

SELECT COMMITTEE

Tuesday, 6th November 2018 at 6.30pm
Belle Vue Suite, Belle Vue Square, Broughton Road, Skipton

Committee Members: The Chairman (Councillor Staveley) and Councillors Brown, Graham, Mason, Mercer, Moorby, Pighills, Shuttleworth, Solloway, Sutcliffe, Thompson and Whitaker.

AGENDA

Exclusion of the Public: In accordance with the Council's Access to Information Procedure Rules, Members are recommended to exclude the public from the meeting during consideration of Item 5 on the grounds that it is likely that if Members of the public were present there would be disclosure to them of exempt information as defined in Paragraph 3 (relates to the financial or business affairs of any person including the Authority holding the information) of those Rules and Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

1. **Apologies for absence**
2. **Confirmation of Minutes** of the meeting held on 12th September 2018.
3. **Public Participation** – In the event that any questions / statements are received or members of the public attend, the public participation session will proceed for a period of up to fifteen minutes.

(Note: Where the participation relates to any particular item on the agenda, participation will usually be when that item is considered.)

4. **Declarations of Interest** – All Members are invited to declare at this point any interests they have in items appearing on this agenda, including the nature of those interests.

(Note: Declarations should be in the form of:

a “***disclosable pecuniary interest***” under Appendix A to the Council's Code of Conduct, or “***other interests***” under Appendix B or under Paragraph 15 where a matter arises at the meeting which relates to a financial interest of a friend, relative or close associate.

A Member of Council who has a disclosable pecuniary interest must leave the room and not take part in the discussion or vote. When declaring interests under Appendix B or Paragraph 15 of the Code, Members must move to the public seating area, not vote, and speak only if members of the public are also allowed to speak at the meeting.)

5. **Commercial Waste Service : Proposed Charging Model** – Further to Minute POL.880/17-18 report of the Environmental Services and Housing Manager. Attached (**Confidential Report**)

Members will recall that in carrying out a review of the commercial waste service in 2017-18 the Select Waste Management Working Group agreed the following position which was accepted by Policy Committee:

“The revised service and business model needed to be business friendly and it would be extremely concerned if rural businesses were to be disadvantaged by the change. The Working Group would expect the “rural question” to be resolved before any new model is introduced.

When clear data is available demonstrating the potential impact of the proposed model and options for addressing the rural question have been identified the Select Committee / the Working Group would wish to be consulted.

Co-collection may be a solution in part to the “rural question” and it would expect this option to be explored along with other options for addressing the issue.”

6. **Date of Next Ordinary Meeting** – Wednesday, 21st November 2018 at 6.30pm re the Skipton Town Hall Project.
7. **Any other items** which the Chairman decides are urgent in accordance with Section 100B(4) of the Local Government Act, 1972.

Agenda Contact Officer:

Chris Waterhouse, Committee Officer

Tel: 01756 706235

E-mail: cwaterhouse@cravendc.gov.uk

Recording at Council Meetings : Recording is allowed at Council, Committee and Sub-Committee meetings which are open to the public, subject to

(i) the recording being conducted with the full knowledge of the Chair of the meeting; and

(ii) compliance with the Council's protocol on audio/visual recording and photography at meetings, a copy of which is available on request. Anyone wishing to record must contact the agenda contact officer (details above) prior to the start of the meeting. Any recording must be conducted openly and not disrupt proceedings.

Emergency Evacuation Procedure

In case of an emergency, or if the alarm sounds, leave the meeting room and exit the building using the main doors onto the Square. If those doors are not available, please use the nearest available door.

The assembly point is in Belle Vue Square at the front of the building, nearest the main road. An officer will take a roll call once everyone is out of the building.

Please do not leave a meeting without telling the Chairman or a representative of Legal and Democratic Services.

SELECT COMMITTEE

12th September 2018

Present –The Chairman (Councillor Staveley), and Councillors Brown, Mason, Mercer, Pighills, Shuttleworth, Sutcliffe, Thompson and Whitaker.

Officers – Committee Officer.

Apologies for absence were received from Councillors Graham, Moorby and Solloway.

Start: 6.30pm

Finish: 7.35pm

The minutes of the Committee's meeting held on 18th July 2018 were confirmed and signed by the Chairman.

Minutes for Report

OS.409

ABSENCE MANAGEMENT 2017-18

Further to Minute OS.401/17-18, the Senior Human Resources Officer submitted a report presenting the Council's sickness absence data for the period 1st April 2017 to 31st March 2018, together with comparative data in respect of total days lost and long / short term absence in the period 2015-16 to 2016-17. The data provided for 2017-18 included details of

- Reasons for long term absence.
- Reasons for short term absence.
- Absence by service area.
- Reasons for absence in waste management.

