

Prosperous Overview and Scrutiny Committee – Thursday, 10 November 2022

Household Waste Recycling Centres (HWRCs) – Forward Investment, Policy Review and Re-Use

Recommendations

I recommend that:

- a. Prosperous Overview and Scrutiny Committee Members note that work has been completed to deliver the successful insourcing of the HWRC network and the performance of the in-house service against relevant Key Performance Indicators, as requested at its meeting on 16 September 2021.
- b. Prosperous Overview and Scrutiny Committee Members note the significant financial investment required on the HWRC network over the next five years and the opportunities to self-fund the investment by modifications to the HWRC Policies.
- c. Prosperous Overview and Scrutiny Committee Members to comment on the proposed changes for the management of bulky and trade and commercial waste at Staffordshire HWRC's which considers the use of a van permitting or vehicle recognition-based system for Staffordshire residents who wish to use certain types of vehicles to transport household waste to the Staffordshire HWRC network which will also impact traders disposing of waste.
- d. Prosperous Overview and Scrutiny Committee Members to comment on the proposal to consult with Staffordshire residents and businesses on the introduction of a van permitting or vehicle recognition-based solution for residents disposing of household waste . Following the discussion at scrutiny a Members Delegated Decision will be made to start the consultation process in early December 2022.
- e. Prosperous Overview and Scrutiny Committee Members to note the update on current re-use arrangements with Katharine House Hospice (KHH) and the proposal to undertake a separate public consultation on future re-use options during 2023/24.

**Report of Cllr Simon Tagg ,Cabinet Member for Environment,
Infrastructure and Climate Change**

Summary

What is the Overview and Scrutiny Committee being asked to do and why?

1. At its meeting on 16 September 2021, the Prosperous Overview and Scrutiny Committee requested a further report be brought to the Committee setting out performance of the new service against relevant Key Performance Indicators an update on KPI's. Prosperous Overview and Scrutiny Committee Members are requested to note that work has been completed to deliver the successful insourcing of the HWRC network and the performance of the in-house service against relevant Key Performance Indicators.
2. The Council currently provides a network of 14 HWRCs geographically spread across the county and Staffordshire residents also have access to the jointly funded site at Lower House Farm in Warwickshire. The service is well utilised by residents, with approximately 1.6 million visits per annum across the sites in Staffordshire. The majority of visits made by residents disposing of household waste are via car with a small proportion disposing of household waste in vans and / or cars with trailers.
3. Currently 42 material streams are accepted at the majority of HWRC sites and the current recycling rate is 63.58% of the tonnage. The HWRC service is at the front line of the Council's climate change agenda. Recycling of materials reduces carbon footprint and through working with the haulage contractor the service is looking to convert haulage transport from standard diesel to HVO fuel.
4. The HWRC network requires substantial capital investment over the next five years to maintain a modern, efficient, and effective service. To alleviate additional budget pressures on the network, there is an opportunity to self-fund the investment by modifications to the HWRC policies.
5. Prosperous Overview and Scrutiny Committee Members are requested to note the capital investment required over a five-year period and the HWRC policy change proposals to the management of the disposal of bulky and trade and commercial waste, with generated savings / income contributing to existing budgets.
6. Changes to bulky waste disposal will impact Staffordshire residents who visit the HWRC network if travelling in vehicles other than a car or a people carrier, caravanette or minibus which has less than 8 seats by the introduction of a van permitting or vehicle recognition-based system.

The proposals include 3 options for the disposal of commercial (trade) waste.

