

## BARNSELY METROPOLITAN BOROUGH COUNCIL

**REPORT OF: EXECUTIVE DIRECTOR OF GROWTH & SUSTAINABILITY**

**TITLE: BIN REPLACEMENT PROGRAMME – CONSENT TO SPEND**

<b>REPORT TO:</b>	<b>CABINET</b>
<b>Date of Meeting</b>	<b>19 April 2023</b>
<b>Cabinet Member Portfolio</b>	<b>Environment and Highways</b>
<b>Key Decision</b>	<b>No</b>
<b>Public or Private</b>	<b>Public</b>

### **Purpose of report**

The purpose of this report is to highlight an additional expenditure requirement on the annual wheeled bin replacement programme.

In 2021 funding was granted for the bin replacement programme for 2021-2024 with the council approving capital funding of £0.300m p/a to fund the programme.

In 2021/22, the Council incorporated the collection of pots tubs and trays to the brown bin collection. Additional brown bins were required to fulfil this new initiative. Along with the purchase of new commercial bins to fulfil contract commitments. These led to the use of £0.045m of resources allocated for years 2 and 3 of the programme.

In financial year 2022/23, inflationary pressures led to a 26% increase in contract costs since the initial figures were agreed. The price of the most common item, a black residual 240ltr bin has increased from £15.50 to £19.10 over the period of this funding.

Due to these increased pressures, it is estimated that an additional £0.108m will be required for year 3 to ensure bin stocks remain at the levels required to deliver domestic and commercial waste collections.

### **Recommendations**

That Cabinet:-

1. Approves the additional resources for year 3 of the programme, to ensure bin stocks do not run out and the council is able to fulfil its statutory duty to provide adequate bins to its residents and businesses

## **1. INTRODUCTION**

- 1.1 Waste Management provides kerbside wheeled bin waste collection services to c114,000 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.
- 1.2 Planned new developments in the borough will add a further estimated c1,250 properties per year, each of which will require a set of four new waste and recycling bins at an approximate cost to the council of £75,000. Since April 2017, there has been a £105 delivery fee for each full set of new bins delivered to a new build property which has been paid by the developer.
- 1.3 Commercial Services receives around 280 orders per week from residents to deliver new bins or to replace bins. Since April 2016, there has been a £26 delivery fee for new bins; this fee is for delivery only and remains the same if multiple bins are ordered.
- 1.4 Commercial services also operate a commercial waste service for business and have an objective to increase revenues through an increase in customers using the service.
- 1.5 The council needs to ensure that sufficient stocks of wheeled bins and commercial waste containers are maintained to meet growing demands in order to protect revenues and ensure residents' kerbside collections can be maintained. Due to increasing market costs linked to plastic and steel prices, meeting these demands is forecast to result in an overspend.
- 1.6 The council 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, so as not to pose a danger to residents or staff employed, the council retains ownership of all bins and is the sole supplier.
- 1.7 Failure to provide domestic and commercial bins will result in the failure of the council in meeting its statutory requirements for this service.

## **2. PROPOSAL**

- 2.1 To ensure the council's statutory duties are met, an assessment of the number of bins required for 23/24 has been undertaken and the results can be seen in Table 1 below, alongside the number of bins required for Year 1 and 2 of the programme and the total spend:

**Table 1 – Number of bins required by year**

	<b>Total Units - Domestic</b>	<b>Total Units - Trade</b>	<b>Refurbished containers</b>	<b>Total Spend</b>	<b>Amount Overspent</b>
<b>2021/22</b>	16,850	315	71	£345,603	
<b>2022/23</b>	13,500	331	82	£367,800	
<b>2023/24</b>	13500	50	82	£294,372	£108,000

2.2 Table 1 highlights that there has been an overspend in each year of the programme and as a result, to fulfil the bin requirements for 23/24, additional funding of £108,000 will be required.

### **3. IMPLICATIONS OF THE DECISION**

#### **3.1 Financial and Risk**

3.1.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).

##### Capital Programme / Capital Funding Implications

3.1.2 This report outlines the proposal to increase the funding available to purchase domestic and commercial bins over the period from 2021/22 through 2023/24 by £0.108M. This will increase the capital cost already approved for the three-year period from £0.900M to £1.008M in total.

3.1.3 Finance officers have assessed the options outlined above and concluded that the most cost-effective funding mechanism in respect of this three-year replacement Programme, is prudential borrowing. The bins will be financed over a period of ten years per tranche which reflects their expected useful life.

