

## LONDON BOROUGH OF HARROW

<b>Meeting:</b>	Cabinet
<b>Date:</b>	17 <sup>th</sup> February 2004
<b>Subject:</b>	Further funding bid for the collection of Organic Waste from households
<b>Key decision:</b>	No
<b>Responsible Chief Officer:</b>	Director of Urban Living
<b>Relevant Portfolio Holder:</b>	Environment and Transport
<b>Status:</b>	Part 1
<b>Ward:</b>	All wards will be affected by the change
<b>Enclosures:</b>	

### 1. **Summary/ Reason for urgency (if applicable)**

- 1.1 In June 2003 the council launched a scheme to collect organic waste from 10,000 households, which was funded by the London Recycling Fund (LRF). The Fund is a joint London scheme to allocate government funding for investment in recycling etc. A second round serving an additional 12,000 24,000 households has also been funded by LRF and this will be introduced in March 2004. The report sets out a proposal to bid for an additional £1.368m funding from the LRF.
- 1.2 This would enable Harrow to continue to make progress towards meet its (LPSA enhanced) statutory recycling target of 25.2% (to be achieved by 2005/6). This is an important indicator in the council's CPA score.
- 1.3 Building capacity (in the diversion of organic waste from landfill) is an important objective for the council in reducing its potential liability under the Landfill Allowance Trading Scheme, which is due to come into effect in April 2005. It is estimated that the current annual cost of waste disposal would increase by between £20m to £30m if the present waste management practices were to continue unaltered.

**2. Recommendations (for decision by Cabinet)**

- 2.1 That the Area Director (Urban Living) be authorised to submit a bid to the London Recycling Fund to provide a scheme for the separate collection of organic waste to cover the remainder of the Borough.**
- 2.2 That approval be given to employ two additional recycling officers to promote the council's waste policies should the bid to the London Recycling Fund prove successful.**

**REASON: To allow the council to make progress in meeting its statutory recycling targets.**

**3. Consultation with Ward Councillors**

- 3.1 None

**4. Policy Context (including Relevant Previous Decisions)**

4.1	Recycling Plan	Environment and Transport Committee	March 1999
4.2	Refuse Best Value Review	Partnership and Best Value Panel	March 2001
4.3	Refuse collection specification	Cabinet	July 2001
4.4	Agreement of New Refuse collection arrangements	Cabinet	Jan 2002
4.5	Funding bid and implementation plan for the collection of Organic Waste from 24,000 households	Cabinet	Sept 2002
4.6	Agreement to fund scheme for the collection of organic waste from 10,000 households* (Round 1)	London Recycling Fund	Dec 2002
4.7	Agreement to fund scheme for the collection of organic waste from 12,000 households* (Round 2)	London Recycling Fund	Oct 2003

**5. Relevance to Corporate Priorities**

- 5.1 This report addresses the Council's stated priority of "enhancing the environment in Harrow by keeping the Borough clean and attractive, by promoting higher environmental standards and by bringing about more sustainable transport activity". Its main impact on the Comprehensive Performance Assessment will be an increase in the percentage of waste recycled.
- 5.2 If successful, this bid would result in the organic waste scheme being implemented to all suitable households in the whole of the borough by the end of March 2005.
- 5.3 This would enable Harrow to continue to make progress towards meet its (LPSA enhanced) statutory recycling target of 25.2% (to be achieved by 2005/6).

## 6. Background Information and options considered

### 6.1 Targets

The Government's national Waste Strategy has set the following targets:-

Target Date	Recycling/composting	Recovery(including Recycling)
2005	25%	40%
2010	30%	45%
2015	33%	66%

The Government has set all local authorities Statutory Best Value Performance Targets for recycling (Harrow's targets are 16% in 2003/4 and 24% by 2005/6).

The council's recycling rate in 2002/3 was 9.4%. The current recycling rate is approx. 13%.

### 6.2 LPSA

An increase in the percentage of household waste recycled is one of the areas that has been agreed as part of the LPSA target. The enhanced target for 2005/6 is 25.2%.

The extension of the organic waste collection scheme would have the effect of increasing the likelihood of the LPSA target for recycling being met. There is therefore a much greater probability that the maximum performance reward grant of £425k for 100% achievement of the recycling target will actually be earned.

