



Environment & Infrastructure Select Committee
7 September 2017

Proposed Changes to the Community Recycling Centres

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

To consult the Environment & Infrastructure Select Committee on options to make changes to the Community Recycling Centre Service that would improve value for money and to also share the results of a consultation exercise on these proposals.

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 2016/17 these sites handled just over 113,000 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. The changes were introduced in 2016/17 and an update on the implementation of these changes was given to the Economic Prosperity Environment & Highways Board on 2 March 2017. This report is included as **Annexe 1**.
4. The changes to the CRC service that were implemented during 2016/17 will achieve an estimated £1.4million of cost reductions in a full year. The council's Medium Term Financial Plan (MTFP) identifies that the waste service has the potential to save £12.4 million including £3.3 million from the operation of the Community Recycling Centre (CRC) service in the period 2016/17 to 2018/19
5. The requirement to achieve additional savings means that further changes to the CRC service need to be considered. A consultation on a number of further changes ran from 23 June 2017 to 7 August 2017 and

this report sets out the results from the consultation and the emerging options that will be presented to the council's Cabinet on 26 September 2017.

Proposals put forward in the consultation

6. The following proposals were put forward in the consultation which ran from 23 June 2017 until 7 August 2017:
- Permanent closure of four smaller CRCs – Bagshot, Cranleigh, Dorking and Warlingham
 - Ending the free daily allowance of non-household waste.
 - Closing CRCs on two weekdays so all sites are open for five days a week.
 - Restricting users of vans, trailers and pick-ups to larger CRCs only.
 - Ensuring CRCs in Camberley and Farnham are only used by Surrey residents.

Analysis of the consultation response

7. The consultation generated a total of 13,637 responses including 13,573 from residents and 64 responses from organisations/groups such as District & Borough and Parish & Town Councils. This is considered to be one of the largest ever responses SCC has received to any consultation that it has run. Proportionately more responses were received from residents who said they used one of the CRCs proposed for closure. Around half the respondents to the consultation (49%) said they used one of the site proposed for closure however these sites handle about 10% of the total amount of waste collected at CRCs,
8. The results of the consultation have been summarised in Table 1 below and the full consultation report is attached in **Annexe 2**.

Table 1 Headline results to the consultation

Consultation subject	Result
CRC visits in the last 12 months	<ul style="list-style-type: none"> • Nearly seven-tenths of respondents (69%) said they had used a CRC monthly or more in the last 12 months.
CRC sites used in the last 12 months	<ul style="list-style-type: none"> • Nearly half of respondents (49%) said they used one of the CRCs that is proposed for closure in the last 12 months.
Ending the free daily allowance of non-household waste (proposal	<ul style="list-style-type: none"> • Almost two-fifths of respondents (38%) told us they have used free allowance in charging scheme since it was introduced in September 2016. • Over three-quarters of all respondents (76%)

one)	disagreed or strongly disagreed with the proposal to stop the free daily allowance in the charging waste scheme. When looking at just the respondents who told us they have used the free allowance, the percentage that disagreed or strongly disagreed with this proposal increased to 89%.
Closing CRCs on two weekdays (proposal two)	<ul style="list-style-type: none"> • Respondents told us that they have visited CRCs most on Saturday and Sunday, and least on a Wednesday and Friday in the last 12 months. • Half of respondents (50%) told us they disagreed or strongly disagreed with the proposal to close all CRCs on two weekdays. More than a quarter of respondents (28%) told us they agreed or strongly agreed with the proposal to close all CRCs on two weekdays.
Ensuring CRCs are only used by Surrey residents (proposal three)	<ul style="list-style-type: none"> • Over two-thirds of respondents (67%) told us that they agreed or strongly agreed with the proposal to stop non-Surrey residents from using Camberley CRC. • Almost two-thirds of respondents (66%) told us that they agreed or strongly agreed with the proposal to stop non-Surrey residents from using Farnham CRC.
Permanent closure of four smaller CRCs (proposal four)	<ul style="list-style-type: none"> • More than half of all respondents to the consultation (52%) told us that they disagreed or strongly disagreed with the proposal to permanently close Bagshot CRC. When looking at just the respondents who told us they use Bagshot CRC the percentage that disagreed or strongly disagreed with this proposal increased to 96%. • More than half of all respondents to the consultation (53%) told us that they disagreed or strongly disagreed with the proposal to permanently close Cranleigh CRC. When looking at just the respondents who told us they use Cranleigh CRC the percentage that disagreed or strongly disagreed with this proposal increased to 97%. • More than half of all respondents to the consultation (56%) told us that they disagreed or strongly disagreed with the proposal to permanently close Dorking CRC. When looking at just the respondents who told us they use Dorking CRC the percentage that disagreed or strongly disagreed with this proposal increased to 96%. • More than half of all respondents to the consultation (52%) told us that they disagreed or strongly disagreed with the proposal to permanently close Warlingham CRC. When looking at just the respondents who told us they use Warlingham CRC the percentage that disagreed or

