council's current Medium Term Financial Plan of £6m per year by 2019/20.

Legal Implications – Monitoring Officer

56. Surrey County Council (SCC) is the Waste Disposal Authority for the area and has a legal duty to provide places for Surrey residents to dispose of their own household waste. In the current challenging financial environment, the council has been reviewing all its services and, where possible, is delivering efficiency savings whilst continuing to meet its duty to provide services to residents.
57. The proposals in this report were developed following the public consultation, detailed earlier in the report, and Members should take the outcome of that into account and where that the Equalities Impact Assessment has not identified any disproportionate impacts on people with protected characteristics.

Equalities and Diversity

58. Equality impact assessments (EIAs) have been undertaken on the two main proposed changes to the operation of the CRCs, which are a reduction in working hours and days and the introduction of charges for non- household waste.
59. Whilst the proposed changes will reduce the overall level of service offered to the public generally, the EIAs have not identified that the changes will disproportionately impact persons with protected characteristics.

WHAT HAPPENS NEXT:

60. The proposals will be implemented during February 2016, or as soon as operationally possible.
61. A communications programme will be devised to ensure that the changes are effectively publicised to site users and other stakeholders.

Contact Officer:

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Consulted:

A public consultation took place between 15 July and 30 September 2015, responses were received from members of the public, district, borough, parish and town councils and other organisations such as the National Farmers Union and National Trust. Furthermore, SCC Cabinet, SCC Members and SCC MPs were also consulted.

Annexes:

Annex 1 - Summary of consultation responses

Annex 2 - Automatic traffic counter data - example

Sources/background papers:

- Equality Impact Assessments (EIAs) for the proposed service changes.
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