For 2017/18 the annual target for sickness absence had been set at eight days absence per fulltime employee (FTE). The actual average number of days lost per FTE in the year had been 9.10 days; with the total number of working days lost amounting to 1,778.5 compared to 1,532.6 and 1575.1 in 2015-16 and 2016-17 respectively. Although short term absence had continued to fall showing 3.75 days lost per FTE in the year, compared to 3.8 in 2016-17, long term absence had increased by 18% to 5.34 days lost per FTE (1,044.60 days), as compared to 4.51 days lost per FTE in 2016-17 (854.60 days in total). Based on an average daily rate of £152.44 the cost of days lost in 2017-18 amounted to £184,134.49. Across all services there had been 103 members of staff (49%) with nil absence, those staff members had all been entered in a prize draw with eight receiving an award of £25 each.

As requested at Minute OS.401/17-18, the Senior Human Resources Officer provided an analysis of the absence figures for the waste management service, if excluding those figures the number of days lost per full time employee in 2017-18 would have been 6.1 days. In responding to Members' questions the Senior Human Resources Officer expressed the view that changes in working practices had resulted in an improvement in work related injuries within waste management, and also undertook to examine possible more inclusive approaches to recognising employees with a zero absence rate.

In closing the discussion the Chairman thanked the Senior Human Resources Officer for her attendance and indicated that the Committee looked forward to receipt of the mid-year position in due course.

OS.410

DISABLED FACILITIES GRANTS

Further to Minute POL.867/17-18, at which Policy Committee had agreed to the in-house delivery of Disabled Facilities Grants (DFG) from 1st April 2018, the Chairman welcomed the Housing Adaptations Manager who had been invited to the meeting to discuss the experience to date in delivering the service. It was pointed out that in agreeing to the in-house delivery option, Members of Policy Committee had asked that this Committee review the new arrangements after an initial 6/12 month period to consider whether the in-house scheme was operating satisfactorily. Policy Committee had noted that with increasing flexibility as to the use of discretionary grants the in-house provision would enable the Council to take advantage of the growing increase in opportunities for the fund to be used to benefit more disabled households in Craven.

In addressing the Committee and responding to questions the Housing Adaptations Manager summarised the statutory and non-statutory aspects of the grants process, together with details of the funding arrangements, the application process and any concerns or difficulties encountered in service delivery in the period from 1st April 2018. Copies of the clients' handbook which explained the DFG process to applicants were circulated at the meeting.

The Committee was asked to consider appointing a working group to consider arrangements for the future funding and delivery of the service from April 2019.

Resolved – That a Disabled Facilities Grants Working Group* is established with terms of reference to consider the experience to date and options for the future funding and delivery of the service from April 2019, including the relationship with partner services, all Members of Select Committee to be deemed to be members of the working group unless they indicate otherwise.

* See also Minute 411 below.

Note : Background Information : A copy of the Director of Services' report "Disabled Facilities Grant : Delivery Options" presented to Policy Committee on 11th September 2017 and the related minute had been circulated for Members' information

OS.411

COMMITTEE WORK PROGRAMME

Further to Minute OS.408/18-19, the Committee was asked to give further consideration to its work programme for the current year and to re-appoint its Bereavement Services Working Group to enable it to conclude its examination of the implementation of the new business model / structure for Bereavement Services.

Resolved – (1) That the Bereavement Services Working Group is re-appointed to enable it to conclude its examination of the implementation of the new business model / structure for Bereavement Services; the Working group to be authorised to agree and submit its report to Policy Committee.

(2) That the first meeting of the Disabled Facilities Grants Working Group is held on Wednesday 17th October 2018; immediately following the meeting of Select Committee at 6.30pm at which an update on customer services call handling performance will be considered.

(3) That the half year position on absence management, if available, is presented at a meeting of this Committee to be convened immediately before the second meeting of the Disabled Facilities Grants Working Group.

*(4) That the provisional items in respect of Skipton Town Hall and the Vibrancy of Town Centres and Villages are both listed for consideration on 21st November 2018.

Craven District Council

*Note : It was subsequently agreed in consultation with the Chairman that consideration of the Vibrancy of Town Centres and Villages would be put back to 16th January 2019.

Chairman.

