

**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 26 SEPTEMBER 2017**



**REPORT OF: MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT**

**LEAD OFFICER: TREVOR PUGH, STRATEGIC DIRECTOR, ENVIRONMENT & INFRASTRUCTURE**

**SUBJECT: CONSULTATION ON PROPOSED CHANGES TO SURREY'S COMMUNITY RECYCLING CENTRES (COST REDUCTIONS)**

**SUMMARY OF ISSUE:**

Surrey County Council (SCC) needs to make cost reductions of £104 million in 2017/18 and further cost reductions of £137 million in 2018/19 and 2019/20. 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.

Changes to the CRC service that were implemented during 2016/17 will achieve an estimated £1.4million of cost reductions in a full year. This means further cost reductions need to be found to meet the MTFP target. The waste service has identified a plan where further efficiency could be achieved at CRCs. A public consultation was carried out between 23 June 2017 and 7 August 2017 seeking the views of residents and stakeholders on a set of potential options, as set out in paragraphs 12 to 16. A number of key stakeholders have been consulted including, Surrey MP's, County Councillors, district & borough councils and parish & town councils.

CRCs are one of the most highly rated services provided by SCC with 77 % of users stating that they are satisfied or very satisfied with the service. The proposals are the latest in a series of measures designed to make CRCs more efficient and better value for money by focussing on their key purpose: to handle household waste that the Council has to take free of charge and that cannot be collected from the kerbside. If implemented the proposals would still maintain a comprehensive service that is highly valued by residents, which supports the strategic aims of increasing recycling and reducing landfill and meets legal requirements as a Waste Disposal Authority.

The Council would like to thank over 13,500 residents, who gave their opinion on the proposals in the consultation including their concerns with permanent CRC closures. Having listened to these views and taken into consideration the factors above, this report recommends implementing changes that will:

- Avoid the need to permanently close any of Surrey's CRC's.
- Reduce costs and improve efficiencies.
- Retain a comprehensive service focussing on the key purpose of the facilities, but with a reduction in weekday opening at a number of CRC sites when those sites are less well used.

In a full year these efficiency measures could deliver estimated savings of £1.08 - £1.56 million. The earliest any measures could be implemented is from December 2017, apart from weekday closures which would be implemented from January 2018 due to operational reasons. This would mean an expected shortfall against the MTFP of £0.92m to £1.06m (part year impact) in 2017/18 and £0.34m to £0.82m in 2018/19 (full year impact). The service will need to continue to find further efficiencies to meet this shortfall.

#### **RECOMMENDATIONS:**

It is recommended that Cabinet agree:

- i. the four CRCs at Bagshot, Cranleigh, Dorking and Warlingham remain open in light of the views submitted in the public consultation, but are closed for part of the week from January 2018. Details of the proposed times of operation will be tabled at the Cabinet meeting;
- ii. a strategic network of CRCs will remain open for seven days a week, other sites will be closed for up to two weekdays from January 2018. Details of the proposed times of operation will be tabled at the Cabinet meeting;
- iii. the free daily allowance of chargeable waste from the construction, alteration or repair of homes and gardens such as rubble, plasterboard and soil is ceased from December 2017, as set out in paragraphs 27 to 28;
- iv. vans and trailers are excluded from CRCs at Bagshot, Caterham, Cranleigh, Dorking, Farnham and Warlingham from December 2017 as set out in paragraphs 29 to 31;
- v. non-Surrey residents are excluded from Camberley, and that the Strategic Director, Environment & Infrastructure in consultation with the Cabinet Member for Environment and Planning agrees any further restrictions on non-Surrey residents using the Farnham site following further discussions with Hampshire County Council, as set out in paragraphs 32 to 35;
- vi. work continues to progress further efficiency measures at CRCs for example as stated in paragraphs 36 to 37 to achieve the best public value from the network; and
- vii. the Surrey Waste Partnership is supported to promote the better use of kerbside services and other waste disposal services.