7. A discussion is invited on each option together with any other alternative options identified by Prosperous Overview and Scrutiny Committee. There is not a 'do nothing' option due to budgetary pressures on the service.
8. Each identified option includes an increase to the commercial (trade) disposal charge per load for larger vans and a pro rata increase for cars and small vans including trailers which are used infrequently by traders.
9. Prosperous Overview and Scrutiny Committee are asked to note the undertaking of a public consultation on proposals to gain the views of Staffordshire residents and traders prior to implementing changes.
10. The management of re-use items at the HWRC has been stable for several years. Prosperous Overview and Scrutiny Committee is asked to note the proposal to extend the current arrangements with Katharine House Hospice and to undertake a separate consultation focusing on re-use options which will take place during 2023/24.
11. Subject to feedback received from the Prosperous Overview and Scrutiny Committee and the outcome of the HWRC Policies public consultation, a further report will be submitted to the Committee detailing final changes to the HWRC Policies before presenting to Cabinet in Spring 2023. It is proposed to introduce revised HWRC Policy arrangements during 2023 / 2024. The increase in commercial (trade) waste disposal charges will be implemented early 2023.

Report

Background

12. The Council currently provides a network of 14 HWRCs geographically spread across the county and Staffordshire residents also have access to the jointly funded site at Lower House Farm in Warwickshire. The service is well utilised by residents, with approximately 1.6 million visits per annum across the sites in Staffordshire. The service is also used by traders with c20,000 visits being made by registered traders in 2019/20.
13. Currently 42 material streams are accepted at the majority of HWRC sites and the current recycling rate of 63.58%.
14. The primary function of the HWRC service is to receive household waste from Staffordshire residents and the Council has no statutory duty to

provide for the provision of the tipping and disposal of commercial (trade) waste.

15. Since the service moved in-house, the service has access to improved data on day-to-day activities which has identified that there has been a significant increase in the disposal of bulky and trade waste, particularly at its Cannock site (the largest HWRC within the network) which has increased disposal costs putting pressure on existing budgets. Appendix 1 shows trade tonnages across the HWRC network. Appendix 2 shows bulky tonnages across the HWRC network.
16. There has been minimal capital investment across the network. To self-fund investment in the network from existing budgets, changes to some of the HWRC policies are being proposed to ensure that Staffordshire residents are not subsidising the disposal of bulky and commercial (trade) waste across its network.

Key Outcomes

17. The following key outcomes were agreed by Cabinet in March 2021 for the new in-house service:
 - a. A service that is safe to use and operate.
 - i. Prior to the service being bought in house the operations team have worked closely with the Health & Safety team to review all risk assessments and safe working procedures to ensure staff know how to operate in a safe environment. Operations team ensured that all staff had read and understood these new/ amended practices.
 - b. A service that maximises recycling opportunities.
 - i. Prior to the service coming in house officers worked closely with procurement to establish a dynamic purchasing scheme (DPS). This process allows for quick tendering process therefore allowing for the Authority to maximise opportunities from the commercial disposal markets
 - c. A service that provides best value for the public purse.
 - i. The DPS has the flexibility for the Authority to gain better revenue from certain waste streams and reduce costs on others. The proposed changes would also reduce the cost burden on residents of Staffordshire.
 - d. A service that can match customer demand.

- i. The proposed changes will improve the operations on site and as such improve the experience of residents visiting the HWRC's. Appendix 5 shows a recent article in the local press where residents are complaining about trade waste from outside Staffordshire impacting on the HWRC at Stone
 - e. A service that has appropriate levels of customer satisfaction when considering the authorities overall budget and accountabilities.
 - i. By implementing the proposals within this report will improve operations on the site and therefore have a positive impact on resident's experience of the facilities. By implementing the proposals, it will reduce the budgetary pressures on the service and allow additional investment on the estate
 - f. A service that can offer flexibility so that service innovation/improvement is possible over the period of the contract.
 - i. The proposals within this report will improve operations on the site and indicates that the Authorities operations want to progress and innovate to ensure that this in house service is continually evolving and improving.
 - g. A service that supports the priority outcomes of the authority.
 - i. The investment already made within the service (see 3.1) and the proposals within this report show that the service is supporting the priority outcomes of the authority.
18. Throughout mobilisation and since the network has been in-house, all the above key outcomes have been at the centre of decision making and operational activities.
19. A report was presented to Cabinet on 15 June 2022 which details how the service is meeting its Key Outcomes.