	strongly disagreed with this proposal increased to 95%.
Restricting users of vans, trailers and pick-ups to larger sites only (proposal five).	<ul style="list-style-type: none"> Nearly half of all respondents (45%) told us that they agreed or strongly agreed with the proposal to restrict users of vans, trailers and pick-ups to larger sites only. Precisely three-tenths of respondents (30%) told us that they disagreed or strongly disagreed with this proposal. When looking at just the respondents who told us they use van permit scheme the percentage that disagreed or strongly disagreed with this proposal increased to 65%.
Ranking of the proposals	<ul style="list-style-type: none"> The permanent closure of CRCs was ranked by respondents as the least preferred change. Ensuring CRCs are only used by Surrey residents was ranked as the most preferred change.
Other comments about the proposals.	<ul style="list-style-type: none"> Respondents in particular highlighted that any reduction to a CRC service especially permanently closing CRCs would increase fly-tipping.

Available options for service changes

Closure of four smaller CRCs

9. Our network of CRCs exhibits a wide variation in both visitor numbers and tonnages collected at each site. Waste tonnages handled at the CRC sites in 2016/17 range from just over 1,500 tonnes at the smallest site in Warlingham to over 15,000 tonnes at the largest CRC site in Shepperton. Similarly annual car visits to CRC sites in 2016/17 range from an average of 919 per week at Warlingham to roughly an average of 5,500 per week at Shepperton.
10. Over the past few years our contractor, Suez Surrey, has undertaken a programme of redevelopment at a number of our community recycling centres. Nine of the sites in the network are now modern split-level sites, where heavy goods vehicles and the public are separated, and stepped access to containers has been replaced by a vehicle ramp. This has greatly improved the access to and the capacity of the sites concerned. Unfortunately because of space constraints, it has not been possible to improve all of the sites, and six of the CRCs remain as single level sites where containers are accessed via steps and the sites have to be temporarily closed to the public whilst containers are exchanged or compacted
11. The four CRC sites at Bagshot, Cranleigh Dorking and Warlingham, that were proposed for potential closure in the consultation, handle only about 10% of the total amount of waste collected at all of Surrey's CRCs between them. They were identified as having the potential for closure on the basis of their relatively low tonnage, low car visitor numbers, suitability of the sites for customers and the proximity of alternative CRC sites.
12. It is also recognised that the introduction of changes to the service in 2016 has meant that all sites are now significantly less busy than they

were two years ago and therefore there is more capacity within the network to absorb waste from any of the sites that are proposed to be closed.

13. Travel times have been mapped to all fifteen sites and then remapped after removing the four sites from the network. There are already small areas of the county, with low populations, that are not as well served as the rest and although the proposals to remove four sites would exacerbate that, 95% of residents would be still be within 6 miles of one of the eleven remaining sites.
14. Closing the four sites will result in annual savings of **£674K**, however the experience of other authorities that have closed sites suggests that not all the waste handled at the site which has been closed will reappear at an alternative site. If only half the waste reappeared at an alternative site, then there would be an additional annual saving in disposal and treatment costs of around **£355K**. Therefore giving a maximum total saving of just over **£1 million** in a full year.
15. However, it is clear from the results of the public consultation set out in paragraph 8 above that the four CRCs proposed for closure are highly valued by those who use them with over 95% of users of these sites opposed to their closure.
16. SCC owns the freehold of the CRCs at Warlingham and Bagshot but leases the sites at Bagshot and Caterham from the respective borough councils in those areas. If the sites were to be permanently closed then the freehold and leasehold interests would be disposed of, which would generate a one-off capital receipt for the council.

Options for day closures

17. There is a potential to make savings by reducing the number opening days at each of the sites, this is predominantly achieved through reducing the staffing costs. As an example, Suez have indicated that a saving of **£385K** per year could be achieved by closing all fifteen sites on two weekdays. It is likely that there would be additional savings if the amount of waste brought to the sites decreased as a result of the further day closures.
18. Half of the respondents to the consultation told us they disagreed or strongly disagreed with the proposal to close all sites two days per week but more than a quarter of respondents said they agreed or strongly agreed with the proposal.
19. Two broad options for day closures will be considered by Cabinet that would both achieve efficiency savings, whilst maintaining a comprehensive CRC network for residents. These will take into account how busy sites are and the proximity of alternative sites.

Option 1 –Permanent closure of four sites leaving a network of four or five strategic sites open seven days a week and further day closures at the remaining six or seven sites.

