



# Refuse collection trend analysis

This briefing provides details of the latest APSE Performance Networks trend analysis of local authority performance on cost, quality and productivity within the refuse collection service. It is provided to local authority chief executives, councils leaders and all APSE refuse and waste contacts.

## Key issues

1. Local authority refuse collection is an important public service which both contributes to wider sustainability objectives and is a highly visible front-line service provided to all citizens
2. The refuse collection service has come under increasing cost pressures as a result of challenging national targets to minimise waste generation, recycle waste and reduce the amount of waste going to landfill
3. APSE performance networks for refuse collection is now in year 9 (2006/07) of data collection examining cost, quality and productivity issues relating to the this service area
4. This briefing highlights the key findings and looks at some of the future direction of refuse collection in local authorities
5. The Analysis referred to in this briefing is based on first batch data returns. Summary reports including first and second batch data returns will be published in March 2008.

## 1. Introduction

The refuse collection service is the most highly visible service provided by local government and is one of the highest priorities in terms of citizen satisfaction with local authority services. The increasing focus on waste minimization and recycling targets has led to increased pressure being placed upon local authorities to reduce the amount of waste deposited at landfill. This is backed up by financial penalties and challenging

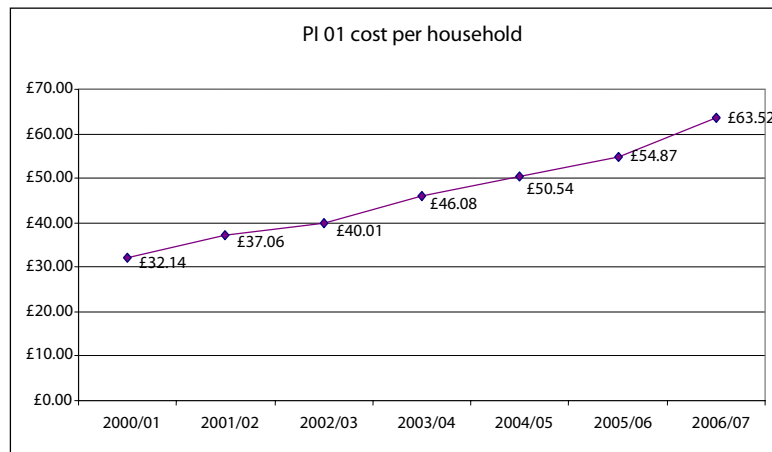
targets. The impact of major changes in the industry linked to the need to reduce the amount of waste going to landfill and challenging recycling targets is reflected in the trend data available through performance networks.

## 2. Overview and trend information

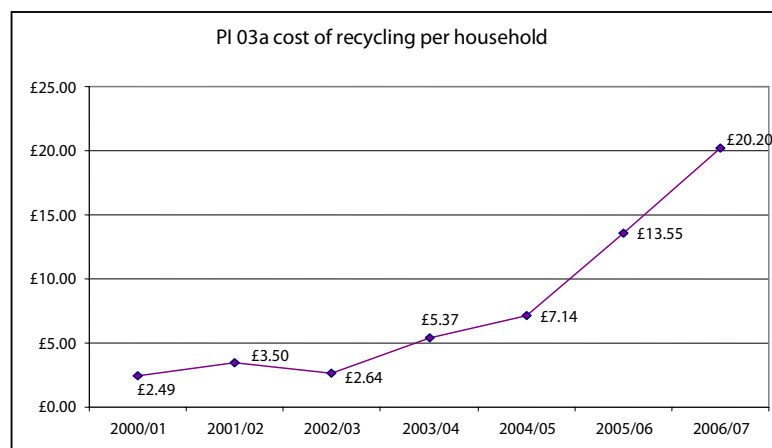
The APSE performance networks performance indicators for refuse collection services cover a number of dimensions of performance; such as the cost, productivity and quality. This briefing provides APSE member authorities with information regarding trends covering a number of elements of the service. It is a summary of some of the information collected thus far and, in conjunction with the more detailed section of this report can be used to inform individual authorities and future activity for the APSE benchmarking groups. The analysis in this executive summary is based on averages across all family groups and is therefore service-wide, for the last seven years (2000/01 (Year 3) to 2006/07 (Year 9)). The analysis is based on 63 participating authorities which is an increase on last years first batch of returns.