#### **REASON FOR RECOMMENDATIONS:**

At present there is spare capacity at the CRC network because of a reduction in throughput due to the previous changes. An adequate service can be retained if the above additional efficiency measures are implemented that will achieve an estimated cost reduction in a full year of £1.08 - £1.56 million. **Table 3** in paragraph 43 gives a breakdown by efficiency measure. These recommendations take note of the views expressed in the public consultation and, the impact to the public (including those with protected characteristics) and the environment. If these recommendations are introduced it will reduce costs and provide better value for money for the Surrey taxpayer, whilst still maintaining a comprehensive service that supports the strategic

aims of increasing recycling and reducing landfill, and meets its legal requirements as a Waste Disposal Authority.

## **DETAILS:**

### **Background**

1. SCC has a duty under the Environmental Protection Act 1990 to arrange for places to be provided at which person's resident in its area may deposit their household waste and for the disposal of waste so deposited. The duty states that each waste disposal site should be:
  - within the area of the Authority and reasonably accessible to residents in its area;
  - open and available to residents to bring waste for disposal at reasonable times, including at least a period of time on a Saturday; and
  - available free of charge to persons resident in the area to bring household waste for disposal.
2. Within this legal duty there is no set requirement for the number of CRCs that local authorities should provide; a local authority may even decide that provision of just one site is sufficient. There is also no guidance for how much of the week sites should remain open, except for a period of time on a Saturday.
3. In Surrey there are 15 CRCs which play an important and public facing part of its high performing household waste management system. In 2016/17 they handled 113, 285 tonnes of municipal waste and attracted an estimated 2.8 million visits. Of the waste collected in 2016/17, 62% of waste was recycled or reused and 30% was used as a fuel to generate energy. Only 8 % of waste was sent to landfill.
4. In 2016/17, 548,313 tonnes of municipal waste was generated with Surrey including the 113,285 tonnes (21%) disposed of at CRCs. The remaining 435,028 tonnes (79%) was collected by district and borough councils including kerbside collections. The household waste recycling rate for Surrey as a whole is 57.7% with 35% of material sent for energy recovery and 7.3% of waste landfilled. This recycling rate is one of the best in the country and is both good for the environment and reduces costs. SCC together with the district and borough councils in Surrey are working jointly to increase the overall recycling rate in Surrey to 70% and landfill to 0%.
5. Around 80% of household waste in Surrey is collected at the kerbside, and there is scope to collect much more recycling this way. A significant amount of the waste that residents currently bring to CRCs, including residual waste and recyclable material such as cardboard could be collected at the kerbside.
6. In the face of significant funding pressures the waste service has identified the potential for the following cost reductions in the MTFP against the operation of CRCs for the period 2016/17 to 2018/19:
  - £1.5m in 2016/17 (£1.4m achieved so far leaving a shortfall of £0.1m)
  - £1.3m in 2017/18 (An additional £0.1m is required due to the shortfall the year before)

- £0.5m in 2018/19

### **Total £3.3m**

#### **Changes introduced in 2016/17**

7. SCC has previously identified a number of efficiency measures in the operation of CRCs in Surrey. These measures were finalised following a public consultation that was conducted from 15 July to 30 September 2015 in which 4,581 people responded to give their views. At its meeting on 24 November 2015, the Cabinet agreed the following changes to the operation of the CRCs:
  - A revised van permit scheme to deter unauthorised use of the CRCs by traders.
  - Slightly shorter opening hours at all sites.
  - Five CRCs closed one additional day during the week.
  - Introduction of charges for non-household waste, but allow residents to deposit small amounts of inert building material and plasterboard free of charge.
  - The introduction of three more reuse shops at CRCs making a total of four across the network.
  - Retain all 15 CRCs in Surrey.
8. The changes described above were introduced during 2016/17, and in a full year will achieve a significant cost reduction estimated to be £1.4 million. In 2016/17 they also led to an estimated 200,000 (7%) fewer visits and a 27,000 (19%) decrease in tonnages of waste dealt with compared to the previous year. The Council's projection for 2017/18 is that visitor numbers will drop further to an estimated 2.7 million and tonnages of waste dealt with will be less than 100,000 tonnes. The significant drop in waste tonnages handled at CRCs has been a major contributor to the saving described above. **Annex 1** gives a more detailed breakdown of visitor number and waste tonnages at CRCs.
9. There are a range of likely reasons for this reduction in weight of waste throughput, the most significant being the transfer of DIY building materials to more legitimate routes e.g. reused on site and commercial waste disposal such as skips. This means that waste disposal costs from CRCs have reduced and sites have become less busy over the past two years. The lower use of existing sites allows the capacity for some reduction in site provision.