5 Year Capital Investment

20. Since April 2022, the Council has committed to spend in this financial year, c£175,000 on new containers, £75,000 on the refurbishment of existing containers and ramps and c£80,000 on the resurfacing of the service area at Burntwood HWRC. This is accounted for within existing budgets and ensures that the service continues to deliver the KPI's set for the service.

21. Appendix 3 gives examples of items the network will need to fund over the next 5 years. Costs exclude potential HWRC site relocations which would require separate business cases.
22. The Network therefore faces a £5m investment 'challenge' over 5 years which it proposes to be met with a £5m revenue 'solution' on the basis of pound in pound out principle.
23. In addition to the investment challenge, the network is also experiencing an increase in the cost of disposing of bulky and commercial (trade) waste. Bulky waste, as in the nature of the waste, is mainly delivered either via commercial (trade) vehicles or from residents using vans.
24. As an example, bulky tonnage from Cannock (the largest site across the Network) has increased from 1,505 tonnes in 2017/18 to 8,826 tonnes in 2021/22. This increase of 7,321 tonnes has increased disposal costs by £746,742. Appendix 2 highlights the increase of bulky tonnage across all sites since 2017/18 to 2021/22.
25. Since the HWRC network has come in-house, the Council has been able to monitor the disposal of commercial (trade) waste more effectively. A clear issue is that the Council's charging system is per load disposed of, whereas at commercial outlets the charging is applied based on weight via a weighbridge system. In not charging by weight the council is offering businesses and traders a disposal charge that is lower than the cost of disposing of the waste. Therefore, the charge per load needs to be increased to ensure that commercial (trade) waste disposal is reflective of the true cost and does not create budget pressures for the service. It is estimated that if a more appropriate commercial (trade) charge had been applied per load this would have increased commercial (trade) waste revenue from all sites by c£100,000 in 2021.

Proposed changes to HWRC Policies for the disposal of bulky and commercial (trade) waste and local community and charitable organisations

26. The primary function of the HWRC service is to receive household waste from Staffordshire residents and the Council has no statutory duty to provide for the provision of the tipping and disposal of commercial (trade) waste. From recent data collated and from those declaring as commercial (trade) waste indicates that c < 4% of visits to HWRC's are from commercial (trade) vehicles. It should be noted that most of our neighbouring local authorities do not allow traders access to their HWRC networks. Appendix 4 lists surrounding authorities and their commercial (trade) waste and van / trailer management arrangements.

27. There has been a significant increase in both bulky and trade waste over the last 3 years, which is particularly evident at Cannock. However, other sites are starting to show increases. Please refer to Appendix 1, Trade Tonnages for the HWRC Network and Appendix 2, Bulky Tonnages for the HWRC Network.
- a. Policy changes are required to control the use of the Council's HWRC network and minimise both operational and financial pressures.
 - b. Commercial (trade) waste (a non-statutory service) was implemented at Staffordshire's HWRC's by a previous contractor. Apart from the Biddulph HWRC, there are currently few restrictions for the disposal of commercial (trade) waste at any of the HWRC sites operated by the Council.
 - c. Appendix 5, Effect on Van and Traders, shows that over 50% of the traders using the Cannock site between May and June 2022 did not provide any business information. Of those that did approximately two thirds were from out of Staffordshire.
28. Experience on the ground over the last 12 months has indicated that site staff have an extremely challenging task in distinguishing between a householder using an employer, borrowed or hired van for disposing of household waste on an ad hoc basis or a small trader disposing of waste generated as a result of a commercial activity.
29. This has led to the following observed problems:
- a. Considerable volumes of vans particularly at HWRC sites which are close to county boundaries and therefore are easily accessible for non-Staffordshire residents and commercial (trade) operations
 - b. Extended unloading times for vans leading to traffic queues and inconvenience to the vast majority of Staffordshire residents arriving by car to deposit relatively modest volumes of waste.
 - c. Challenging behaviour from some vans drivers when challenged on payment which leads in some cases to unacceptable levels of confrontation.
 - d. Potential for considerable 'leakage' of trade charging occurring leading to lost revenue.
 - e. Potential for considerable costs being borne by Staffordshire taxpayers for disposal of trade waste from both the Staffordshire

area and neighbouring authorities.