## 3. Key cost and productivity indicators

The cost of the refuse collection service per household including central establishment charges (PI 01a) is a key cost indicator and has increased steadily over the period since 2000-01. This increase is to be expected as local councils and the Government continue to give recycling a high priority and new initiatives are introduced to increase recycling rates coupled with increased disposal costs. The cost per household was £54.87 in 2005-06 and increased to £63.52 in 2006-07, an increase of 16%.

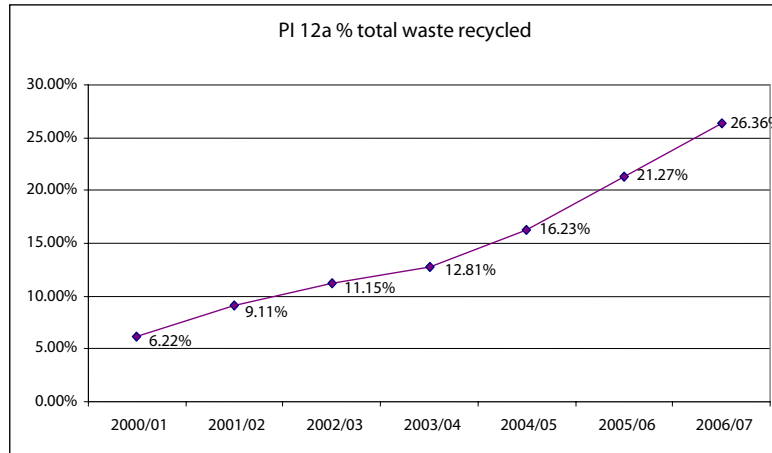


The cost of recycling per household including central establishment charges (PI 03a) has also significantly increased from a figure of £13.55 in 2005-06 to £20.20 in 2006-07. The increases reflect the investment in the service and the results can be seen in the amounts of waste now being recycled or composted.

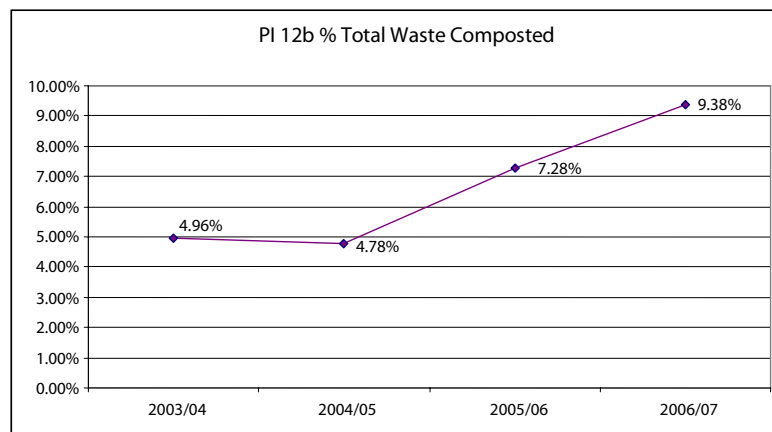


The tonnage of waste being recycled per household (PI.03b) is increasing and has tripled over the past 5 years and shows an increase from 0.11 in 2002-03 to 0.33 tonnes in 2006-07. The percentage increase on 2005-06 was 22%. Such an improvement would be expected considering the level of investment made in the service noted above.

The percentage of households covered by kerbside recycling collections (PI 11) has now reached 95.78%. Twice as many households are covered by this scheme since the data was collected for this PI for the first time 8 years ago.



