



Briefing 08-61 December 2008

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, council 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

1. Introduction

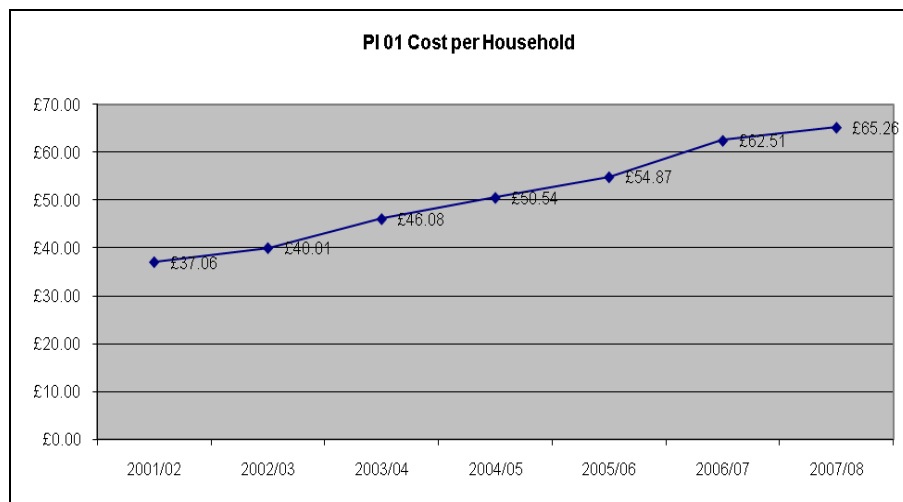
The refuse collection service is the most highly visible service provided by local government and is one of the highest priorities in terms of citizen satisfaction with local authority services. The increasing focus on waste minimization and recycling targets has led to increased pressure being placed 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

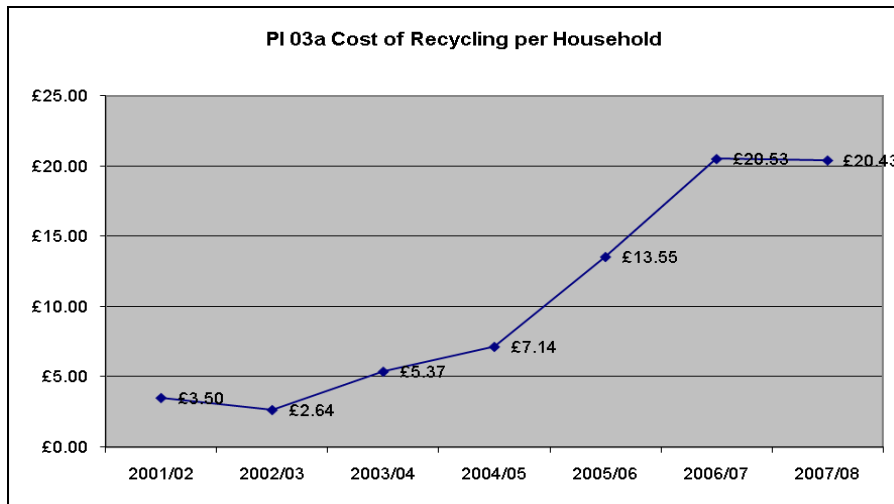
The APSE performance networks performance indicators for refuse collection services cover a number of dimensions of performance; such as the cost, productivity and quality. This executive summary provides participating authorities with information regarding trends covering a number of elements of the service. It is a summary of some of the information collected this year 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 eight years (2000/01 (Year 3) to 2007/08 (Year 10)). It includes participation by 172 authorities over the seven year period.

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 continues 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 £63.52 in 2006-07, this has increased in 2007/08 to £65.26, an increase of 3%.



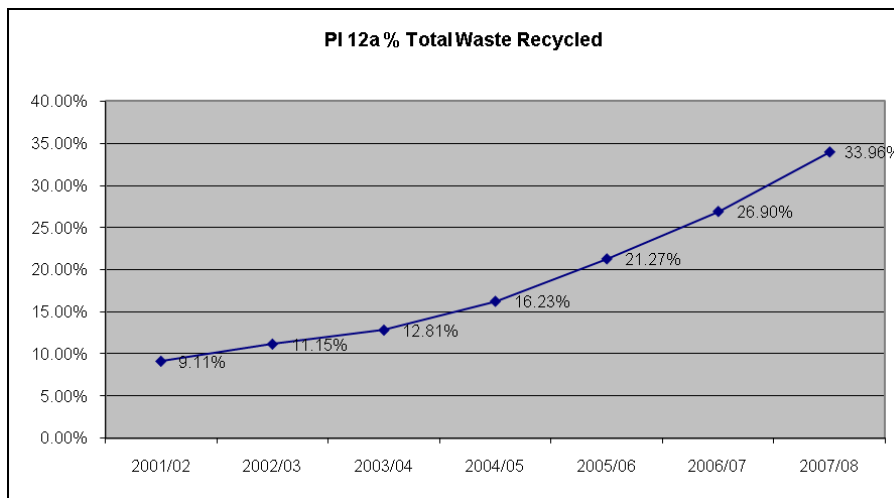
The cost of recycling per household including central establishment charges (PI 03a) has decreased slightly from a figure of £20.53 2006-07 to £20.42 in 2007/08. The decreases reflect the investment in the service and the results can be seen in the amounts of waste now being recycled or composted.

