



Economic Prosperity, Environment & Highways Board
2nd March 2017

Update on Changes to the Community Recycling Centres

Purpose of the report: Scrutiny of Services and Budgets and Performance Management.

To update the EPEH Board on the changes to the Community Recycling Centre service implemented as part of the council's cost saving measures

Introduction:

1. Surrey County Council (SCC) provides 15 community recycling centres (CRCs) across the county which are operated by our waste contractor, Suez Surrey. In 2015/16 these sites handled just over 140,000 tonnes of material delivered by Surrey residents. The vast majority of this material was either recycled, reused or sent for energy recovery.
2. At their meeting on 24 November 2015, SCC's Cabinet approved a number of changes to the CRC service aimed at reducing the cost of operating the service. These changes were necessary as a result of increased demand on essential services in the context of reduced government funding.
3. A presentation on the proposed cost saving measures was made to the EPEH Board at their meeting on 26 January 2016. This report sets out progress with the implementation of these changes.

Changes to service introduced during 2016

4. The following changes to the service were introduced on 1 April 2016:
 - Reduction in the opening hours at all sites.
 - Closure of 5 sites one day extra per week.
 - Removal of containers for rubble & soil, plasterboard and tyres at all six single level sites.
5. The following changes were introduced on 1 September 2016:

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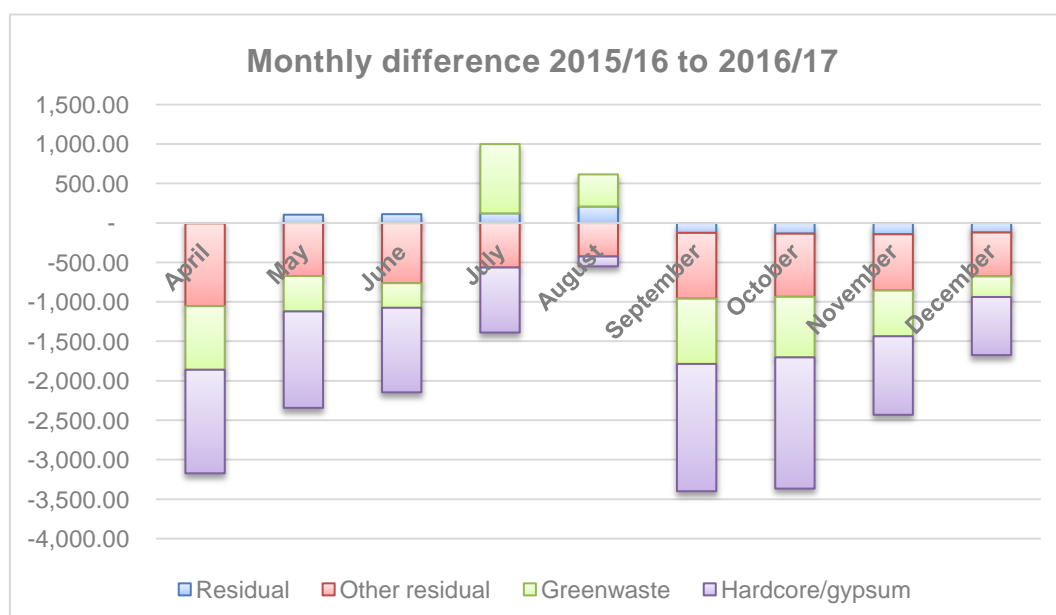
- Charges for rubble, soil, plasterboard and tyres at all nine split level sites.
6. Both of the changes were preceded by an extensive publicity programme, which included handing out leaflets to site users, banners on site, press adverts, leaflets and posters in libraries and council offices as well as the use of social media.
 7. During the implementation stage, it was necessary to make some small adjustments to the planned changes in response to feedback from our the public, and our contractor, This included temporarily extending the opening hours at Charlton Lane because of the effect of on-going building works. The introduction of a chargeable waste service at Lyne Lane to reduce the pressure at Charlton Lane. The inclusion of facilities for non- chargeable 'inert waste' such as crockery and flowerpots at the six single level sites.

Impact of the Changes

Reduction in tonnage of materials collected

8. As expected there has been a significant reduction in the amounts of rubble, soil, plasterboard and tyres delivered to the site including:
 - The amount of rubble and soil collected has reduced from an average of around 2000 tonnes per month to around 500 tonnes per month.
 - The amount of plasterboard collected has reduced from 125 tonnes per month to 43 tonnes per month.
 - The tonnage of tyres has reduced from 25 to 5 tonnes per month.
 - There has also been a significant reduction in other 'non-chargeable' waste types brought to the site. The reductions in tonnages are shown in **Figure 1** below.

