



## REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – 17TH SEPTEMBER 2013

**SUBJECT: WLGA WASTE FINANCE DATA REPORT 2011-12**

**REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE**

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### 1. PURPOSE OF REPORT

- 1.1 To advise the Scrutiny Committee of the content of the WLGA Waste Finance Data Report 2011-12, highlighting the Authority's comparative position in relation to dry recycling, refuse collection, organic waste collection and household waste recycling centre provision.

### 2. SUMMARY

- 2.1 Building upon the work previously carried out on 2008/09; 2009/10 and 2010/11 financial data, the WLGA Waste Improvement Programme has, with the support of all 22 Welsh Local Authorities, undertaken an analysis of the waste finance data for the financial year 2011/12.
- 2.2 The 2011/12 data is regarded as the most reliable and comprehensive of the 4 year period examined by the Wales Audit Office/WLGA Waste Improvement Programme as in the previous 3 years many authorities had partially implemented or were piloting waste collection service changes.
- 2.2 Analysis of 2011/12 finance data suggests that Welsh Local Authorities made significant progress towards meeting their statutory recycling targets with the recycling rate for Wales increasing by nearly five percentage points from the previous year to just above 48.5% (Caerphilly achieved 55.9%).
- 2.3 The Authority's overall net expenditure on household waste services (residual, dry recycling, organic, civic amenity sites and bring sites) for 2011/12 was £11,278,708. This represents an expenditure of £147 per household per annum (£2.82 per household per week). When compared with the other local authorities in Wales on a per household basis, the Authority are ranked as 4<sup>th</sup> lowest cost Authority (median expenditure per household is £173 lowest expenditure £119. Overall expenditure on household waste services has fallen by 9.27% when compared to 2010/11.

### 3. LINKS TO STRATEGY

- 3.1 The Corporate Improvement Plan contains a number of targets relating to landfill reduction, recycling and composting. In addition the Community & Leisure Services Divisional Service Improvement Plan contains specific objectives in response to adhering to Welsh Government and EU Guidance and meeting associated targets.

#### 4. THE REPORT

- 4.1 In February 2013, the WLGA 2011-12 Waste Finance Report was presented to the Minister for the Environment and Sustainable Development. The report analyses the financial data relating to the waste services provided by all 22 Welsh Local Authorities.
- 4.2 Whilst a high level analysis is provided in some places the report does not analyse national or local differences, changes or variations.
- 4.3 This report provides an overview on the WLGA Waste Finance report and illustrates the Authority's comparative position.
- 4.4 **Dry Recycling** – The following graph, Figure 1. shows total costs associated with dry recycling services provided by Authorities on a cost per household basis. This includes collection and reprocessing costs as well as illustrating the % recycled.

