

Transport & Environment Committee

10.00am, Tuesday, 25 August 2015

Commercial Waste at Community Recycling Centres

Item number 7.9

Report number

Executive/routine

Wards All

Executive summary

The purpose of this report is to note the decision to cease the acceptance of commercial waste at Community Recycling Centres (CRCs).

A review of this part of the service has been undertaken and clearly identifies that the continued practice of admitting commercial waste to Seafield and Sighthill Community Recycling Centres costs the Council in excess of £794,000 per annum.

The closure of these elements of the CRC service will allow Waste services to recover a part-year saving of at least £200,000 in 2015/16 with the opportunity for this to increase up to a maximum of £495,000. The full year benefit to the budget in 2016/17 is anticipated to be a minimum of £794,000.

Links

Coalition pledges [P44, P49, P50](#)

Council outcomes [CO17, CO18, CO19](#)

Single Outcome Agreement [SO4](#)

Commercial Waste at Community Recycling Centres

Recommendations

- 1.1 It is recommended that Committee notes the decision to cease acceptance of commercial waste at Community Recycling Centres (CRCs), subject to an appropriate communications plan being in place.

Background

- 2.1 In 2004, the Council was fortunate to receive significant funding from the Scottish Executive to invest in the existing Community Recycling Centres (CRCs), and to purchase and develop a new facility at Sighthill.
- 2.2 Both Seafield and Sighthill CRCs are substantial sites. Seafield was redeveloped on the basis that cars and vans could be separately managed. Adjacent land at Sighthill, in the ownership of the Council, was used for vans on a trial basis.
- 2.3 Commercial waste has been accepted at both Seafield and Sighthill CRCs since around 2010. Waste is accepted from private businesses and other Council service areas. Private businesses either hold an account with the Council and are invoiced on a monthly basis, or can pay directly at the site using chip and pin facilities. Other Council service areas are appropriately recharged.
- 2.4 The acceptance of commercial waste at CRCs is not a statutory obligation for the Council. The decision to stop accepting commercial waste will generate savings for the Council and result in, not only an improved level of service for household customers, but also an improved recycling performance on the sites.
- 2.5 The ongoing practice of accepting commercial waste at the sites is resource intensive. Additional employees and plant equipment are required to manage the incoming waste and, from a recent financial review, the amount of income generated from customers is insufficient to cover the running costs.
- 2.6 Although the estimated cost (net of income) of continuing to provide this service is valued at between £794,000 and £994,000 for the 2015/16 financial year, the estimated level of in-year saving is expected to be a minimum of £200,000.
- 2.7 Early investigations have identified that there may be a similar opportunity for savings in the Trade Waste collection service. A full review of this service is to be undertaken and any recommendations as a result of this review will be reported to Committee at a later date.

Main report

- 3.1 In 2004, the Council received significant funding from the Scottish Executive to invest in the existing Community Recycling Centres (CRCs) and to purchase and develop a new facility at Sighthill.
- 3.2 Both Seafield and Sighthill CRCs are substantial sites. Seafield was redeveloped on the basis that cars and household vans could be managed in separate areas within the site. Commercial waste was also accepted on the van side.
- 3.3 Land, owned by the Council, adjacent to the facility at Sighthill was used for commercial and household vans on a trial basis but the trial was never formally concluded. As a result the necessary investment in the site was never made to appropriately manage the additional waste received.
- 3.4 Businesses can either apply to set up a commercial waste account with the Council, or alternatively can pay at the weighbridge via chip and pin facilities. For the 2015/16 period these charges have increased to £135 per tonne for payment by chip and pin, and £146.50 per tonne, if part of an account. These rates have been shown to be above market rate when compared to other waste disposal or transfer facilities in the city.
- 3.5 The ongoing cost of providing this service is significant and places increased pressure upon an already strained service budget. The provision of this service is non-statutory and requires the Council to employ additional resource and plant equipment to manage incoming waste. This can divert attention from the 'public' part of the site, which has a detrimental impact upon both customer service and recycling performance.
- 3.6 The costs to the Council in providing this service for the 2015/16 financial year period are shown below:
 - **£800,000 - £1m** for the disposal and recycling of commercial waste;
 - **£360,000** for staffing costs; and
 - **£30,000** for plant and equipment costs.
- 3.7 Due to the increase in charges levied on the customer, the target income for the 2015/16 period is £396,000. This increase in income is partially offset by increased waste disposal costs (landfill tax and contractual increases) and increased staff costs (pay award). Deducting the target income of £396,000 from the directly apportionable costs of providing the service shown in 3.6, the net cost is between £794,000 and £994,000. Based upon the information set out above, it is the recommendation of Waste Services that the provision of this service is ceased following a sufficient communications plan. The impact of the recommended closure is set out under the following themes.

Financial Impact of the Proposal

- 3.8 As outlined above, there is a significant financial burden placed upon the Council by continuing to provide this service.
- 3.9 The costs of running the Commercial CRCs are as outlined in section 3.6. The Waste Services budget, at period 4, contains a pressure of approximately £2.2m. The achievement of a part year saving of at least £200,000, leading to a full year saving of at least £794,000 in 2016/17, would go a long way to mitigating this financial pressure whilst also avoiding the requirement for financial savings proposals that would impact on the statutory waste collection and disposal services for residents.