The percentage of the total waste collected which is recycled (PI 12a) has grown from 21.27% to 26.36% over the past year whilst the percentage composted (PI 12b) has gone up from 7.28% to 9.38%.



Total labour costs as a percentage of total expenditure (PI 08) have reduced from 46.75% in 2000-01 to 42.83% in 2006-07 and over the same period, transport costs as a percentage of total expenditure (PI 10) have reduced from 28.06% to 23.96% despite considerable investment in more complex new vehicles to deal with recycling. These percentage reductions are probably due to increased disposal costs, the introduction of new and improved recycling initiatives and the promotion and awareness of these initiatives. Local authorities are not diverting waste to landfill due to these higher costs involved but they are now managing to recycle more.

## **Interpretation of data**

From the above analysis, it is noticeable that there is strong evidence from the waste management sector of rising costs linked to the increasing costs of waste disposal and significant investment in recycling initiatives. Despite the cost pressures it would appear that the service continues to demonstrate efficiency in the use of resources evidenced in the containment of labour and transport costs.

However, the fall in the percentage of expenditure in relation to front-line staff costs does not necessarily mean that resources are reducing in an area where they are most definitely required. It reflects a growing awareness of the importance of the industry in contributing towards sustainability objectives whilst at the same time managing resources both effectively in a highly competitive environment. As the pace of change gathers momentum continuing increases have been seen in the number of households covered by kerbside collection schemes. Overall, the service performance information has shown a strong year of improvement and development.

## **Future focus**

The prominent role currently given to climate change through the draft bill announced in March 2007 together with the liveability agenda will see waste management and recycling maintain a high profile with a related emphasis on improvements in productivity and quality. The Lyons Review into local government finance has made recommendations to allow local councils the freedom to introduce supplementary charges for collecting household waste. The need for a performance framework that drives cost-effectiveness and efficiency, whilst having a greater focus on outcomes remains. The Performance Networks model allows for this and will continue to develop to achieve this and reflect the long term nature of improvements in council services.

Government considers that performance management arrangements have in the main been successfully embedded into local government. As part of the Best Value agenda, it was considered an important tool to help improve the quality of public services. One implication over recent years has been a general move to lessen the amount of performance measurement which has to be reported back to Government as well as a reduction in terms of audit and inspection of the better performing local authorities.

This focus has been consistent across England, Scotland, Wales and Northern Ireland and the different contexts in each country. The focus on accurate and robust data is important but is seen as only the first stage in a performance management framework. Data must be used to track performance, inform priorities, highlight particular issues and direct resources. There is also a responsibility on local authorities to inform people about the level of performance so they are aware of changes and can make the link between how the council is managing and providing services and what they are experiencing as service users.

The need to consider outcomes, reflecting the impact on people's lives of services provided, as part of a performance management framework (as well as inputs and outputs) has gained momentum. As such, the performance networks model will be developed further to incorporate more outcome focused performance indicators as they arise.

The move towards more regular performance management reports has fuelled a call for more frequency in comparison across the local authority family. The practicalities of developing performance networks in this way will also be investigated.

The requirement to collect, analyse and compare performance will remain with local authorities meaning the benefits of using benchmarking arrangements such as those provided by performance networks will continue to increase.

### **APSE comment**

Directly provided refuse collection services continue to face cost pressures. In addition, the moves towards efficiency savings, has been a factor in clients seeking to reduce the level of spend on refuse services as a means to generate an efficiency gain. This may be due to the fact that there is an increase in investment and expenditure.

High on the agenda is partnership working with organisation such as Encams and Cabe and this information will be disseminated via the national working groups and examples of best practice will continue to be highlighted. There may also be the need to create additional PI's regarding waste disposal and again this information will be updated to our membership.

It is the APSE hope that the data collection process will be simplified to make it easier to complete returns with a view to linking the data collection with that in existence by authorities used for their purposes. APSE will also continue to lobby the Government on behalf of its membership focusing on waste and refuse issues and tackling manufacturers and packaging of food and goods.

### **Pat Taggart**

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