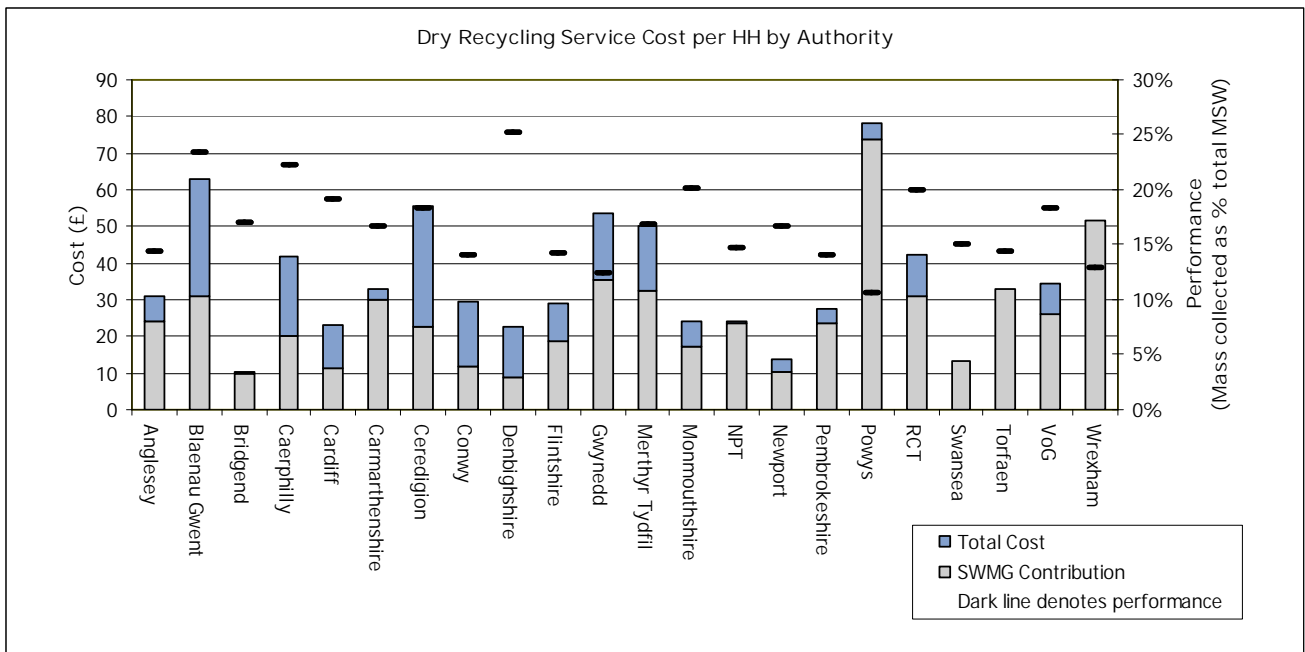


Figure 1.

- 4.5 The collection cost for the Authority is £25.91 per household which is ranked **11<sup>th</sup> of the 22**, (median cost £26.55 lowest cost £10.49). The service collected a total of 20,426 tonnes (265 kg. per household). This is ranked as the **highest performance across the 22 Authorities**.