- f. With commercial (trade) waste coming from other authorities it impacts on Staffordshire commercial (trade) operators as they can be held in queues to offload the waste in the designated disposal points on the sites.
30. Typically, across many Waste Disposal Authorities, the control of vans and cars with trailers, genuinely used by members of the public to deliver household waste to the HWRC network, is managed via a permit and/or a booking system. This allows all households a limited number of visits and once this quota is met then no further visits can be made, unless they pay under the trade scheme or use a vehicle that will not incur the charge.
31. Appendix 4 lists surrounding authorities and their commercial (trade) waste and van / trailer management arrangements. A suggested van permitting, or vehicle recognition-based arrangement is shown in Appendix 6.
- a. It is proposed to make changes to Policy 4 (Van and Trailer use) and Policy 15 (Commercial (Trade) Waste) to mitigate against these issues being experienced daily.
 - b. Policy 6 (Small Traders Waste Disposal Scheme (pilot)) is to be removed as it refers to a 'pilot' scheme at 3 sites only.
 - c. It is also proposed to make changes to Policy 14 – Schools and Charities, and to refresh out of date Policies where for example, contact emails are no longer valid.
 - d. DEFRA is currently out to consultation on changes to 'chargeable waste for residents'. Subject to the consultation outcome, there could potentially be a revision required to Policy 10 (DIY, home improvements, renovation, construction & demolition) to reflect a change in legislation.

Policy 4 (Van and Trailer use)

32. It is proposed to introduce a van permitting or vehicle recognition-based system for vans and cars with trailers used by Staffordshire residents disposing of household waste generated from domestic properties which will be subject to consultation and include any additional suggestions made by Prosperous Overview and Scrutiny Committee:

- a. Each Staffordshire household will be eligible for say 12 visits per year which will allow the use of a van, car with trailer, camper van etc (example shown in Appendix 6).
- b. Cars with trailers to be accepted at all Staffordshire HWRC sites subject to a van permit or vehicle recognition-based system.
- c. The existing restriction of vans at Biddulph HWRC will remain in place.

Policy 15 (Commercial (Trade) Waste)

33. There are 3 possible options for consideration under this Policy change for which Prosperous Overview and Scrutiny Committee views are sought. From an operational perspective the options below are in order of preference:

- a. Staffordshire only business and commercial waste accepted at all sites and increase trade prices per load for larger vans and pro rata increase when traders use cars, small vans and or trailers.
- b. Staffordshire and non-Staffordshire business and commercial waste accepted at larger sites only and increase trade prices per load for larger vans and pro rata increase when traders use cars, small vans and or trailers.
- c. Staffordshire and non-Staffordshire business and commercial waste accepted at all sites and increase trade prices per load for larger vans and pro rata increase when traders use cars, small vans and or trailers.
- d. Under each of the options at paragraph 4.15, there would be unlimited access for commercial (trade) waste disposals. However, charges will apply at each visit.
- e. Each option requires the current price for trade waste disposal to be increased as soon as possible to reflect the true cost of disposal and cover the deficit in revenue, therefore reducing budgetary pressures.
- f. The views of Prosperous Overview and Scrutiny Committee are sought on the options with the Committee invited to identify alternative options for consultation. There is not an option to 'do nothing' due to budgetary pressures on the service.

Fly Tipping Concerns

34. Based on previous experiences in Staffordshire and of other local authorities, the Council does not anticipate increases in fly-tipping due

to the changes in policy. For example, in November 2016, Staffordshire, like several other authorities introduced charges for certain items at HWRC's. There were concerns that this would result in increased fly tipping. As a result of these concerns government bodies were tasked in reviewing the impact on fly tipping and these reports indicated that there was no increase in fly tipping as a result of new charges being implemented. However, the Council will work closely with our District and Borough partners to support them if there are any small short-term increases during these latest changes.

