

LONDON BOROUGH OF BRENT
EXECUTIVE – 14th September, 2004

FROM THE DIRECTOR OF ENVIRONMENT

FOR ACTION

NAME OF WARD: ALL

Report Title : PROPOSED EXPANSION OF THE ORGANIC WASTE COLLECTION SERVICE
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FP REF: ES-04/05-255

1.0 SUMMARY

- 1.1 This Report informs the Executive of a successful bid made to the London Recycling Fund for the expansion of the Council's existing Organic Waste Collection Service (often referred to as the Garden Waste Collection Service), thus enabling the service to be provided to a further 15,000 households (i.e. from 30,000 to 45,000).
- 1.2 An overview of the details of the bid is given in this Report as well as the additional revenue budget growth that will be required from 2005/06. The report also proposes the reallocation of capital funds within the current year's budget (2004/05) in order to allow the capital costs of the service expansion to be met.

2.0 RECOMMENDATIONS

- 2.1 That the Executive notes the successful bid made by officers to the London Recycling Fund for the expansion of the Organic Waste Collection Service.
- 2.2 That the Executive agrees to the expansion of the current fortnightly based service to a further 15,000 households in the Borough.
- 2.3 That the Executive notes and agrees in principle that the growth of £135k in the revenue budget required from 2005/2006 is the first call on the £500k agreed by Full Council for organic waste collection per paragraph 3.2
- 2.4 That the Executive agrees to reallocate £100,000 capital funding in the current year from its intended use in connection with the Twyford Reuse and Recycling Centre, to supplement the £260,000 awarded by the London Recycling Fund.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The external London Recycling Fund funding has been awarded (amongst other standard conditions) on the basis that the Council continues to demonstrate its commitment by providing ongoing revenue funding to support the costs of the expanded service. It follows that without this commitment the Council would have to turn down the funding as future revenue support is crucial.

- 3.2 The additional revenue support necessary to support a fortnightly collection to 15,000 households will be £135,000 in 2005/06. The Council must give a commitment to this funding, in order to receive the external capital money granted. The lead time for vehicle and wheelie bin procurement means that there would be a substantially reduced revenue requirement in 2004/05 (estimated £24,000 if service commences in February 2005), which would be covered from existing budgets. The draft cash limits approved at the Budget and Council Tax meeting in February 2004 contain an additional £500K for 2005/6 and a further £400K in 2006/7 for the weekly collection of organic waste. It is recommended that the £135K requested in this report has first call on the £500K for 2005/6. If as a result of the budget process this funding is no longer available resources will have to be identified from elsewhere.
- 3.3 The capital costs for procuring a refuse collection vehicle and 15,000 wheelie bins is estimated at £360,000, based on a similar procurement carried out earlier this year for Phase 2 of the Council's Organic Waste Collection Service.
- 3.4 As noted already, the bid to the London Recycling Fund has secured £260,000 capital funds, thus leaving a shortfall of £100,000 capital.
- 3.5 In the 2004/05 Capital Budget a sum of £100,000 has been provided for capital expenditure needed to establish the new Reuse & Recycling Centre at Twyford. This expenditure was intended to fund site works, waste containers and any other capital related costs to allow the Twyford site to be ready for operation.
- 3.6 Officers are able to report that agreement has now been reached with the West London Waste Authority (WLWA) that the capital costs for Twyford will be wholly borne by WLWA, which in turn will be funded through the WLWA Levy. In practical terms this means that the costs are shared by WLWA's six constituent Boroughs of whom Brent are one, thus substantially reducing Brent's share of the site's capital costs.
- 3.7 The Director of Environment proposes, therefore, to divert this capital allocation to support the external funding from the London Recycling Fund, thus enabling the capital costs for the expanded (Phase Three) Organic Waste Collection Service to be fully funded, and this important service expansion to be made.
- 3.8 The Director of Finance comments that, alternatively, Members have the opportunity to reconsider the use of this £100K capital allocation, which is no longer required for the fitting out of the civic amenity site, and set the sum against other priority demands on the Capital programme in 2004/5. Members should be aware that whilst the 2004/5 Capital Programme is currently balanced it is coming under increasing pressures.