4.6 Figure 2. depicts Dry Recycling Treatment costs per household served.

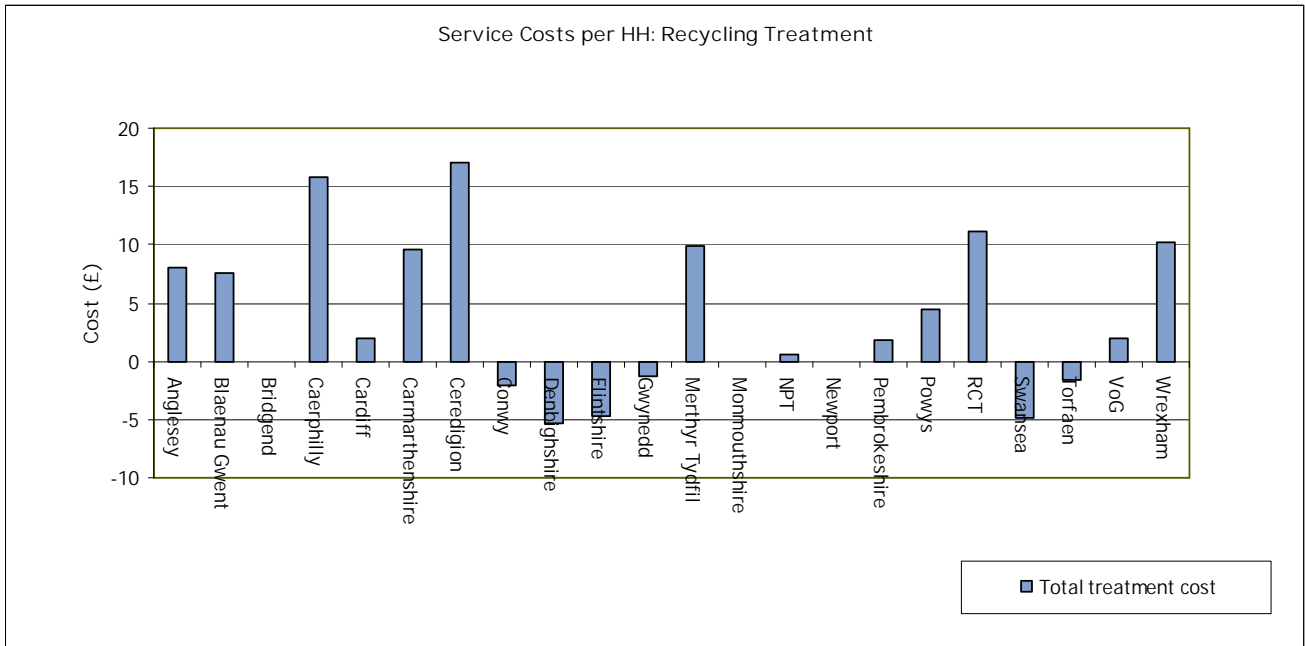


Figure 2.

4.7 The Authority has the **2<sup>nd</sup> highest** treatment costs at £15.85 per household (median cost £2.51, lowest cost -£4.83). The cost per household for 2013-14 will decrease due to the procurement of a new Dry Recycling Processing Contract in April 2013.

4.8 **Organic Wastes** – In 2011/12 Caerphilly was 1 of 9 Authorities which offered a co-mingled food and garden waste collection service. Figure 3 indicates the net service cost per household served.

