

BARNSELY METROPOLITAN BOROUGH COUNCIL

REPORT OF: EXECUTIVE DIRECTOR OF GROWTH AND SUSTAINABILITY

TITLE: ANNUAL REPLACEMENT PROGRAMME 2024 TO 2027 – DOMESTIC AND COMMERCIAL BINS

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|---------------------------------|---------------------------------|
| REPORT TO: | CABINET |
| Date of Meeting | 3 APRIL 2024 |
| Cabinet Member Portfolio | ENVIRONMENT AND HIGHWAYS |
| Key Decision | Yes |
| Public or Private | Public |

Purpose of report

To seek approval of the capital provision allocated to the annual programme for replacement domestic commercial wheeled bins.

Council Plan priority

Sustainable Barnsley.

Recommendations

That Cabinet:-

1. Approve the bin replacement programme for 2024 -2027.
2. Approve the Capital expenditure in the sum of £1,304m for the period 2024-2027 as set out in the report.
3. Approve the prudential borrowing as the most cost-effective solution.

1. INTRODUCTION

- 1.1 Waste Management provide kerbside wheeled bin waste collection services to c.115,282 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 c.1,250 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 £27k. Since April 23, there has been a £120 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 2023, there has been a £29 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 of 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.

2. PROPOSAL

- 2.1 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, as to not pose a danger to residents or staff employed, the Council retains ownership of all bins and is the sole supplier. It is estimated that the Council will need approximately 16,000 large (240ltr) wheeled bins and 1,000 smaller (140ltr) wheeled bins of varying colours to satisfy the annual demand as a result of growth and replacement. The number of units attained during the previous three financial years are as follows:

| | Total Units - Domestic | Total Units - Trade | Total Spend |
|------------------|-------------------------------|----------------------------|--------------------|
| 2020-2021 | 16,304 | 230 | £351,586 |
| 2021-2022 | 14,103 | 220 | £345,603 |
| 2022-2023 | 12,291 | 210 | £358,607 |

- 2.2 Failure to provide domestic and commercial bins will result in the failure of the Council in meeting its statutory requirements for this service.
- 2.3 The Council operates a free warranty exchange period to residents to replace faulty bins within 5 years of their manufacture.

CONSIDERATION OF ALTERNATIVE APPROACHES

- 2.4 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.

IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

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

3. IMPLICATIONS OF THE DECISION

3.1 Financial and Risk

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

Capital Programme / Capital Funding Implications

3.1.2 This report outlines the proposal to purchase approximately 45,000 domestic and commercial bins over the period from 2024/25 through 2026/27. This is based on historic 3 year average requirement and is subject to change dependent on demand. The table below shows estimated costs for the three year programme. A 10% increase in cost has been factored in year on year to account for changes in the commodities market affecting the price of plastic.

| Financial Year | Estimated Cost |
|----------------|----------------|
| 2024/25 | £0.394M |
| 2025/26 | £0.433M |
| 2026/27 | £0.477M |
| TOTAL | £1.304M |

3.1.3 The financing options currently available to the Council for such capital programmes are shown in the table below, together with a brief description of the implications on both the Council's revenue budget and capital programme respectively.

| Financing Method | Revenue Implications | Capital Implications |
|------------------|--|--------------------------------------|
| Borrowing | Cost of repayment of debt / servicing debt (interest) charged annually | The Council's indebtedness increases |

3.1.4 Finance officers have assessed the option outlined above and concluded that this is most cost-effective funding mechanism. The bins will be financed over a period of ten years per tranche which reflects their expected useful life.

3.1.5 What this means in practical terms is that the Council legally owns the bins at the point of purchase. 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 revenue budget.

Revenue Budget Implications

3.1.6 The annual capital expenditure will be funded from prudential borrowing charged to the revenue account each year as per the table below.

| Financial Year | Estimated Additional Cost | Estimated Total Cost |
|----------------|---------------------------|----------------------|
| 2024/25 | £0.036M | £0.331M |
| 2025/26 | £0.048M | £0.326M |

| Financial Year | Estimated Additional Cost | Estimated Total Cost |
|----------------|---------------------------|----------------------|
| 2026/27 | £0.052M | £0.342M |
| TOTAL | £0.136M | £0.999M |

3.1.7 The additional expenditure for the prudential borrowing costs can be contained within the existing 2024/25 revenue budget for prudential borrowing due to previous bin replacement programme costs coming to the end of the 10-year payback period.

3.1.8 The administrative burden associated with collating and delivering the bins to customers are being accommodated with existing resources.

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

3.2 Legal

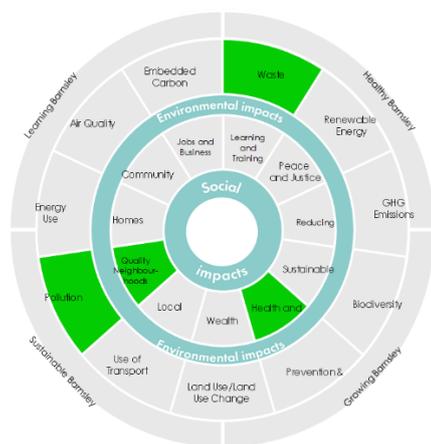
3.2.1 There are no legal implications in this report.

3.3 Equality

3.3.1 Not applicable – Bins are available to all residents within the BMBC boundaries.

3.4 Sustainability

3.4.1 With sustainable Barnsley 2030 being a significant driver as failure to supply bins to residents would likely result in significant increases in fly tipping and environmental health issues across the BMBC area.



3.5 Employee

3.5.1 None.

3.6 Communications

3.6.1 None.

4. CONSULTATION

4.1 Commercial Support Services, Finance, Capital Expenditure

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 It has been considered not to purchase bins and enforce under the EPA section 46 which states residents have a legal duty to present their household waste for collection by the LA. However, this would create a non uniform production of waste that would impact upon resources, time and cost to the LA.

5.2 In this case the resident would be required to buy a bin which, meets the criteria laid out to allow for a safe and environmentally sound collection method. This approach, however, would not facilitate either the volume-based price nor would it offer the level of warranty and support services available to residents. Therefore for the above factors we recommend the replacement domestic bin programme.

6. REASONS FOR RECOMMENDATIONS

6.1 The bin replacement programme ensures the best value for residents over the life of the bin as we provide a warranty for all bins up to 5 years and have some additional warranty to cover stock held in the depot. The price per bin is significantly reduced due to the volume of bins bought and by using a supplier we have a more robust structure to cover events that impact the supply chain and polymer markets which are currently volatile.

7. GLOSSARY

7.1 None.

8. LIST OF APPENDICES

8.1 Appendix A: Financial Implications

9. BACKGROUND PAPERS

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

10. REPORT SIGN OFF

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| Financial consultation & sign off | Senior Financial Services officer consulted and date SIGNED APPENDIX A |
| Legal consultation & sign off | Legal Services officer consulted and date Andrew Perriman 21 March 2024 |

Report Author: Mark Wigmore
Post: Operations Manager
Date:20/03/24