#### **Rationale for further changes**

10. Continued cuts to funding, rising costs and increasing demand for key services means the need for SCC to find cost reductions has reached unprecedented levels. Despite SCC having achieved £450m worth of cost reductions since 2010 further changes to services are required including the operation of CRCs.
11. The waste service have consulted with SCC's contractor, Suez Surrey, who manage the CRCs to develop proposals to deliver further cost reductions. The proposals have been designed to make them more efficient and better value for money by focussing on their key purpose: to handle household

waste that the Council has to take free of charge and that cannot be collected from the kerbside.

### **Public consultation overview (23 June to 7 August 2017)**

12. Noting the public consultation that had already taken place on the proposed changes to the CRC service in the summer of 2015, and the decisions of Cabinet on 24 November 2015, legal advice recommended that a consultation of six weeks could be held.
13. With this in mind, SCC sought the views of residents and stakeholders via a public consultation that ran from Friday 23 June to Monday 7 August 2017. Consultation respondents were asked for their views on the following five proposals:
  - Ending the free daily allowance of non-household waste.
  - Closing CRCs on two weekdays.
  - Ensuring CRCs are only used by Surrey residents.
  - Permanent closure of four smaller CRCs.
  - Restricting users of vans, trailers and pick-ups to larger sites only.
14. Advance warning of the consultation was given to Suez staff and key stakeholders (organisations/groups/individuals who represent the interests of Surrey residents) such as Surrey members of parliament, county councillors, Surrey Waste Partnership (SWP), Joint Waste Solutions, district and borough councils, parish and town councils, residents' associations, central government departments such as DEFRA, neighbouring local authorities and the local press in Surrey via a press release from SCC.
15. The main product of the consultation was a questionnaire which contained an overview of the process and asked respondents to give their view on the proposed changes as referred to in paragraph 12. A dedicated webpage was setup for the review ([surreycc.gov.uk/recyclingcentres](http://surreycc.gov.uk/recyclingcentres)) where consultation participants could find out more information and complete the online questionnaire. Paper copies of the questionnaire were also made available at CRCs, libraries, council offices and by calling the contact centre for one to be sent out direct to a resident's address.
16. The consultation was also promoted with banners or posters and leaflets at CRC sites, libraries and local council offices, on the SCC website, via social media posts from SCC accounts, other digital advertising, e-newsletters (Communicate, Issues Monitor and Surrey Matters) and via editorial copy which could be used in district and borough/parish newsletters. Local media such as Get Surrey, Surrey Mirror and Eagle Radio ran stories on the consultation following the press release. More information on the consultation process can be found in **Annex 2**.

### **Public consultation results**

17. The consultation received 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.

18. The results of the consultation can be found in **Annex 2**. The headline results are summarised in **Table 1** below:

**Table 1 Headline results to the consultation**

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

	<p>use Dorking CRC the percentage that disagreed or strongly disagreed with this proposal increased to 96%.</p> <ul style="list-style-type: none"> <li>• 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%.</li> </ul>
Restricting users of vans, trailers and pick-ups to larger sites only (proposal five).	<ul style="list-style-type: none"> <li>• 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%.</li> </ul>
Ranking of the proposals	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Other comments about the proposals.	<ul style="list-style-type: none"> <li>• Respondents in particular highlighted that any reduction to a CRC service especially permanently closing CRCs could have a negative impact on recycling, increase journey times to the nearest alternative CRCs, increase traffic/congestion and have a negative impact on the environment including an increase in fly-tipping.</li> </ul>

### Cost Reduction recommendations

#### Reduction in opening days at four smaller CRCs that were previously proposed for closure

19. The Council's network of CRCs exhibit 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. Data on waste tonnages handled at CRC sites are shown in **Annex 1**.
20. Over the past few years SCC's 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 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.