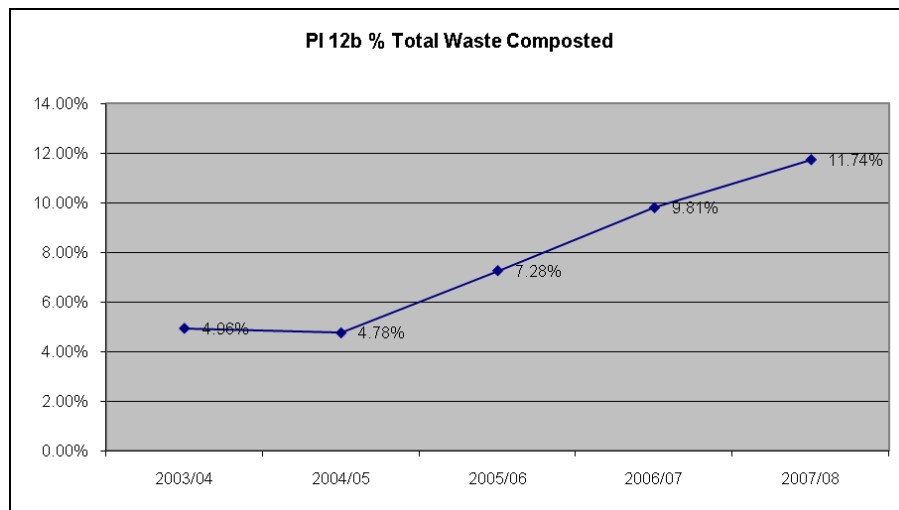


The tonnage of waste being recycled per household is increasing. PI 03b shows an increase from 0.34 in 2006/07 to 0.39 tonnes in 2007-08. The percentage increase on 2006/07 was 15%. Such an improvement would be expected considering the level of investment made in the service as noted above.

The percentage of households covered by kerbside recycling collections (PI 11) has now reached 96.44%. Twice as many households are covered by this scheme since the data was collected for this PI for the first time 9 years ago.

The percentage of the total waste collected which is recycled (PI 12a) has grown significantly from 26.90% to 33.96% over the past year whilst the percentage composted (PI 12b) has gone up from 9.81% to 11.74%.





Total labour costs as a percentage of total expenditure (PI 08) have reduced from 43.16% in 2006/07 to 42.64% in 2007/08 and over the same period, transport costs as a percentage of total expenditure (PI 10) have increased from 23.82% to 25.47% which may be as a result of an increase in the amount of transport costs which have also increased. The percentage reductions in PI 08 is probably due to increased disposal costs, the introduction of new and improved recycling initiatives and the promotion and awareness of these initiatives.

Interpretation of data

From the above analysis, it is noticeable that there is strong evidence of improvement across the last eight years. The ongoing increase in recycling activity is the driving factor behind much of the developments occurring across the wider service area. There is room for further development in the years ahead as councils catch up with more innovative APSE members who are at the forefront of best practice nationally in the area of refuse collection and recycling.

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 in the strategy being adopted by providers, which focuses on both treatment and prevention. As the pace of change gathers momentum continuing increases have been seen in areas such as kerbside collection schemes. Overall, the service performance information has shown a strong year of improvement and development. There are also direction of travel statements available along with Performance Indicators on the PN web portal which show 5 year trends for individual authorities

Future focus

The prominent role currently given to climate change 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 need for a performance framework that drives cost-effectiveness and efficiency, whilst having a greater focus on outcomes remains. The Performance Networks model allows this and will continue to develop to achieve this and reflect the long term nature of improvements in council services.

The Government considered that performance management arrangements have in the main been successfully embedded into local government. As part of the Best Value agenda, it was considered a vital 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, high-light 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 templates 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.

High on the agenda is partnership working with organisations such as Encams and Cabe 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, again this information will be updated to our membership. Another way ahead may be to provide a forum for the APSE membership and inviting both data collection and finance staff from authorities to clarify the data collection process.

It is the APSE hope that the data collection process will be streamlined to make it easier to complete returns with a view to linking the data collection with that in existence by authorities. APSE will also continue to lobby the Government on behalf of its membership focusing on waste and refuse issues and addressing the key issues identified in the waste hierarchy around manufacturers and packaging of food and goods.

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