NOT FOR PUBLICATION: This report is considered exempt by virtue of Category 3 (financial or business affairs of any particular person, including the Authority holding that information) of those Rules and Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

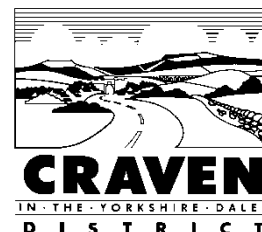
Agenda Item 5

SELECT COMMITTEE – 6th November 2018

COMMERCIAL WASTE COLLECTION

CHARGING MODEL

Report of the Environmental Services & Housing Manager



Ward(s) affected: All

1. **Purpose of Report**

To outline the proposed charging model for the collection of Commercial Waste from the 1st April 2019

2. **Background**

21 Members will recollect that a number of reports were presented to a Select Working Group on the proposed changes to the collection of Commercial Waste. This work culminated in a Select Committee report presentation to Policy Committee on 5th December with a number of recommendations.

22 Perhaps one of the most important of these recommendations was that any new model introduced should address the issue of rural business charging in the context that they should not be disadvantaged compared with other businesses in urban communities.

23 On the 16th January 2018, Policy Committee considered the whole issue of collecting waste by weight/volume rather than by weight. The following was resolved –

(1) That, the introduction of weight/volume collection process based on charges for maximum weights from the 1st April 2019 is approved in principle.

(2) That the Director of Services is asked to draft a framework for future consideration by this Committee on the charging mechanisms for the collection of commercial waste from businesses in rural communities that does not disadvantage those businesses.

2.4 In light of the above significant work has been undertaken in this regard. The distance element was considered for the charging model but immediately dismissed because those businesses on the outer fringes of the District would need to be charged significantly more than those closer to the Waste Transfer Station, which might have an impact on those businesses viability.

2.5 This at least made the task slightly more simple and the whole issue of 'rural business disadvantage' could be set aside enabling us to look at market competition based on 'price per lift' across the whole of the District for different types of waste in similar containers.

2.6 In order to inform the 'price per lift' debate we used the Council's own Leisure Centre Service waste collection requirements and asked potential providers to provide quotes for this business.

2.7 This exercise was quite informative and it was quite evident that there were variances between the various companies, all had different weight maximums for the different types of bins for the different types of wastes and that those wastes were categorised differently. Their wastes streams could be categorised as follows –

- General Waste - residual (food etc.)
- Mixed Municipal Waste (food etc.)
- Paper and cardboard (recyclate)
- Mixed Packaging (recyclate)
- Dry Mixed Recycling (recyclate – includes plastics, cans, paper and card)
- Glass (recyclate)

2.8 Of these variances of bins and waste types, there were different weight limits and lift prices. In order to understand the business more fully and compare prices it was necessary to calculate the lift price/kg of those businesses for each waste type and use this as a starting point for our own 'charging model'. Whilst this information was valuable and provided, a base to build our own 'model' it was necessary to introduce some caution because the Leisure Service contract would be relatively small and we thought on bigger contracts other potential providers would have some discounts. I will talk more about this later in the report.

2.9 Another interesting element of the exercise was that all had separate collection of glass with the maximum sized container for glass being 240 litres. Analysis of this information revealed that the bulk density of glass is extremely high – 225.45 gms/litre, which in a 240 litre bin would equate to 54.12 kgs. We noted that all potential providers had set the limit for glass in a 240-litre bin to between 60 and 70 kgs.

2.10 Craven currently collects glass in 1100 litre bins and we have ascertained that the net weights of such containers (full glass bins) to be anything from 250 to 280kgs. It is worth noting that an empty 1100 litre steel bin weighs 102 kgs. Therefore the total weight that the operative has to 'push or pull' at any given time can be in excess of 305 kgs. (0.352 tonnes).

2.11 Clearly there are Health & Safety issues arising from such practices and it is the officer's recommendation that any glass collection in the future be in 240 litre bins.

3. **The 'Charging Model'**

3.1 Other providers would seem to be giving choices of 240, 660, 1100 litre bins but we as a Council provide far greater choices with 90 litre sacks, 140, 240, 360, 660, 1100 and 1280 litre bins. There are a number of reasons for the sack and smaller bin provision; many businesses in Skipton etc. have difficulties with storage and access for the collection vehicles, therefore it will be necessary to maintain these sized containers. It is our intention to phase out the 1280 litre container, as there is very little demand

3.2 Having compared the market information from the quotes previously referred to we have determined the cost of a kg/litre lift and applied weight limits for each of the bins – **See Appendix A.**

3.3 Having applied the bin weight maximums and the cost of kg/litre lift this enabled us to determine the bin lift prices for each type of bin for both residual and recyclate waste. We

then compared the prices on the new model and the prices if we continued to use the 'old model' in 2019/20.