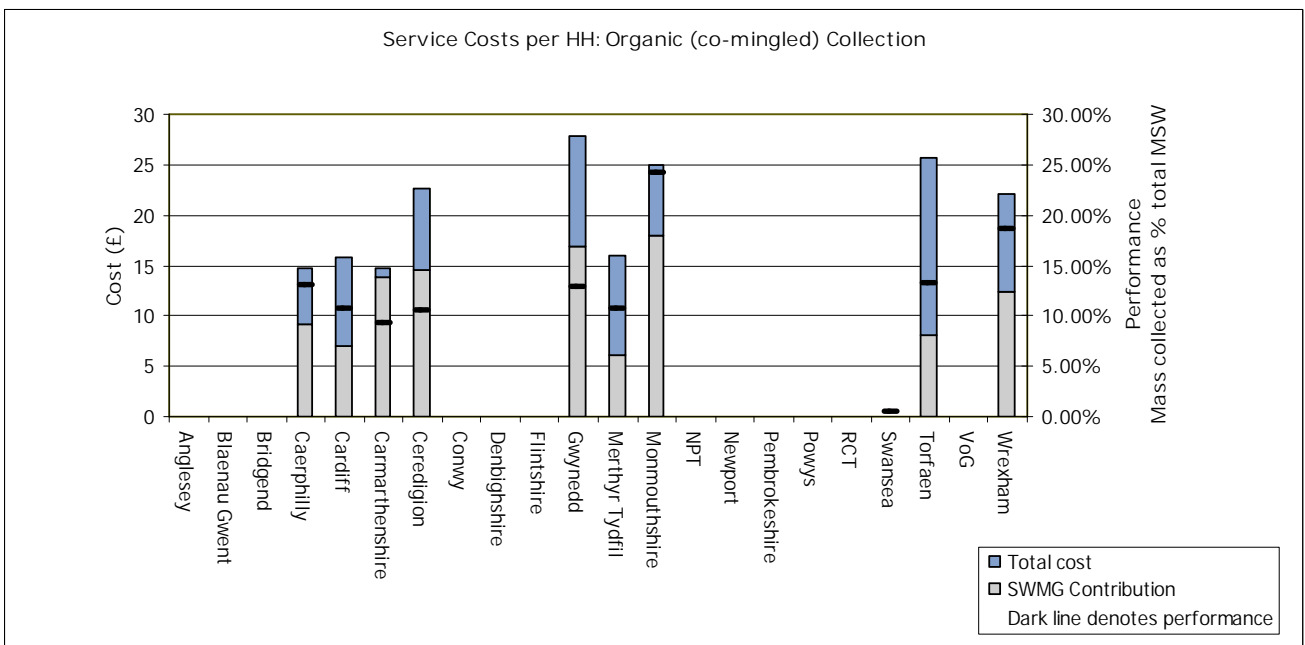
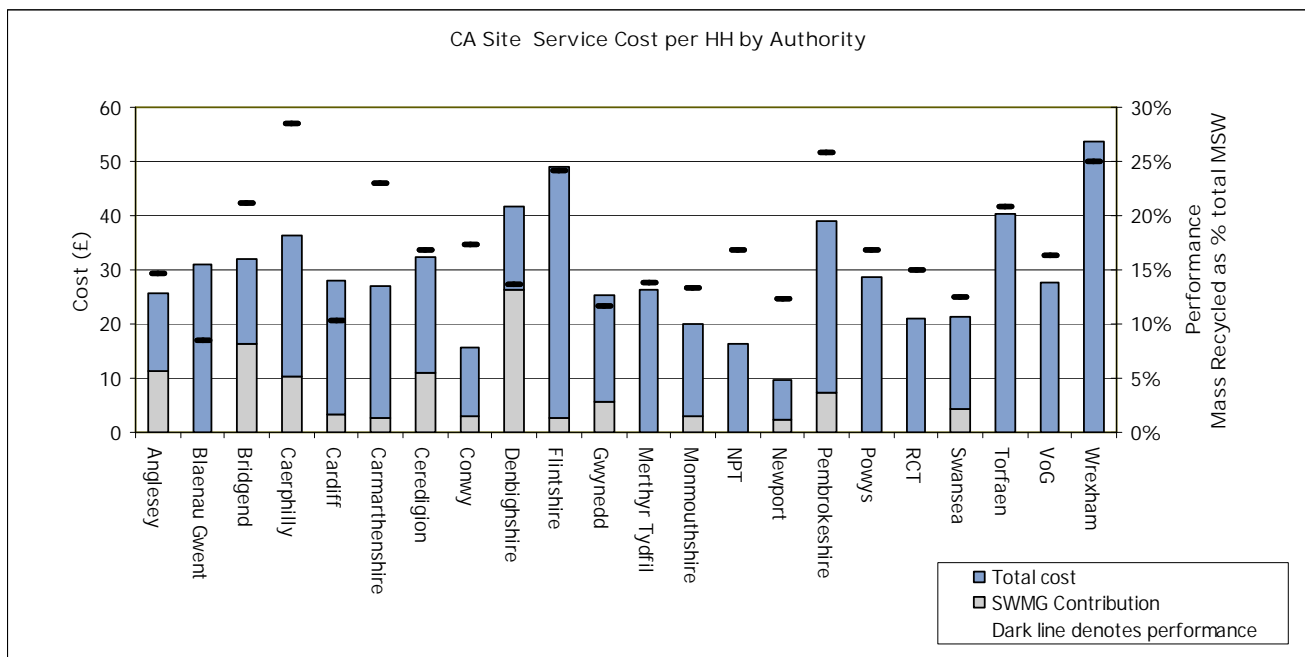


Figure 3.

4.9 The collection costs for Caerphilly were the lowest of the 9 Local Authorities at £14.77 (medium cost £22.03). Post collection costs (Figure 4) were average at £9.68 (**6<sup>th</sup> lowest out of 9**) and the service collected a total of 12,061 tonnes during 2011/12 which equates to 157kg per household. **Ranked 5<sup>th</sup> out of 9 Authorities.**

4.10 **CA Sites** – The total net service cost for Caerphilly for Civic Amenity/Household Waste Recycling Centre provision was £36.29 per household. This is ranked **17<sup>th</sup> from the 22**, median cost £27.72, lowest cost £9.58 (figure 5).