21. The four CRC sites at Bagshot, Cranleigh Dorking and Warlingham that were proposed for potential closure in consultation between them, handle only about 10% of the total amount of waste collected at all of Surrey's CRCs. They were put forward on the basis of their relatively low tonnage, car visitor numbers, the suitability of the sites for customers and the proximity of alternative CRC sites.
22. However, it's clear from the results of the public consultation set out in **Table 1** in paragraph 18 above that the four CRCs proposed for closure are highly valued by local residents and therefore we do not recommend that these sites are closed. Instead it is recommended that the operating days of the sites are reduced.
23. 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 increased day closures of sites.

### **CRC strategic network and further weekday closures**

24. It is also recommended that a strategic network of CRCs will remain open seven days a week at some of the busiest CRCs in terms of waste tonnages disposed of and number visits to the sites, and that weekday closures are implemented at other sites.
25. The further opening day closures will be based on the principles of customer access, operational efficiency and best value for money. The scheduling of these day closures will take into account site usage and the avoidance where possible of closing nearby sites on the same day to ensure an alternative site remains open.
26. The annual cost reductions from day closures at Bagshot, Cranleigh, Dorking, Warlingham, maintaining a strategic network and weekday closures of other CRC sites is estimated to be £0.32 - £0.5 million per annum, as most of the operational costs at the sites will remain and the council believe that most of the waste that is brought to them on the days proposed for closure will continue to be brought on other days of the week. It is estimated that permanently closing four sites would have achieved a saving of £1million, and therefore by implementing these day closures alone, the potential savings will be reduced by an estimated £0.6 million.

### **Removal of the free daily allowance for construction waste**

27. 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, plasterboard and tyres delivered to the sites reduced to 12,843 tonnes (50%). Three quarters of this tonnage was delivered by residents using their free daily allowance. For more information, please see **Annex 1**.



28. Removing the free daily allowance and recovering disposal and treatment costs for all soil, rubble and plasterboard will help keep CRC more sites open for longer by saving an estimated £0.14 - £0.38 million per annum, as this is dependent on how much charging scheme waste turns up at CRCs and is paid for.

### **Restrict vans and trailer use to larger split-level sites**

29. 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 lift arm 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.
30. 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.
31. On review of traffic count data, it's estimated that an annual cost reduction of around £0.6 - £0.12 million 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.

### **Extend Surrey Resident Scheme to Camberley CRC**

32. 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 Bracknell Forest and Wokingham. 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 non-Surrey residents from using the Camberley CRC. The cost reduction from this proposal is estimated to be £0.06 million.
33. 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.
34. 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.

35. The Royal Borough of Windsor and Maidenhead make a financial contribution of £0.020m each year towards the costs of operating the Bagshot CRC site noting use by their residents. Despite the recommendation to close Bagshot CRC for part of the week, it's recommended that the Royal Borough of Windsor and Maidenhead continue to make this financial contribution which will better reflect the current usage by their residents.

### **Further operational efficiencies**

36. As described in paragraph 7 above, the Council has four reuse shops in the CRC network. These are located at Earlswood, Leatherhead, Witley and Woking CRCs, and generate further income from sale of reusable items brought to the sites, and generate cost reductions from the diversion of these materials from landfill. This new business initiative is projected to give the council about £0.1million in landfill cost diversion reductions and income per year. The waste service are 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. The council 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.
37. 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 £0.5m 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 include more dedicated staff, a mechanical sorting operation or an improved communication about black bag sorting, which will involve pre-sorting by residents. The option that is most financially viable will be developed and introduced later in 2017/18.

### **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, on 23 April 2015 government 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 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.