Figure 1 – Net difference in tonnage of material collected in Apr – Dec 2016 compared with April – Dec 2015

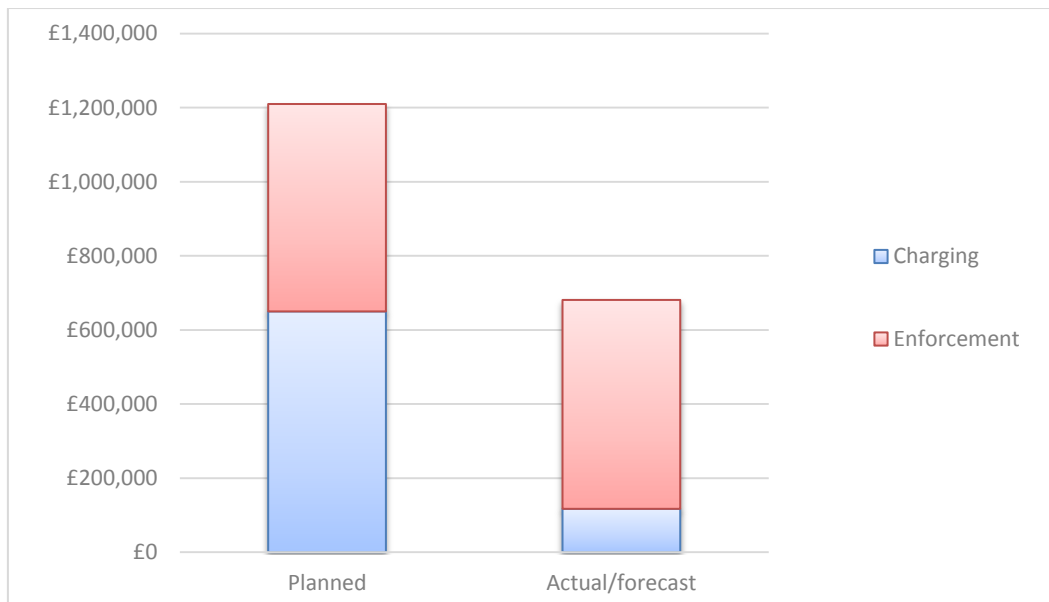


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Savings effect

9. Savings come from both the reduction in waste material requiring treatment and cost recovery through the application of charges. **Figure 2** shows the cost savings projections for 2016/17 compared with the projected out-turn for 2016/17. Whilst the savings come from both enforcement activity and cost recovery, they should be looked at as a whole because the cost recovery staff are also used to prevent traders from bringing their waste to the site.

Figure 2 Net Savings from enforcement and charging activities



10. As can be seen from Figure 2, the enforcement activity is expected to deliver £564,000 savings in 2016/17 compared with a planned saving of £560,000. However the charging activity is projected to deliver a net saving of £117,000 compared to a target of £650,000.
11. There are a number of reasons why charging has not generated the expected savings.
- Firstly the projections were based on a full year effect of the charging scheme. The scheme will have only have been in effect for 6 months of 2016/17.
 - Secondly the actual recovery of charges has been very low (Approx £10,000 per month) because 75% of the rubble, soil and plaster board that is delivered by residents using their free 'one bag per day' allowance. In this respect it is interesting to note that if the free bag allowance were removed, it could generate an estimated £600,000 per year in additional savings.
 - Thirdly all the staffing costs for the charging/enforcement officers are included in the net calculation for charging.

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12. In addition to the above a £263,000 annual saving was made through the reduction in opening hours and days.

Public feedback

13. The changes on 1 April and 1 September 2016 were preceded with significant publicity, and whilst we did receive a number of complaints regarding the changes, these were relatively small in number (less than 100) compared with the numbers of users of the site. There was a notable increased use of the service in August as residents took advantage of disposing of rubble, soil and plasterboard in particular and this increased tonnage, as shown in Fig 1 above. At the request of the Surrey waste Partnership, further publicity was undertaken in November 2016 to advertise the range of waste that could be brought to the CRCs free of charge. This was in response to concerns that residents were unsure of what waste the charges applied to.

