

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

REPORT OF THE EXECUTIVE DIRECTOR OF PLACE

ANNUAL REPLACEMENT PROGRAMME 2018 TO 2021 – DOMESTIC AND COMMERCIAL BINS

1. PURPOSE OF REPORT

- 1.1 To seek approval to adjust the capital provision allocated to annual programme for the replacement of damaged and stolen bins and supply of new bins for both commercial and domestic premises.

2. RECOMMENDATIONS

- 2.1 **It is recommended that Cabinet approve;**

To support the bin replacement programme for 2018-2021 as outlined at Appendix B.

3. INTRODUCTION

- 3.1 Waste Management provide kerbside wheeled bin waste collection services to c109,630 domestic premises. Residents of Barnsley can choose to have up to four bins for their waste and recycling collections, grey 240ltr for residual waste, green 240ltr for garden waste, blue 240ltr or 140ltr for cardboard, brown 240ltr or 140ltr for glass, cans and plastic bottles.
- 3.2 Planned new developments in the borough will add a further c1,000 properties per year each of which will require a set of four new waste and recycling bins.
- 3.3 Commercial Services receives around 150 orders per week from residents to replace damaged or stolen bins.
- 3.4 Commercial services also operate a commercial waste service for business and have an objective to increase revenues through an increase in of customers using the service.
- 3.5 We need to ensure that we maintain sufficient stocks of wheeled bins and commercial waste containers required to meet growing demands in order to protect revenues and ensure residents kerbside collections can be maintained.

4. PROPOSAL AND JUSTIFICATION

- 4.1 BMBC has a legal obligation to collect all household waste from properties within its area and has specified wheeled bins as the method it wishes to use to fulfil this legal requirement. To ensure that the bins are of the correct size and quality as to not pose a danger to residents or staff employed BMBC retains ownership of all bins and is the sole supplier. It is estimated that BMBC will need approximately 11,500 large (240ltr) wheeled bins and 2,500 smaller (140ltr) wheeled bins of varying colours to satisfy the annual demand as a result of growth and replacement.
- 4.2 Failure to provide domestic and commercial bins will result in the failure of BMBC to meeting its statutory requirements for the services.

5. CONSIDERATION OF ALTERNATIVE APPROACHES

- 5.1 Wheeled bins and containers could be purchased from the respective annual budgets. This would result in a significant annual expenditure and overspend on allocated budgets.

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 6.1 The proposal utilises the same bins and policies and does not affect local people or services users.

7. FINANCIAL IMPLICATIONS

- 7.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 7.2 The estimated annual replacement programme will result in capital expenditure of £300,000 in each of the financial years 2018/19, 2019/20 and 2020/21.
- 7.3 Finance officers have assessed the most cost effective funding mechanism in respect of this programme and duly determined that leasing, by way of operating lease, is the most beneficial from a financial perspective.
- 7.4 The treatment of operating leases, in practical terms, is that they are effectively accounted for as annual rental payments against the service's revenue budget. The bin replacement programme is based on an operating lease period of 10 years and therefore costs will be incurred for that period of time, per tranche.
- 7.5 The overall cost of the 10 year operating leases totals £1.011M which will be profiled in accordance with the three tranches of required bins. Appendix C shows the profiling of the operating lease costs over the period.
- 7.6 The additional leasing costs will be contained within existing revenue budgets.
- 7.7 The administrative burden associated with collating and delivering the bins to customers is being accommodated with existing resources.
- 7.8 The financial implications are summarised in Appendix A.

8. EMPLOYEE IMPLICATIONS

8.1 None

9. COMMUNICATIONS IMPLICATIONS

9.1 None

10. CONSULTATIONS

10.1 Commercial Support Services, Finance, Capital Expenditure Board.

11. LIST OF APPENDICES

Appendix A – Financial Report

Appendix B – Annual Purchase Programme

Appendix C – Whole Life Leasing Costs

12. BACKGROUND PAPERS

File of papers held in Environment & Transport Business Unit

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

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