#### **CONSULTATION:**

40. As stated above in paragraph 14, advance warning of the public consultation was given to key stakeholders, and a number of meetings have been held as referred to in **Annex 2**. As part of these meetings officers have reviewed closure plans with potentially effected district and borough council's. These meetings concluded that there is no viable alternative to site closures in the pursuit of significant operational cost reductions.
41. The Environment and Infrastructure Select Committee considered the savings proposals following the public consultation at their public meeting on 7 September 2017.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

42. Officers have considered the risks associated with the proposed changes. **Table 2** below illustrates the risks that have been identified and mitigating actions. The risk management plan will continue to be refined and updated throughout the delivery stage

**Table 2: Project Risk Register**

<b>Risk description</b>	<b>Mitigating actions</b>
The waste service is unable to achieve its cost reduction potential in the MTFP, as the recommendations to Cabinet don't achieve what is required because CRC sites proposed for closure have been retained and the tonnages of waste don't disappear from the network from the other changes as predicted.	The waste service will carefully monitor this position moving forward and will regularly report on progress. Compensatory alternative cost reductions will be required to meet any shortfall against the MTFP saving target.
Reducing opening days and stopping the free daily allowance of charging scheme waste could result in an increase in fly-tipping, which would have a greater impact on the environment and increased costs to the council to dispose of fly-tipping that is	In the past year since changes have been made at the CRCs including the introduction of the charging waste scheme for some types of non-household waste, the amount of fly-tipped waste taken to Surrey's waste transfer stations by district & borough councils has gone down by more than 1,000 tonnes.  Whilst this is positive news, the council

collected by District and Borough Councils	<p>recognise there is more to do. Separately, SCC, has been working with the local authorities within the Surrey Waste Partnership, together with other agencies such as Surrey Police, and have developed a strategy to address the issue of fly-tipping across the county. The strategy focuses on coordinating and enhancing the prevention, investigation and enforcement activities of these partner organisations, and making use of recently strengthened powers available to local authorities in an effort to reduce fly-tipping in Surrey, and increase the chances of bringing those responsible to justice.</p> <p>More information on fly-tipping can be found in <b>Annex 1</b>.</p>
Fewer staff may be required at the CRC sites as a result of reduced opening days at certain sites, which could lead to potential staff redundancies, which will lead to loss of experienced staff members and reduction in savings as a redundancy payment is made.	The waste service are working with Suez Surrey to limit the need for any staff redundancies by holding recruitment against vacant posts and seeing if staff can be redeployed around the CRC network on a reduced shift pattern. This position cannot be confirmed until the Cabinet recommendations are agreed, and the waste service will do this in consultation with the Cabinet Member for Environment and Planning, and the Strategic Director for Environment and Infrastructure.
Government release statutory guidance on DIY waste or attempt to change the law, which supersedes the relevant legislation for charging for construction and demolition waste meaning SCC have to reverse the charging scheme, which has a significant impact on costs.	The litter strategy that launched in April 2017 suggested the government will review DIY waste definition. The last NAWDO meeting stated that the government will do this in coordination with local authorities and that it would be non-statutory guidance. The council are clear that the government would have to change the law for the charging waste scheme to be reversed. If government do change law, and the charging scheme is reversed, SCC would possibly have to look at further changes to the CRC network
A reduction opening days could result in residents driving longer distances to reach an alternative site, which would have an impact in CO2 emissions.	As described in paragraph 8 the number of car visits to our CRCs has reduced in the last year following changes at the CRCs, and we expect this will continue to fall as a result of the proposed changes. Changes to opening days have been planned, so when a site is closed for a day there is a nearby alternative, although we would encourage residents to make their journey when a their preferred CRC site is open, and will mention this in the communications programme that will follow.
Changes to CRC's lead to a decrease in recycling rates, leading to higher disposal	In the last year since changes have been made at CRCs the total amount of household waste sent for reuse, recycling or composting has

costs for the council and making it more difficult to achieve its target recycling rate of 70%.	actually increased by 2.7% compared to the previous year. The council will continue to monitor this moving forward, but is not expecting any significant impact to recycling rates given what has happened already.
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### **Financial and Value for Money Implications**