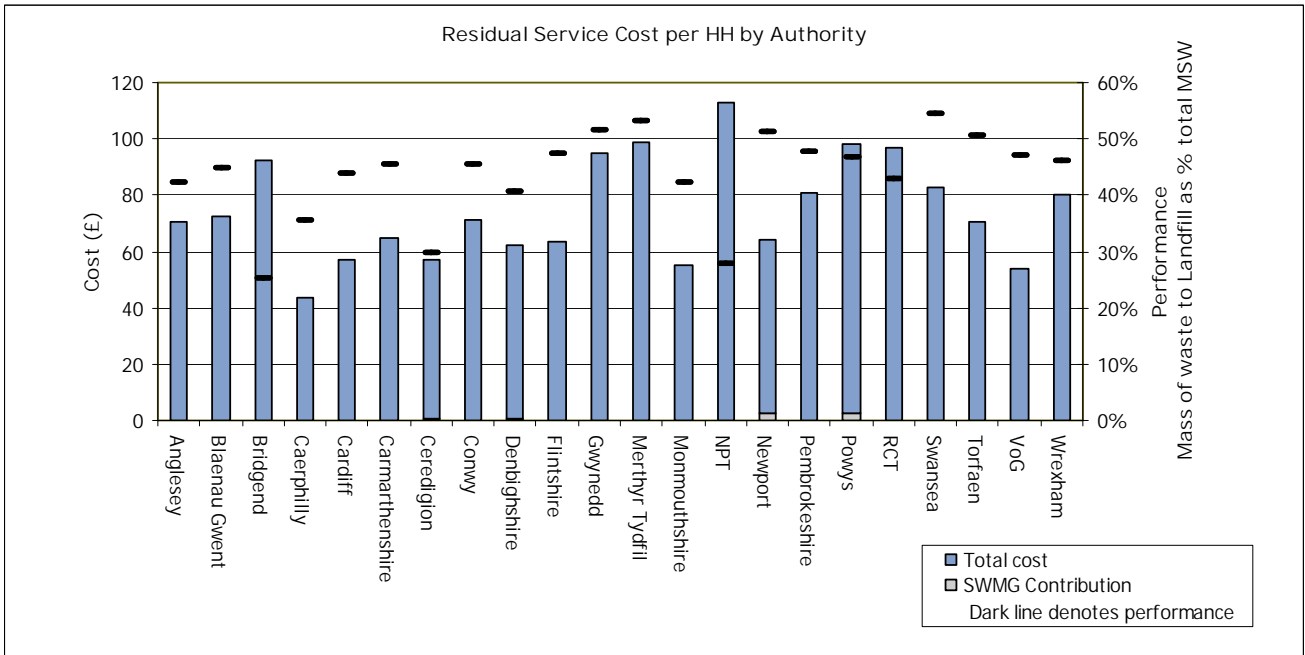


4.11 CA Sites in Caerphilly handled 28,094 tonnes of waste at an average of 365kg per household per annum (**3<sup>rd</sup> highest of 22**) of this total, 26,066 tonnes was recycled which represents a diversion rate of 93% (**the highest performing of 22**).