20. If the four smaller sites were to be permanently closed then the options for further day closures would be limited because of the need to ensure that sufficient capacity was maintained at the remaining sites. Consideration would also need to be given to keep a smaller network of strategic sites open seven days per week so as to provide a seven day service. Officers are currently working up costed options with our contractor but if it is assumed that of the eleven remaining sites, six were to be closed two days per week and a network of five were to remain open seven days per week then further day closure might deliver in the order of **£150K** per year. (To be confirmed with Suez). Further information coming from the discussions with Suez will be tabled at the meeting on 7 September.

Option 2 – Further day closures but no permanent closure of sites

21. There would be more scope for day closures if no sites were to be permanently closed. As described in paragraph 16 above, an illustrative saving of **£385K** per year could be achieved if all sites were to be closed two days per week. If this resulted in a permanent reduction in the amount of waste brought to the site then additional savings would be made.
22. Officers are currently working with Suez to find the optimum solution, for day closures, which would deliver the maximum amount of savings but still deliver a comprehensive service to residents. Various factors will need to be taken into account such as the need to ensure staff can be deployed efficiently and effectively, sites are secured from theft and vandalism, when they are closed and container movements can be optimised to ensure that the fleet of container lorries is fully utilised. This work is ongoing but officers believe that savings in the order of **£400K** per year could be secured from further day closures. (To be confirmed with Suez). Further information coming from the discussions with Suez will be tabled at the meeting on 7 September.

Removal of the free daily allowance for construction waste

23. Waste that arises from construction and demolition activities within the home, including preparatory works, is classed as industrial waste. Therefore SCC does not have to accept this type of waste free of charge at the CRCs. In September 2016, SCC introduced charges for construction waste comprising rubble, soil and plasterboard but allowed residents to bring one bag of these types of waste to the CRC's free of charge. Following the introduction of charges, the amount of rubble, soil and plasterboard delivered to the sites reduced 13,442 tonnes (55%). Three quarters of this tonnage was delivered by residents using their free daily allowance.
24. Removing the free daily allowance and recovering disposal and treatment costs for all soil, rubble and plasterboard would save an estimated **£200K - £350K** per annum depending on how much of this waste turns up at CRCs and is paid for.
25. 76% of respondents to the consultation said that they disagreed or strongly disagreed with the proposal to remove the free daily allowance

for construction waste and this increased to 90% for respondents who had used the free daily allowance.

Restrict vans and trailer use to larger split-level sites

26. In September 2016, we introduced charges for tyres and for certain types of construction waste at our CRCs. These changes were accompanied by a number of other measures to improve security at the sites such as a dedicated person to meet and greet the public, and barriers to allow greater control on the flow of vehicles into the site. The introduction of these measures has led to a significant reduction in the tonnages of waste being brought to the sites. Those reductions are not only in respect of the waste that we are charging for but other types of waste as well, which can be deposited free of charge by the public. Whilst it would have been desirable to introduce these security measures on our smaller sites, the tonnage throughputs and frequency of use do not make it cost effective to employ a dedicated member of staff for the hours that the site is open.
27. The rationale for excluding vans and trailers from our smaller sites is that these types of transport are more likely to be used by traders bringing unauthorised waste to the site, and they cannot be policed cost effectively at our smallest sites. In addition, because our smaller sites have less parking space and unloading is slower because of the need to climb steps, the use of vans and trailers can cause congestion.
28. It is estimated that an annual cost reduction of around **£60K - £120K** could be made if excluding vans and trailers resulted in a 5-10% reduction in the waste brought to these sites and this waste did not appear at one of our other CRCs.
29. 30% of respondents to the consultation said they disagreed or strongly disagreed with the proposal to restrict users of vans and trailers to using larger split level sites and this figure increased to 65% for respondents who had van permits. However overall 45% of respondents said they agreed or strongly agreed with this proposal.

Extend Surrey Resident Scheme to Camberley CRC

30. At present, use of our CRCs at Caterham, Epsom, Shepperton and Warlingham is restricted to Surrey residents only. It is proposed to extend the Surrey resident scheme to Camberley CRC, where a recent survey indicated that 10% of users come from outside Surrey. In the main these residents come from the Bracknell Forest council area. The only site for use by Bracknell Forest residents is within Bracknell itself and Surrey residents are not permitted to use this site. It is therefore considered reasonable to exclude Bracknell Forest Residents from using the Camberley CRC. The cost reduction from this proposal is estimated to be **£60K** per annum.
31. Whilst a recent survey showed that 15% of users of the Farnham site originate from outside Surrey, the majority of these users will be from Hampshire. Hampshire County Council (HCC) do not yet impose any restrictions on non-Hampshire residents using their sites and we are

aware from discussions with their officers that Surrey residents currently use their sites which are located close to the Surrey border in Aldershot and Farnborough.