### 6.3 London Recycling Fund

The LRF is a jointly administered programme of all London's waste authorities to spend an original allocation of £24.7m in 2002/3 and 2003/4 with the aim of bringing about a step change in London's recycling rates.

Allocation of funding is based on a bidding process. Harrow has already been successful in three bids to the LRF

- £190k for the Civic Amenity Site;
- £481k for the separate collection of organic waste (Round 1); and,
- £310k for the separate collection of organic waste (Round 2).

The Government has now allocated an additional £20.55m to the LRF (£13.7m in 2004/5 and £6.85m in 2005/6). Bids for both years funding will be invited in late February/early March. Boroughs are being advised that they should only submit one bid to the LRF.

### 6.4 Proposed Bid

It is proposed to bid for the extension of the organic waste collection scheme across the remainder of the Borough (approx. 50,000 additional households). I.e. this applies to "traditional" housing not purpose built flats. Giving a total coverage of approx. 72,000 households.

In total the bid will be for 5 collection vehicles (giving a total fleet of seven – six front line and one spare) and 50,000 wheeled bins and kitchen buckets. The total bid will be for £1.368m (of which £1.276m is capital). This represents a substantial bid into the Fund and there is a possibility that LRF may allocate an amount smaller than that requested.

### 6.5 Progress of Scheme

The organic waste collection scheme was introduced in June 2003 and initially covered 10,000 households. The average collection rate has been 40 tonnes a week, which is equivalent to 2000 tonnes a year – approx. 20% of the waste being collected in those rounds (giving an overall increase of 2% in the boroughs recycling rate).

The second round will be introduced in March 2004.

## 6.6 Promotion and Education

Promotion and education are becoming increasingly important in the development of the Borough's waste strategy. The council currently employs two Community Recycling Officers to carry out this work. Initially their focus was on the Green Box scheme but this has been expanded to include the Brown Bin scheme. If the above bid and proposals are accepted, the work-load in this area will be substantially increased. The bid to the LRF includes for the employment of two additional recycling officers for a period of 12 months. It is recommended that the council build these posts into its establishment on a permanent basis (with effect from October 2005) .

## 7 Consultation

7.1 Detailed discussions have taken place with both the West London Waste Authority and the other constituent authorities. These discussions have been in relation to the development of a joint waste management strategy for the WLWA area and the measures needed to allow WLWA and its constituent authorities to meet their Statutory Targets.

7.2 Consultation has also taken place with HA21.

## 8. Finance Observations

8.1 The proposed funding of the scheme is summarised below: -

	2004-5	2005-6	2006-7 Onwards
	£000		£000
<b>Capital expenditure</b>			
Round 3 + bins + spare vehicle (Sep 2004)	412		
Round 4 + bins (Feb 2005)	288		
Round 5 + bins (Mar 2005)	288		
Round 6 + bins (Apr 2005)		288	
<b>Capital Grant (LRF)</b>	<b>-988</b>	<b>-288</b>	
Net	0	0	
<b>Revenue Expenditure</b>			
Round 3 + spare vehicle	70	123	123
Round 4	18	103	103
Round 5	9	103	103
Round 6	0	103	103
Publicity and promotion	20	20	0
Additional staff*	25	50	50
<b>Grant (LRF)</b>	<b>-47</b>	<b>-45</b>	<b>0</b>
Reduced disposal costs to WLWA**	-15	-112	-112
Net cost	80	345	370

\* It is assumed in this bid that two additional recycling officers would be needed to introduce the new scheme. Funding from LRF would be sought to cover half-year costs in both 2004-5 and 2005-6.

\*\* Reduced costs based on current performance of pilot scheme. I.e. collection of garden waste only.

Should the bid prove successful then there will need to be a supplementary estimate to the current MTBS proposals.

9. **Legal Observations**

9.1 None

10. **Conclusion**

10.1 If this bid is successful, the additional revenue costs of operating the scheme, in a full year, would be £370k p.a. of which £50k is currently not built into the MTBS.

10.2 If successful the bid should ensure that the council achieves the enhanced LPSA target for recycling and hence make it much more likely that the Council will achieve the maximum performance reward grant for this area of £425k.

11. **Background Papers**

11.1 None

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