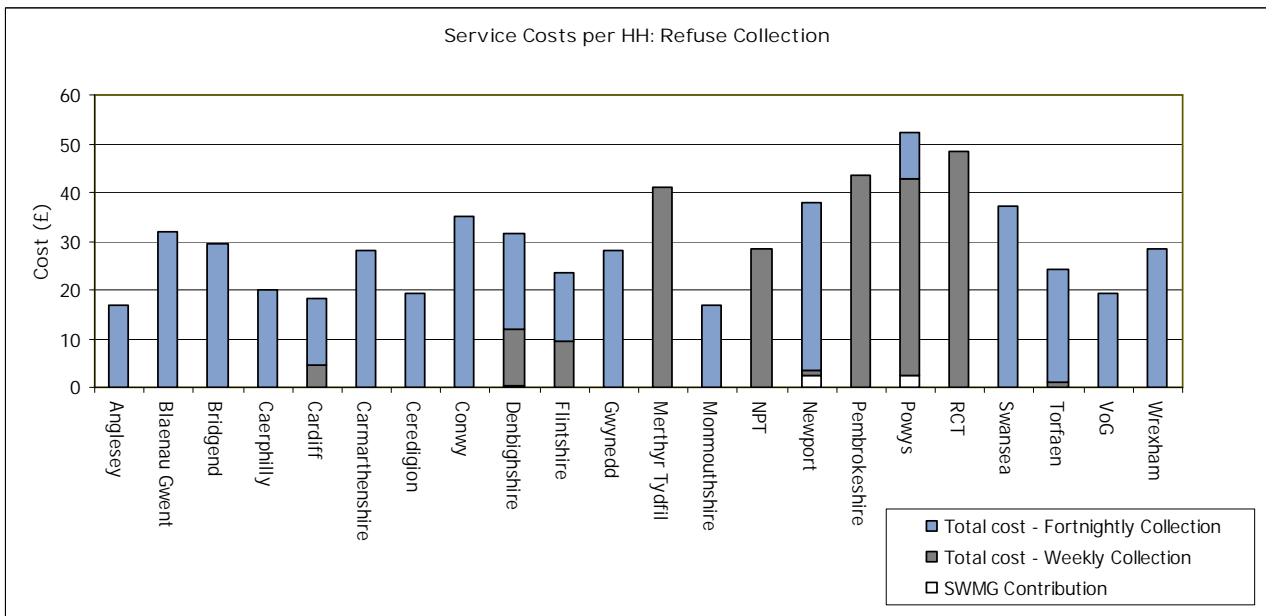
4.12 In a more detailed benchmarking exercise undertaken by the WLGA, a recommendation was made for LA's to review the location of sites and investigate whether rationalisation of sites is possible without adversely affecting the overall diversion of material from landfill. Following the review, Local Authorities are encouraged to put in place to closure plans for underperforming sites and replace as required.

4.13 **Residual waste** – Overall across Wales, 2010/11 saw a stabilisation of residual waste service costs with a small (0.2%) increase seen from the previous year. However, from the 2011/12 data a large reduction in expenditure can be seen compared to 2010/11, with a reduction in excess of £8 million evident. This represents a reduction in spending of 7.3%. Whilst landfill tax increased by £8 per tonne in 2011/12 the shift away from residual waste collection towards recycling and composting services saw an overall decrease in the mass of residual waste collected amounting to nearly 40,000 tonnes. A combination of service efficiency improvement, avoided disposal costs and landfill tax meant that a significant reduction in overall service cost was seen. It should also be noted that several Authorities moved from weekly to fortnightly residual waste collections during 2011/12 which is likely to have contributed to the efficiency savings seen. The majority of Authorities have now switched to this type of arrangement, with many of the remaining Authorities in the process of doing so.

4.14 The total net service costs for residual waste collection in Caerphilly was £43.83 per household (**lowest of the 22**). This is illustrated in figure 6 below.



4.15 Figure 7 depicts the collection costs per household served. Caerphilly is ranked **6<sup>th</sup> lowest of the 22** at £19.90 per household.



**Figure 7.**

4.16 In 2011/12 Caerphilly also had one of the lowest post collection costs £23.92 per household

(2<sup>nd</sup> lowest of 22) – Figure 8.