Concerns regarding fly-tipping

14. The results of the public consultation undertaken in the summer of 2015 identified residents' concerns that the changes to the CRC service would result in increased fly-tipping.
15. Fly-tipping is an existing problem, and the Cabinet Member for Environment and Planning had already identified this as a priority area to address. In June 2016, The Surrey Waste Partnership launched a fly - tipping prevention strategy, and between July and November 2016, the partnership ran a fly-tipping prevention publicity campaign.
16. In November 2016, a fly-tipping Partnership and Intelligence Officer was appointed to assist District and Borough Council officers with investigations and prosecutions, and to provide a resource to co-ordinate enforcement activities across Surrey and neighbouring authorities.
17. Officers have been monitoring the volumes of fly-tipping collected by District and Borough Councils, and delivered to SCC's Waste Transfer Stations for disposal. This data shows that 2,749 tonnes of fly-tipped was collected by District and Borough Councils between April last year and this January. This represents a fall of 30 per cent on the previous 10-month period. This is illustrated in **Figure 3** below. The reduction in fly-tipping disposed of this period means the Council has saved £125,000 in disposal costs. This latest position in Surrey is contrasting to recent reports of high levels of fly-tipping in some other parts of the country.

Figure 3 Fly-tipping tonnages collected by District and Borough Councils for disposal at Surrey's Waste Transfer Stations

Month	2015/16	2016/17	Difference
Apr	414	279	135
May	327	292	35
Jun	439	278	161
Jul	413	354	59
Aug	398	261	137
Sep	500	283	217
Oct	469	206	263
Nov	327	317	10
Dec	280	239	41
Jan	335	240	95
Total	3,902	2,749	1153

18. There have been some inconsistencies with local reports of fly-tipping with some areas reporting increases and decreases in incidents following the introduction of charges. Our initial review of the locally reported increases indicate that they're not related to the introduction of the charging scheme. However further work will be carried out to understand more about these reported increases. We'll also continue to step up coordinated efforts to tackle and reduce fly-tipping through the Partnership and Intelligence Officer and the delivery of the actions in the joint fly-tipping strategy. This work will include an approach to increase successful prosecutions and the development of a countywide enforcement plan.

Further changes to the Service

19. The Council's Medium Term Financial Plan (MTFP) assumes that income of £300k will be made in 2017/18 through the operation of reuse shops. A reuse shop has been operating at Leatherhead since October 2015, and subject to successful grant of planning consent, it is planned to open three further reuse shops at Witley, Woking and Earlswood in the spring of 2017.
20. In addition the council's MTFP requires additional savings of £1 million from the CRC service in 2017/18 and an additional £0.5 million in 2018/19. Officers are considering a strategy to deliver these savings, which is likely to involve all or a combination of the following options.
- Removal of free bag allowance for rubble and soil.
 - Closures of some CRCs.
 - Further reduction in operating days.
 - Introduction of further charges for other construction waste.
 - Additional reuse shops.
 - Trade waste acceptance at CRCs for a charge.

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- Non-Surrey resident enforcement.
- Further changes to the van permit scheme.

Future of Waste Collection and Disposal

21. In December 2016, SCC's Cabinet confirmed its support for a co-ownership approach to managing waste in Surrey. This would involve Surrey's authorities creating a single entity to manage the collection, recycling and disposal of all of Surrey's waste and would mean the integration of all waste services across the two tiers of local government. The barriers to unlocking savings would be removed and the greater benefits gained by working together would then be shared across all authorities.
22. Work to deliver this new approach is well underway. At the end of last year, Elmbridge, Mole Valley, Surrey Heath and Woking Councils completed the procurement of a joint collection contract and have agreed an Inter Authority Agreement (IAA), to create a shared waste function that is governed by a Joint Committee. In addition, those authorities and SCC have agreed to add the County Council partnership functions to this arrangement. This will demonstrate the early benefits of single tier working by concentrating combined effort on the delivery of savings, will reduce the duplication of effort inherent in the current system, and will improve the service offered to Surrey residents.
23. Whilst this work will deliver savings in the medium to long term, current financial pressures mean that SCC needs to make savings from its waste budget in the short term. In order to address this, SCC has a comprehensive range of activity aimed at both reducing the cost base of its functions and controlling the rate of cost increases. This paper focuses on the progress made with delivering savings at CRCs, and further changes that may be required with the service, as part of the programme of change to a new partnership arrangement.

Conclusions:

24. This report sets out progress with implementation of cost saving measures at Surrey's CRCs.

Recommendations:

25. The Board are asked to comment on the report.

Next steps:

Identify future actions and dates.

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Sources/background papers:

Shaping Surrey's Community Recycling Centres, 24 November 2015.

Developing a Single Waste Approach, 13 December 2016.

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