35. Many Waste Disposal Authorities have either banned trade waste from their HWRC facilities or put in controls to manage it. We are not aware that any changes have resulted in increased fly tipping. Appendix 4 shows surrounding authorities' policies regarding van permits and commercial (trade) waste
36. The introduction of van permits only limits the number of visits by the type of vehicle as required under the permit scheme. Residents are not restricted from using other household vehicles to visit the facilities.
37. Traders from outside the County will be collecting waste from their locality and so would dispose of the waste either legally or illegally near to their operating area. With the recent significant increase in fuel, the costs on traders to travel greater distances would increase and therefore the incentive to travel into Staffordshire is reduced.
38. There is the potential to work closely with Staffordshire's Waste Collection Authorities to monitor and, if necessary, financially assist if a short-term increase in local fly tipping is seen.

Policy 14 – Schools and Charities

39. The current policy is restricted in that it only reflects schools and registered charities. Prosperous Overview and Scrutiny Committee is asked to consider the introduction of a short application process which allows local groups such as Scouts, litter picking, voluntary, Village / Church Hall, etc., to apply on a case-by-case basis, to be considered by 2 Officers to agree.
40. Where waste is generated as a result of a commercial activity, e.g. Church Hall used for an event in which the Hall has been hired out, waste would be considered as commercial (trade) waste and will not be accepted under this Policy although would be accepted under Policy 15, Commercial (Trade) Waste, and subject to charges.

Public consultation

41. The Policy changes will have a minimal impact for the majority of Staffordshire residents.
42. The Service is proposing to undertake a public consultation on the HWRC Policy changes to seek the views of Staffordshire residents and traders on the presented options to understand the impact of changes on Staffordshire residents and businesses to mitigate, where possible, any concerns or queries raised.
43. The Service will work with corporate colleagues to support the public consultation and to identify timelines, etc, for reporting feedback to Prosperous Overview and Scrutiny Committee and Cabinet before implementing final Policy changes.
44. The Committee is advised that a Member's Delegated Decision will be produced to enable the consultation process to commence in early December 2022.

Management of Re-use

45. Currently the outlet for all items collected for re-use across the Staffordshire HWRC network are managed and co-ordinated by the Katharine House Hospice (KHH) charity. This activity is centred around the re-use facility based at the Cannock HWRC site which receives c150,000 items (pre-Covid 19) of re-use from the whole HWRC network each year. Of these items around 80% are available for re-use and are offered for sale.
46. Current arrangements with KHH will continue until April 2023. However, the Council is in negotiation with KHH to continue with its current operation until March 2024 to enable the Council to consider how the re-use items collected across the Staffordshire HWRC network can best be used for the benefit of Staffordshire residents.
47. It is proposed to undertake a separate public consultation to the one proposed at 5.2 during 2023 /24 to seek Staffordshire residents' views for re-use which will be presented to a future Prosperous Overview and Scrutiny Committee meeting.

Link to the Strategic Plan

48. The provision of suitable waste disposal arrangements is key to a number of the Outcomes in Staffordshire County Council's Strategic Plan namely to be healthier and happier.

49. The proposals in this report link to the principles contained in the Strategic Plan including ensuring that Climate Change is considered in all that we do.

Link to Other Overview and Scrutiny Activity

50. The Prosperous Overview and Scrutiny Committee received an Insourcing Update and Potential Changes to the Management of Re-use Items on 16 September 2021.

Community Impact

Refer to CIA guidance on the [Learning Hub](#)

List of Background Documents/Appendices:

Appendix 1 - Trade Tonnages for the HWRC Network

Appendix 2 - Bulky Tonnages for the HWRC Network

Appendix 3 - Examples the items the Service will need to fund over the next 5 years

Appendix 4 - Surrounding Authorities - commercial (trade) waste arrangements and van/trailer management

Appendix 5 - Effect on van and traders

Appendix 6 - Suggested van permitting, or vehicle recognition-based arrangement

Prosperous Overview and Scrutiny Committee Report – 16 September 2021

Cabinet Report – 15 June 2022

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