4.0 STAFFING IMPLICATIONS

- 4.1 There are no direct staffing implications for the Council as a result of the recommendations of this Report.

5.0 ENVIRONMENTAL IMPLICATIONS

- 5.1 "Promoting quality of life and the green agenda" is one of the key priorities in Brent's Corporate Strategy 2002-06. The Strategy cites the need to "improve management of waste and the proportion of waste recycled".

- 5.2 The bid specifically addresses Action Point 4 - **Introduce collection of organic waste for central composting** detailed in the Municipal Waste Management Strategy Framework approved by the Executive on 17th September 2002 and as such is underpinned by principles of Sustainable Development.

6.0 DIVERSITY IMPLICATIONS

- 6.1 The proposals in this report have been subject to screening by officers, who believe there are no particular diversity implications. However, the Corporate Diversity Team have agreed to provide support to help develop an improved communication strategy for recycling to encourage take-up of the programme amongst all Brent's diverse community

7.0 LEGAL IMPLICATIONS

- 7.1 The principal Directive controlling waste management throughout the European Union is the Framework Directive on Waste (75/442/EEC, as amended by 91/156/EEC and adapted by 96/350/EC). The provisions contained in the Framework Directive were transposed into UK law mainly by the 1990 Environmental Protection Act and the 1995 Environment Act, together with a number of Regulations on various aspects of waste management. The Directive requires member states to adopt waste management plans.
- 7.2 Under EU law the UK has been set targets. Failure to reach those targets may result in Central Government intervention. The Government, in setting regional and local targets, can be expected to pass these fines on, or seek to avoid incurring them through a variety of financial instruments designed to ensure that regional and local waste management arrangements contribute to overall achievement of national targets.
- 7.3 In the short term Statutory Performance Standards for recycling have been set. Failure to meet them will be managed through the Best Value Regime; a tax on waste sent to landfill is already in place and is escalating.
- 7.4 For Brent, the statutory targets are to recycle or compost 10% of our household waste by 2003/04 and 18% by 2005/06. In 2003/04 Brent recycled just 8.6% of household waste (subject to Audit), of which only 1.2% was composted.
- 7.5 Following submission of prices by both ECT and Onyx (the Council's existing waste contractors) the ECT Recycling Contract was varied to include the Organic Waste Collection Service from February 2004. It is considered that the ECT Recycling Contract can be further varied to include the additional 15,000 households.

8.0 DETAILS OF THE BID TO THE LONDON RECYCLING FUND (LRF)

- 8.1 The LRF is a jointly administered programme of all London's waste authorities to spend money set aside by the Government for improving waste management on a sustainable and long-term basis. Allocation of funds is based on a bidding process.
- 8.2 Brent has previously been successful in bidding to the Fund, notably by securing £490,000 to establish the first phase of the Council's Organic Waste Collection Service. A second phase (wholly Brent Council funded) has recently been implemented, bringing the number of properties served on a fortnightly collection to 30,000 households.

- 8.3 A bid for £500,000 was submitted and, as noted, the amount awarded is £260,000. As with the previous organic waste bid, the reduced allocation reflected the London wide demand for funding. It is noted that whereas with the Phase 1 bid, Brent received only a third of the amount bid for, this time we have been awarded an improved proportion of just over a half of the amount bid for – possibly a growing reflection on our determination and commitment to improve.
- 8.4 Councils receiving funding from the LRF are required to satisfy certain conditions in order to receive the money. Most of these are standard conditions (e.g. regarding the provision of regular financial and progress reports for audit purposes), but the most significant one for Brent is that the Borough must commit to the future revenue costs for supporting this service.