43. The summary in **Table 3** below shows that in a full year these efficiency measures could deliver estimated savings of £1.08 - £1.56 million. This would mean an estimated full year shortfall of £0.34 - £0.82million against the agreed MTFP savings target of £3.3million. The earliest these measures could be implemented from is December 2017 apart from weekday closures which would be implemented from January 2018 due to operational reasons. Therefore there will only be a partial year effect of any savings in 2017/18. These part year savings are estimated at £0.34 – £0.48 million, which would mean a shortfall of £0.92m to £1.06m against the 2017/18 target of £1.4million. It is estimated that permanently closing four sites would have achieved a saving of £1million and therefore by implementing day closures alone savings will be reduced by an estimated £0.6 million.

**Table 3: Estimated cost reductions if recommendations are implemented**

<b>Efficiency measure</b>	<b>Estimated part- year cost reduction in 17/18 (£m)</b>	<b>Estimated full-year cost reduction in 18/19 (£m)</b>	<b>Saving commentary</b>
Further weekday closures	£0.08m-£0.13m	£0.32m - £0.5m	<p>The saving from further weekday closures is estimated to be £0.5m. This is made of up two components:</p> <ul style="list-style-type: none"> <li>• An estimated £0.32m operational cost reduction from running the sites following initial discussions with Suez.</li> <li>• The council believes that most of the waste that turned up on the days proposed for closure will continue to turn up on other days of the week. However the council have also made a conservative estimate that up to 3,000 tonnes of waste could be lost from the system at average disposal cost of £60 per tonne, which could lead to £0.18m</li> </ul>

			disposal saving.
Removal of the free daily allowance	£0.05m - £0.127m	£0.14m – £0.38m	The cost reduction from the removal of the free daily allowance is dependent on how much charging scheme waste turns up at the sites and is paid for. The range provided assumes two scenarios; no conversion or full conversion from the free allowance to paid for.
Restrict vans and trailer use to larger split-level sites	£0.02m – £0.04m	£0.06m – £0.12m	The cost reduction for this initiative assumes between a 5-10% reduction in tonnages disposed of at the smaller sites at an average of £60 per tonne.
Extend Surrey Resident Scheme to Camberley CRC	£0.02m	£0.06m	The cost reduction for this initiative assumes a 10% reduction in tonnages at the Camberley CRC, based on the postcodes survey of the site.
Reuse shop: Electrical selling, online trading, bike refurbishment etc	£0.066m	£0.2m	The reuse shop initiative is set to achieve £0.1m saving in 17/18. The council are aiming to double this through electrical selling, online trading, bike refurbishment and the sale of other items,
Enhanced black-bag sorting initiative	£0.1m	£0.3m	The council are currently achieving an 18% recovery rate from black bag sorting initiative as set out in paragraph 37. The council are targeting a 30% recovery rate from the enhanced black bag sorting initiative, which will generate further savings.
<b>Total cost reduction</b>	<b>£0.34m - £0.48m</b>	<b>£1.08m- £1.56m</b>	
<b>MFTP Requirement</b>	<b>£1.4m</b>	<b>£1.9m</b>	<b>(Cumulative)</b>
<b>Shortfall</b>	<b>£0.92m - £1.06m</b>	<b>£0.34m - £0.82</b>	<b>(Cumulative)</b>

44. The council can only provide estimates on the above measures, as they are all dependent on the waste that continues to turn up at CRCs for disposal. Estimates have been made by the council in terms of what will happen to the

waste, and where possible a range has been provided between the worst and best case. The council will continue to review this position, and may need to look at further changes to CRCs based on the financial position.