3.1.4 What this means in practical terms is that the Council legally owns the bins at the point of purchase [the lease company would retain legal ownership should the bins have been leased]. From a financial perspective, the capital cost and associated interest costs, are effectively paid for over the period of 10 years by the service, through their service contracts revenue budget.

##### Revenue Budget Implications

3.1.5 Expenditure for the prudential borrowing costs can be contained within the Services existing contacts revenue budget for prudential borrowing due to previous bin replacement programme costs coming to an end.

3.1.6 The financial implications are summarised in the attached Appendix A.

#### **3.2 Legal**

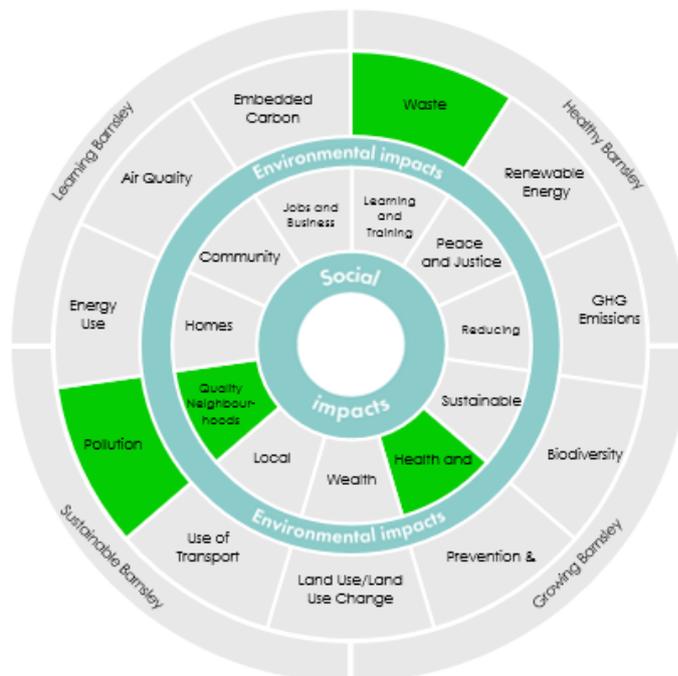
3.2.1 The Environmental protection act 1990 states that Barnsley Council has a statutory duty to provide receptacles for household waste collection.

### 3.3 Equality

3.3.1 Equality Impact Assessment Pre-screening completed determining full EIA not required

### 3.4 Sustainability

3.4.1 Decision-making wheel completed. Failure to provide containers for residents and businesses to dispose of waste would be detrimental to our environment. We would see a significant increase in both litter and fly-tipping, which would have a negative impact on the health and wellbeing of our residents. The new bins use 80% of recycled material to protect virgin resources.



### 3.5 Employee

3.5.1 None

### 3.6 Communications

3.6.1 None

## 4. CONSULTATION

4.1 Consultation has taken place with:

- Finance,
- Commercial and Operational Service Support
- Legal
- Communications
- Equalities

## 5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The alternative option is to cancel additional bin orders due for delivery later in the year and reduce the number of bins ordered in 23/24. This could result in a shortage of wheeled bins if demand exceeds stock levels, and the potential inability of residents and businesses to dispose of their waste. This is a breach of the Environmental Protection Act 1990 under which BMBC has a statutory duty to provide receptacles for household waste collection.

## 6. REASONS FOR RECOMMENDATIONS

- 6.1 To ensure the Council is compliant with their statutory duties under the Environmental Protection Act 1990 which states each LA has a statutory duty to provide receptacles for household waste collection.
- 6.2 Risk of reputational damage if the Council is unable to provide bins to residents.

## 7. GLOSSARY

N/A

## 8. LIST OF APPENDICES

Appendix A: Financial Implications

Appendix B: EIA

Appendix C: Record of bin spend and forecast

## 9. BACKGROUND PAPERS

Annual Replacement Programme 2021 To 2024 – Domestic And Commercial Bins (Cabinet Reference Cab.2.6.2021/12)

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

## 10. REPORT SIGN OFF

<b>Financial consultation &amp; sign off</b>	Senior Financial Services officer consulted and date <b>Appendix A included.</b>
<b>Legal consultation &amp; sign off</b>	Legal Services officer consulted and date <b>Sukdave Ghuman 25/01/2023</b>

**Report Author: Kayleigh Boasman**  
**Post: Service Support Manager**  
**Date:18/01/2023**