

What does the Pre-Budget Report 2009 mean to environmental services?

The Pre-Budget Report 2009 targets £550 million savings at waste and refuse collection services. Is that equitable and how could it be achieved?

The Pre-Budget Report announced proposals that Councils will need to reduce their waste collection and disposal costs, to help deliver efficiency savings, worth £550 million a year by 2012-13. The Government plans reference the need to 'deliver services in a more effective way'. However the statement is lacking in detail.

Whilst many authorities have looked to increase recycling, to minimise landfill tax costs, increased recycling can of itself have an impact on the cost of the service – collections increasing, for example, to cope with more recycling streams and therefore potential increases in service costs. APSE performance networks data shows in fact a positive approach to cost containment and performance improvement in refuse collection services.

But is Government targeting the wrong service? APSE data shows that councils are already way ahead of the game in frontline services. They have coped well with the conflicting demands of waste minimisation, diversion of waste from landfill, and increased collection of recyclates. The average cost of the refuse collection service per household has shown a steady increase from £40.01 in 2002-03 to £69.02 in 2008-09. This investment in the service has shown a corresponding increase in the percentage of total domestic waste collected which is sent for recycling from

11.15% in 2002-03 to 37.13% in 2008-09 – more than triple that of 6 years ago. Tonnage of waste being recycled per household has increased by 16% in the last year. Clearly efficiency and service effectiveness are already at the forefront of council refuse collection services so generating further savings will be a tough call.

Local authorities are also introducing new recycling collection streams such as food waste to improve their performance on recycling. Introducing such schemes and the investment needed in equipment, transport and staff time also impacts on the costs of the service. This is also evidenced by the APSE performance networks statistics in terms of the percentage of transport costs which have increased over the past few years and now reach 25% of total expenditure. The increase in Transport costs is due to a number of issues including fuel price inflation, which local authorities can do little to control, as well as investment in new vehicles to facilitate increased recycling activity.

Budget 2009 saw the Government launch a consultation on reforms to landfill tax legislation to 'ensure the tax remains robust in the long term and continues to reduce the amount of waste sent to landfill'. Over 100 responses were received and a summary of responses was published on 4 December. The Government has now committed to undertake further

discussions with landfill operators on the proposals. Further details are due to be outlined next spring.

The Pre-Budget report reiterated that it had provided £10 million additional funding to divert waste from landfill through increased take-up of anaerobic digestion and in-vessel composting. Half of this funding has already been committed to projects that together will divert 200,000 tonnes of waste from landfill.

So clearly waste and refuse collection is moving onto the radar of Government as an area where further efficiencies may be found. However APSE members are likely to resist being swallowed up into joint waste and refuse collection arrangements, if it removes local determination. 'Bin politics' on the fortnightly versus weekly collections was such a hot issue at the last local elections that councils were won or lost on the back of the bin debate. It is unlikely local elected members will want to surrender control of bin collection and waste disposal policies to regional or sub-regional arrangements or to third parties. The bin battle may be about to begin in Whitehall.

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