#### **Section 151 Officer Commentary**

45. The County Council is facing a very serious financial situation, whereby there are still substantial actions required to achieve a balanced budget in the current year and a sustainable budget plan for future years. The Council's MTFP assumes that the cost of CRCs can be reduced by £1.90m across 2017-19. The proposals recommended in this report are expected to result in a shortfall against that saving of £0.92m to £1.06m (part year impact) in 2017/18 and £0.34m to £0.82m in 2018/19, worsening the Council's financial position and requiring additional funding, compensating savings or other cost reductions to be identified.
46. The financial savings shown in **Table 3** have been estimated by officers in conjunction with Suez, SCC's waste contractor. Estimates include assumptions about potential changes to waste volumes and composition, and as a result the actual level of saving could change.
47. The Council has discussed these proposals with DEFRA, who sponsor the council's Private Finance Initiative contract and provide financial support through the Waste Infrastructure Grant (formerly PFI credit). DEFRA have not confirmed whether the proposed changes to the CRC service will impact on the level of financial support that the Council currently receives. However similar changes introduced in previous years have not affected the council's level of grant.

#### **Legal Implications – Monitoring Officer**

48. The Council has a legal duty under the Environmental Protection Act to ensure residents in its area have a place to dispose of their waste. However, there is no minimum requirement in relation to the number of CRCs, other than that the place is reasonably accessible to residents (See paragraphs 1 and 2 above). Members will need to be satisfied that the proposals allow the council to meet those duties.
49. In considering this Report, Cabinet must give due regard to the results of the consultation at **Annex 2** of this report and the response of the Service to the consultation comments and conscientiously take these matters into account when making its final decision.
50. The public sector equality duty (Section 149 of the Equality Act 2010) applies to the decision to be made by Cabinet in this report. There is a requirement when deciding upon the recommendations to have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good relations between such groups, and eliminate any unlawful discrimination. These matters are dealt with in the equalities paragraphs of the report and in the attached equalities impact assessment.

#### **Equalities and Diversity**

51. The waste service has sought to understand the impact on residents and staff especially those with protected characteristics in the development of the final

recommendations for change at CRCs. An Equality impact Assessment (EIA) has been completed and is included as **Annex 3**.

52. The EIA has used a variety of data and feedback sources including:
- Surrey-i, our local data and information portal, which can be searched by protected characteristics.
  - Feedback to the postcode surveys, consultation questionnaires and customer satisfaction surveys.
  - Feedback from the contractor and complaints submitted to the SCC contact centre.
  - Benchmark of other local authorities that have made changes to their Household Waste Recycling Centre (HWRC) services.
  - Traffic count data, driving time catchments and waste tonnage information.
53. One potential low impact has been identified in assessment against the protected characteristics of Age, Disability and Pregnancy/Maternity. This is concerning the use of the single level sites where residents need to climb steps to access waste containers which could impact those with limited physical ability as they might find it more difficult to dispose of their waste at these sites. Despite this being mitigated by the assistance provided by onsite staff, these sites may become busier as a result of reducing the days of operations which could have an impact on the assistance that staff are able to provide those with limited mobility.
54. Whilst officers think this is an unlikely scenario they will ensure site staff are given guidance to prioritise users with limited mobility if a site becomes busy.

#### **Environmental sustainability implications**

55. As set out in paragraph **Table 2** in paragraph 42, in the last year since changes have been made at CRCs there has been a decrease in fly-tipping tonnages disposed of by the Council, fewer journey's made by cars to CRCs and the household waste recycling rate continues to increase. The Council are not expecting any significant impact on this as a result of the recommendations listed above, but will continue to monitor this closely over the coming months and years.

#### **WHAT HAPPENS NEXT:**

56. The proposals will be implemented from December 2017 and January 2018, as stated in paragraph 43.
57. A communications programme will be devised to ensure that the changes are effectively publicised in advance to site users and other stakeholders.

#### **Contact Officer:**

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#### **Consulted:**

- Residents and stakeholders as set out in **Annex 2**
- Environment and Infrastructure Select Committee



**Annexes:**

Annex 1 - General waste information including CRCs

Annex 2 - Consultation report

Annex 3 - Equality Impact Assessment

**Sources/background papers:**

- Shaping Surrey's Community Recycling Centres, Cabinet paper, 24 November 2015
  - Proposed Changes to the Community Recycling Centres, Environment & Infrastructure Select Committee, 7 September 2017
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