9.0 OPPORTUNITIES FOR BRENT AND THE LOCAL CONTEXT

- 9.1 The offer of further external funding has significant advantages for Brent in a number of ways.
- 9.2 Aside for the obvious point that external funding will reduce the demand on the Council's own budget requirements, there are advantages for the Council's high level Comprehensive Performance Assessment (CPA), where our under-performance on recycling has scored against the authority.
- 9.3 In 2003/04 the Council 'recycled' 8.6% of our household waste, against a Government target of 10%. Under-performance in this area also scored against us in the Waste Management Inspection undertaken by the Audit Commission in the autumn of 2003. The 8.6% figure was split as 7.4% dry recyclables (i.e. green box, bring banks etc) and 1.2% organic (i.e. compostable green garden waste).
- 9.4 Through previous funding from the LRF and Brent's own budget growth (the latter effective from 2004/05), the Borough has introduced Phase 1 and Phase 2 of the Organic Waste Collection Service (15,000 households each phase), as well as a limited sack based collection service for other parts of the Borough.
- 9.5 Through Phase 1 and Phase 2 30,000 households have received 240 litre green wheeled bins which are emptied fortnightly by ECT Recycling using RCV vehicles. The remainder of the borough can request biodegradable sacks which are collected upon arrangement with ECT Recycling using 3 caged vehicles.
- 9.6 Current estimates suggest that this could increase our recycling rate this year to around 14%, which would be an important step towards the Council's Statutory Government Target of 18% for 2005/06, but still leaving a shortfall. Reaching the Government Targets requires further expansion (and thus further investment) in areas where tonnage yield is likely to be high – i.e. kerbside collections of compostable waste. The Council has recently received a formal letter from the Environment Minister, seeking an explanation of our failure to reach the 2003-04 target of 10%, and reminding the Authority that Government intervention is an option, should the Council not satisfy the Government that it is putting in place appropriate measures to reach the Government Targets.
- 9.7 It is intended that the proposed expansion of the Organic Waste Collection Service will provide a further 15,000 households with 240 litre green wheeled bins which will then be serviced on a fortnightly basis by ECT Recycling, commencing in February 2005.

- 9.8 The issue, however, is not just about meeting our statutory recycling targets. Waste that is not re-used, recycled or composted is likely (at present) to be sent for landfill. The cost of landfill is about to increase significantly.
- 9.9 It is already known that the landfill tax alone will increase by at least £3 per tonne (i.e. from £15 to £18 per tonne) from next year (2005/06). In addition to the landfill tax the council has to pay West London Waste Authority other disposal costs which currently equate to £22 per tonne. The Landfill Allowance Trading Scheme (LATS) is shortly to be implemented and current estimates suggest this could increase the disposal costs to over £100 per tonne. In short, when the LATS is introduced all waste we fail to re-use, recycle or compost will incur massive costs to the Council shortly – possibly from 2006/07, and we need to take every opportunity now to minimise waste going to landfill.
- 9.10 The recommendations of this Report seek approval to put in place Phase 3 of a fortnightly Organic Waste Collection Service that, whilst incurring additional costs in the short term, will minimise the far greater future costs to the Council, and meet our environmental objectives and commitments.
- 9.11 Phase 3 is part of an longer term strategy that Officers estimate will need (eventually, but as soon as possible) four phases of an Organic Waste Collection Service (total 60,000 households) on a weekly collection frequency established with a wider range of materials collected.
- 9.12 This wider range of material may also include (subject to securing long term outlets) kitchen meat, fish, and vegetable waste; and cardboard. However, this would necessitate a weekly rather than fortnightly collection service.
- 9.13 Further reports to the Executive will, as necessary, outline further development, including the securing of outlets for the compostable waste separately collected.

10.0 BACKGROUND INFORMATION

Details of Documents:

1. Waste Strategy 2000 (website: www.defra.gov.uk)
2. Report to Executive 170902 – Municipal Waste Strategy Framework
3. Report to Executive 310303 – Organic Waste Collection Service

Any person wishing to inspect the above papers should contact Keith Balmer, StreetCare Unit, Brent House, 349-357 High Road, Wembley, Middlesex HA9 6BZ.

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