Impact upon the Commercial Waste Customer (External)

- 3.10 Following closure of the CRC sites to external commercial waste customers, they will be required to identify alternative disposal points for their waste. There are a number of private waste transfer stations that operate and can accept these waste streams in and around the Edinburgh area. Customers will be signposted to the alternative outlets.
- 3.11 The service will be seeking to invest in Automatic Number Plate Recognition at sites to help identify unmarked vans which use the sites in excess of what might be considered to be a reasonable number of visits for a householder (>2 per month). This will help identify traders who are unlawfully depositing waste in the site, are not fulfilling their Duty of Care, and do not have appropriate waste arrangements in place. Where the number of visits from a householder is legitimate, but the high number is not consistent throughout the year, it will be acceptable.

Impact on the Commercial Waste Customer (Internal)

- 3.12 There are also Council users of the sites. These are predominantly Task Force (street cleaning and grounds maintenance) and Edinburgh Building Services. Both parties have been briefed on the proposals and work is ongoing to provide alternatives. Alternative provision for grounds maintenance arisings is well established in the City and arrangements are in place for street cleaning arisings which still maintain the opportunity to maximise recycling of this waste.
- 3.13 The closure plans have been discussed with Edinburgh Building Services which has not raised an issue with the proposals.
- 3.14 Market testing has taken place with other waste disposal site operators in the region. This testing has indicated that the rate charged by the Council for the disposal of commercial waste at CRCs is higher than the market value. On this basis, there stands to be a financial benefit to businesses in using other facilities. This issue will be communicated as part of a marketing campaign.

- 3.15 It is proposed that two other current users of the sites, the Special Uplift and Dumped Bulk items services will continue to use the sites albeit the public area. Only three vehicles run on these services and the frequency of the vehicles accessing the sites is not likely to exceed once per day. The continued ability of these vehicles to use the sites will increase the opportunity for this material to be recycled and therefore have a positive contribution upon the Council's performance.

Impact on the customer (Domestic)

- 3.16 Household users using the site should see an improvement in service provision. Site staff will no longer be required to manage two sites and will focus all attention on the public part of the site. As a result of the closure of the commercial waste side, more resource will be available to provide customer information and assistance to householders, and therefore deliver an improved customer experience.
- 3.17 There will be no impact upon residents who bring materials to sites in trailers or hired vans. It is proposed that a booking system is introduced for these vehicles types in order that site staff can manage them safely and minimise disruption for customers in smaller vehicles. Residents in vans will be asked to produce valid hire documents and otherwise may not be permitted on site.

Communications Plan

- 3.18 Leaflets and signage will be provided at both Seafield and Sighthill. Leaflets will start to be handed to customers and sent to account holders four weeks prior to the cessation of the service. The leaflets will not promote specific alternative companies but will provide sufficient information to enable customers to identify the alternatives open to them. A four week period will be sufficient for customers to identify and migrate to those alternative disposal points.
- 3.19 The Customer Hub has been briefed and a Smart Script and list of Frequency Asked Questions will be provided to Customer Hub staff. A list of alternatives, and contact details, will be provided to those customers that make contact.
- 3.20 The Council's website will be updated and signage put up at known areas of fly tipping within the City.
- 3.21 It is acknowledged that there is a risk of some increase in fly-tipping as a result of the recommendation of this report. However, through deterrence signage being placed at hotspots and increased enforcement activity, it is felt that this can be mitigated. Work will take place between Waste Services and Community Safety to direct enforcement resource at compliance monitoring visits towards those businesses that formerly used the CRCs for a period of time after the closure. This will allow detection of those businesses that do not have the relevant legal documentation in place to account for the disposal of their waste.

- 3.22 Corporate Communications is aware of the proposals and has been supporting the service in respect of developing the artwork for signage and leaflet materials. A media briefing will be compiled.

Staff Impact

- 3.23 In parallel to communications to customers, the opportunity to leave the Council on VERA/VR will be promoted to all site staff. This complements the existing Council Transformation Programme. All remaining staff will be refocused onto managing household waste on the sites in order to increase the level of service provided to residents and to improve the overall recycling performance of the sites.

Measures of success

- 4.1 Success will be demonstrated through the achievement of the proposed saving and increasing the recycling performance of the CRCs.

Financial impact

- 5.1 Improved recycling performance will have a positive financial impact in respect of diverting material away from landfill at a reduced cost.
- 5.2 Cessation of the service will achieve savings within the Waste Services budget and contribute towards closing the forecast budget gap of £2.2m for the 2015/16 period.

Risk, policy, compliance and governance impact

- 6.1 This report seeks to remove the current policy of accepting commercial waste at CRC sites. No risks have been identified in relation to Health & Safety, governance or compliance. There are no regulatory implications that require to be considered as this is not a statutory obligation.

Equalities impact

- 7.1 An Equalities and Rights Impact Assessment has been undertaken and has not identified any issues with the recommendation of this report.

Sustainability impact

- 8.1 Increased recycling will help to divert waste from landfill and support the achievement of greenhouse gas reduction targets, and reductions in local environmental impact.

Background reading/external references

N/A

John Bury

Acting Director Services for Communities

Contact: Andy Williams, Service Support Unit Manager

E-mail: andy.williams@edinburgh.gov.uk | Tel: 0131 469 5660

Links

Coalition pledges	P44 – Prioritise keeping our streets clean and attractive P49 – Continue to increase recycling levels across the city and reducing the proportion of waste going to landfill P50 – Meet greenhouse gas targets, including national target of 42% by 2020
Council outcomes	CO17 – Clean – Edinburgh’s streets and open spaces are free of litter and graffiti CO18 – Green – We reduce the local environmental impact of our consumption and production CO19 – Attractive Places and Well maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm
Single Outcome Agreement	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric
Appendices	N/A