- 3.4 The comparison between 'new' model and the 'old' model is quite favourable to the new model i.e. most prices are slightly cheaper. These new lift prices also compare quite favourably to our potential competitors as well based on the Leisure Centre quotes.
- 3.5 So one might ask what are the advantages of the new model. From now on, where a customer exceeds the weight, they will be billed for excess weight, less the cost of bin hire – **See Appendix A**
- 3.6 How will this work in practice? We intend providing customers with electronic bin weight statements each month and bill them for that excess weight every quarter. If for example a customer has exceeded the bin, lift price for that bin for one month but is below the limit for the next 2 months we will use the cumulative weight of the 3 months to determine excess weight.

4. **Price Discounting of Contracts**

- 4.1 We have considered very carefully how this could work in practice, initially we thought of a straight percentage discount on contract values based on the following –
 - £3000 to £4999 – 2%
 - £5000 to £9999 – 3.5%
 - £10000> - 5%
- 4.2 On this type of discount, there would be no guarantee that a potential client would receive that discount; it would be dependent on the financial viability of the proposed discount to the Council. Matters taken into consideration would include, haulage distance from business location to Waste Transfer Station, number of bins required and a site visit to estimate bin lift weight. Each enquiry would be on a case-by-case basis.
- 4.3 In order to test the discount model we were fortunate to have some information from a business whose contract we lost for the collection of commercial waste in 2017. This business kindly gave us the information on prices from their new provider.
- 4.4 When we tested our straight percentage discount model, we were still unable to compete with this particular business provider on price.
- 4.5 When officers discussed this issue on site with this particular business, they took the opportunity to assess the amount of waste in the bins and the volume density of that waste. They noted that these particular bins were not heavy; perhaps therefore we needed to consider a reduction based on our opinion on the weights of the waste in those bins.
- 4.6 Therefore a discount model has been created that sees an estimation of the weight of that waste (following a site visit), but retains the cost of per kg lift. When we tried this methodology and with very little change in the standard maximum weight we were able to compete quite favourably with the completion. For the business concerned, the weight limit would remain the same but our intelligence would have suggested that the maximum weight was below the maximum permitted.
- 4.7 It is the writer's opinion that where we need to be competitive this would be the best discount model to use in most cases.

- 4.8 However, there will be exceptions; we have recently been undertaking test weights of wastes collected from existing clients. We have found one particular client for example that has exceeded the limit of 90 kgs that we intend setting for a 1100 litre bin by as much as a factor of 3.5 i.e. the bin weight was 332 kgs.
- 4.9 When we considered the number of 1100 litre residual waste bins that this client had, we estimated that they would need to increase their present bin numbers from 13 to 23 under the new weight/volume collection model. In fact, when we made an estimation of weight over the year, the disposal cost alone for residual waste was £13,700 with the contract value being £16,600 under the existing scheme and this included the cost for collecting and disposing recycle waste as well. We are therefore making a financial loss on this contract.
- 4.10 In this situation, we will need to make a judgment whether we should retain the business should the contract estimate under new model be too high for the client. We estimate the cost for collecting residual waste alone would be £22,700. It may be the case that we should possibly use the 'straight percentage' discount calculator.

5. **Conclusion**

- 5.1 Within the current financial year, we estimate the income from the collection of Commercial Waste to be c £805,000 and the estimation from the new model to be c £940,000 for 2019/20, the latter is based on the assumption that we can retain existing business, which might not be the case. This latter figure does not take into account any potential excess weight bin charges.
- 5.2 It is therefore prudent for draft setting budget purposes that we be cautious and set the income levels for the collection of Commercial Waste at £830,000, this equates to a 3% increase on the current financial year. This figure has been discussed with CLT and agreed with the Chief Finance Officer (s151 officer) for draft budget purposes.
- 5.3 The reason for this caution is that this is a new venture for the Council and we do not know how existing clients will react to the new scheme and what the impacts will be from discounts.
- 5.4 Members will be aware that the presentation to Policy Committee in December 2017 mentioned the possibility of collecting some commercial waste with domestic wastes. We are presently undertaking 'route optimisation' of the commercial waste collection rounds and as part of this work; we will consider such an option.
- 5.5 Finally, it would be advisable to reconvene Select Committee in October/November 2019 so that Officers can bring back an evaluation report of the new scheme to inform the 2020/21 budget setting process.

Author: Wyn Ashton

