

ANGUS COUNCIL

ENVIRONMENTAL AND CONSUMER PROTECTION COMMITTEE
23 MAY 2000CONTRACT SERVICES COMMITTEE
30 MAY 2000

BENCHMARKING REFUSE COLLECTION – ACCOUNTS COMMISSION REPORT

JOINT REPORT BY THE DIRECTOR OF ENVIRONMENTAL AND CONSUMER PROTECTION &
CONTRACTS SERVICES MANAGER**Abstract**

The Accounts Commission wishes to assist Councils to achieve Best Value in their refuse collection services. It has provided all Councils in Scotland with operational and financial benchmarking information. Councils are expected to use this information to challenge their current levels of performance and take action to achieve the standards of the best.

1. RECOMMENDATION

It is recommended that the Committee note the contents of this report and ask the Chief Officials to ensure that the benchmarking information provided is utilised to improve the Angus performance where necessary.

2. BACKGROUND

- 2.1 Since the Accounts Commission last reviewed Council Refuse Collection Services in Scotland in 1990 there have been substantial productivity improvements.
- The gross cost of refuse collection has risen from £90 million in 1990 to £98 million in 98/99, a 9% increase, which is less than the rate of inflation.
 - Over the same period the tonnage of refuse collected by Councils increased by 14%, the number of refuse collection employees fell by 44% from 4800 to 2700 and the number of vehicles utilised fell by 25%

3. BUDGET ISSUES HIGHLIGHTED

The Angus comments on the report are shown in bold.

- 3.1 The report states that the cost of collecting household and commercial refuse varies among the Scottish Councils.
- In most Councils the average cost of collecting household and commercial refuse ranges from £30-£40 per property per year which is broadly similar to Councils in England and Wales. **The Angus cost of less than £30 per year is lowest in the group of mixed urban and rural councils with which we have been compared.**
 - The average cost to Councils of separately uplifting bulky items of waste ranges from £5-£15 per uplift. Twelve Councils cover some of their costs by charging for this service. **Angus does not charge for this service and also does not have a high level of uptake of the service although with the development of the ACCESS line, the uptake is rising. Again the uptake levels are the lowest in the mixed Councils group.**
- 3.2 The report states that Councils need to know the real cost of providing refuse collection services in order to set appropriate charges and make informed policy decisions about levels of service and allocation of resources to support individual collection service. Specifically related to commercial waste collection charges, the report points out: -
- Over three-quarters of Councils do not maintain separate trading accounts for commercial refuse services. **In Angus we do not have separate trading accounts.**
 - Councils should aim to recover all of their costs of collecting and disposing of commercial refuse through charging. The study concluded, based on the data provided that Councils may be subsidising commercial refuse collection. **The report places Angus amongst the list of those Councils who may not be recovering all of our costs. This will now be reviewed by the Director of Environmental & Consumer Protection in conjunction with the Director of Finance. If charges are found to be below actual costs incurred a report will be placed before the ECP Committee on the issues identified.**

- Most Councils need to develop activity costing systems to enable them to know the real cost of providing individual refuse collection systems. This is currently being investigated by the Director of Environmental & Consumer Protection and Director of Finance.
- 3.3 The report states that Councils need to ensure that resources are used efficiently and effectively by improving performance monitoring and review. Examples given in the report for efficiency improvements include: -
- Management of sickness absence and bonus schemes
 - Management of vehicle replacement programmes, including the number of reserve vehicles.
 - Continuous review of the efficiency of refuse collection routes.
 - Management needs to further develop their use of performance information to monitor and review service performance.
 - **These issues will be examined by the Contract Services Manager. The Vehicle Replacement Programme is currently subject of a corporate Value for Money study due to report in June 00.**
- 3.4 The report states that Council face significant challenges in meeting environmental targets. Issues raised in the report include
- In 98/99 the overall level of waste recycled by Scottish councils was 3.8%, well below the 25% government target. **The Angus recycling of 11.7% was in the top four Scottish Councils, with the Angus figure rising.**
 - Councils that invest in separate collections of material for recycling tend to have higher recycling levels. **Angus Council continues to invest in collection of paper and glass for recycling from householders and glass waste producers.**
 - If Councils are to meet government recycling and landfill targets as set out in the National Waste Strategy they will require giving waste management a higher priority. This will involve developing an effective waste management strategy in partnerships with other Councils and agencies and allocating sufficient funding to support expensive but environmentally desirable collection and recycling activities. **In Angus we are actively involved with Dundee & Perth & Kinross Councils & SEPA to develop a Waste area plan. The issues of supporting recycling in terms of financial resource continues to present a problem.**
 - The Scottish Executive has a strategic role to play and should consider how it can assist Councils to meet recycling and landfill reduction targets. **It is suggested that adequate financial resources and stable markets for recyclates would assist Councils in meeting the targets set.**
- 3.5 The report makes it clear that External Auditors will be challenging Councils to use the benchmarking information supplied to identify areas for improvement and take action to improve performance. All Councils are expected to prepare action plan to make performance improvements. **Both ECP & Contract Services will include action plans in their service plans for the current year to address these issues.** Auditors state in the report that they will be reviewing implementation of these plans.
- 3.6 A copy of the full Accounts Commission Report – Benchmarking Refuse Collection - A review of Councils Refuse Collection Services is available in the Members Lounge.

4. FINANCIAL IMPLICATIONS

There are no direct financial implication as a result of this report. Should the implementation of the Action Plans have resource implications then a further report will be placed before the appropriate committees.

5. CONSULTATION

The Chief Executive, The Director of Law and Administration and The Director of Finance have been consulted on the contents of this report.

Stewart Heggie
Director of Environmental & Consumer Protection

Mike Graham
Contract Services Manager

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.