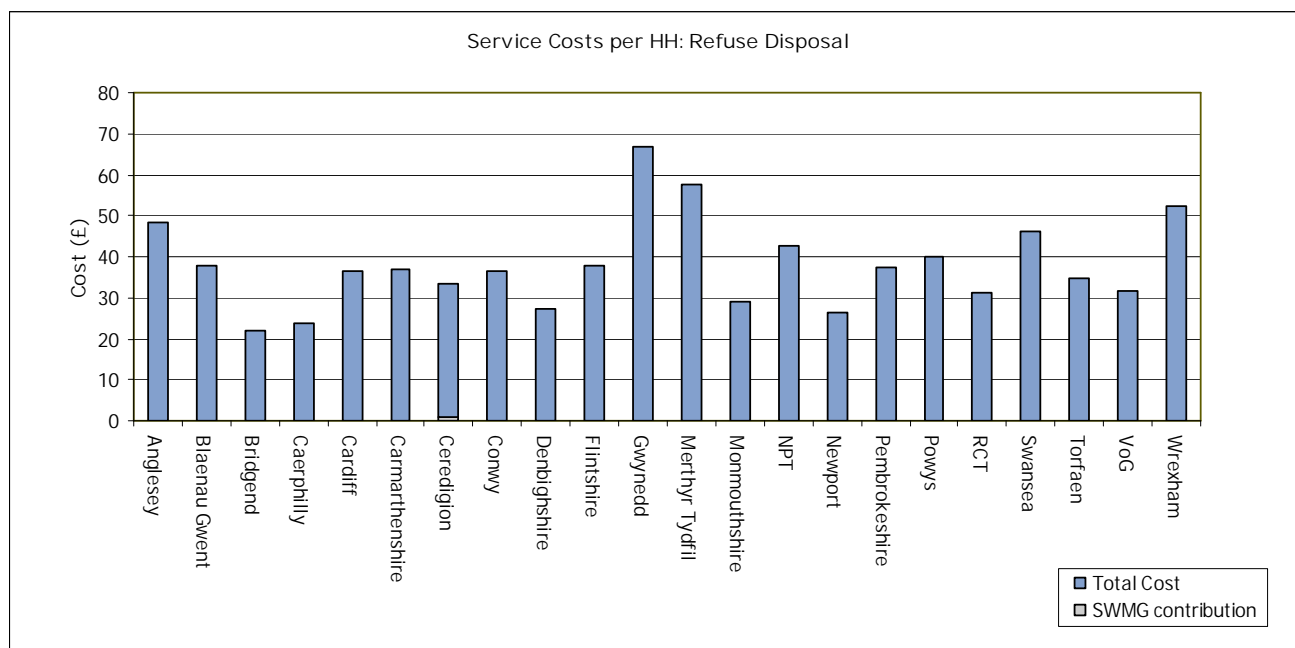


Figure 8.

4.17 The data presented in this report feeds into the national programme for benchmarking. The County Surveyors Society (CSS) Waste sub group consisting of Heads of Service, will select key areas for analysis which meet the strategic needs of Local Authorities. The WLGA waste improvement programme co-ordinates the qualitative analysis of the selected areas and develops working documents with the Wales Audit Office (WAO) for each.

4.18 The key areas for further analysis based on 2011/12 data are food waste and recycling.

## 5. EQUALITIES IMPLICATIONS

5.1 There are no significant equalities implications associated with this report although it should be noted that the Authority offers an assisted collection service for residents with medically or age related mobility difficulties.

## 6. FINANCIAL IMPLICATIONS

6.1 Whilst there are no direct financial implications associated with this report as it uses historical data, members are asked to note that as landfill tax rises there may be increasing pressure on budgets, although in the long term the Prosiect Gwyrdd contract will realise significant financial savings in residual waste disposal costs.

## 7. PERSONNEL IMPLICATIONS

7.1 There are no personnel implications associated with this report.

## 8. CONSULTATIONS

8.1 The report reflects the views of the consultees.

## 9. RECOMMENDATIONS

9.1 It is recommended that members note the content of this report.

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Mark S Williams, Head of Community and Leisure Services  
Colin Jones, Head of Performance and Property Services  
Mike Eedy, Finance Manager – Environment  
Tony White, Waste Strategy and Operations Manager