32. HCC are considering introducing charges for Non- Hampshire residents at some point in the future, and therefore it makes sense to work with HCC to understand the effect of any cross border restrictions on both authorities' residents. It is therefore proposed that no restrictions on out of county use are introduced at the Farnham site, but that Cabinet delegates authority for the Strategic Director for Environment and Infrastructure in consultation with the Cabinet Member for Environment and Planning to work with Hampshire County Council to agree whether any restrictions on out of county use should be introduced at the Farnham CRC.
33. Windsor and Maidenhead Council make a financial contribution of £20K each year towards the costs of operating the Bagshot CRC site noting use by their residents.
34. Around two thirds of those who responded to the consultation agreed with the proposal to restrict the use of these sites to Surrey residents.

Further operational efficiencies

35. A reuse shop was established at the Leatherhead site in 2015 and three further reuse shops were added at Earlswood, Witley and Woking CRCs in 2017. These shops generate income from sale of reusable items brought to the sites, and reduce costs by diverting these materials from landfill. This new business initiative is projected to give the council about £100K in landfill cost diversion reductions and income per year. The waste service is working with Suez Surrey to develop the business model to grow income further, which will include the sale of electrical items, online trading, refurbishment of old bicycles, research on niche markets such as resale of books and potential sale of waste items. These additional services will start to come in from the autumn/winter of 2017/18. The council will also look to introduce where possible further reuse shops at other suitable split level CRC sites. SCC along with Suez Surrey are also looking at how the reuse scheme can develop links with local charities, particularly where we can develop complementary approaches that will benefit all parties.
36. Existing site staff where possible manually sort through black bags that come into the CRC sites to extract recyclables, which either have a lower disposal cost or a value attached to them. This manual approach has led to £500K in cost reductions during 2016/17 against the wider targets in waste. The waste service are currently working with Suez Surrey to decide the best way forward to generate further cost reductions with this. The options currently being explored are either more dedicated staff, a mechanical sorting operation or a resident behaviour change sorting scheme. The option that is most financially viable will developed and introduced later in 2017/18.
37. As described above, officers will be working with Suez to increase income from reuse and from further extraction of recyclable material

from black bags and will be targeting a saving of **£500 K** from both of these activities during 2018/19.

Cost reduction options that are not viable

38. In the consultation a number of respondents told us that they would be willing to pay a nominal charge to use a CRC. However, government on 23 April 2015 introduced The Local Authorities (Prohibition of Charging Residents to Deposit Household Waste) Order 2015. This law prohibits councils from charging residents for the use of CRCs, and therefore the SCC is unable to explore this at this time.
39. The waste service have looked into whether a trade waste service for small businesses can be introduced at the CRCs. A trade waste service would require initial investment and would increase the operational costs of running the site, as further infrastructure and resources would be required in the operation of the scheme. Also, from the experience of other local authorities that operate this type of scheme have so far generated very minimal income, which suggests that there isn't a demand for this and it's not a profitable service. The research that has been conducted on this hasn't returned any examples of where this is proving to be a success anywhere else in the UK.

Conclusions:

40. This report sets out progress with implementation of cost saving efficiency measures at Surrey's CRCs. The MTFP identifies the potential to reduce the cost of operating the CRC service by £3.3 million between 2016/17 and 2018/19. Changes that were introduced in 2016 are expected to achieve a full year saving of £1.4 million. The tables below summarises the potential further savings available for each particular change to the CRC service

Proposal 1 Permanent closure of four sites and limited day closures at remaining sites	Annual Saving £K
Permanent closure of four CRCs	674-1003
Closure of remaining CRCs on some weekdays	150
Removal of free daily allowance for construction waste	200-350
Restrict Van & trailer use to larger split-level sites	60-120
Extend Surrey resident scheme to Camberley CRC	60
Further Reuse and further black bag sorting	500
Total	1644-2183

Proposal 2 Day closures only	Annual Saving £K
Closure of CRCs on some weekdays*	400
Removal of free daily allowance for construction waste	200 - 350
Restrict Van & trailer use to larger split-level sites	60 - 120
Extend Surrey resident scheme to Camberley CRC	60
Further Reuse and further black bag sorting	500
Total	1220 – 1430

*Further savings would be obtained if quantities of waste were reduced as a result of day closures.

Recommendations:

- I. The Select Committee are asked to comment on the report so that their views can be taken into account by Cabinet when they meet on 26 September 2017.

Next steps:

A paper will be prepared for Surrey County Council's Cabinet for a decision at their meeting on 26 September 2017.

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Sources/background papers:

- Shaping Surrey's Community Recycling Centres, SCC Cabinet 24 November 2015.
- Update on Changes to the Community recycling centres EPEH board 2 March 2017