apse membership resources

State of the Market Survey 2015

Local Authority Refuse Services

Briefing 15/27
May 2015

The state of the market survey was conducted by Wayne Priestley, APSE Principal Advisor for Environmental services with assistance from Garry Lee, Research & Coordination Officer.

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Local Authority Refuse Services

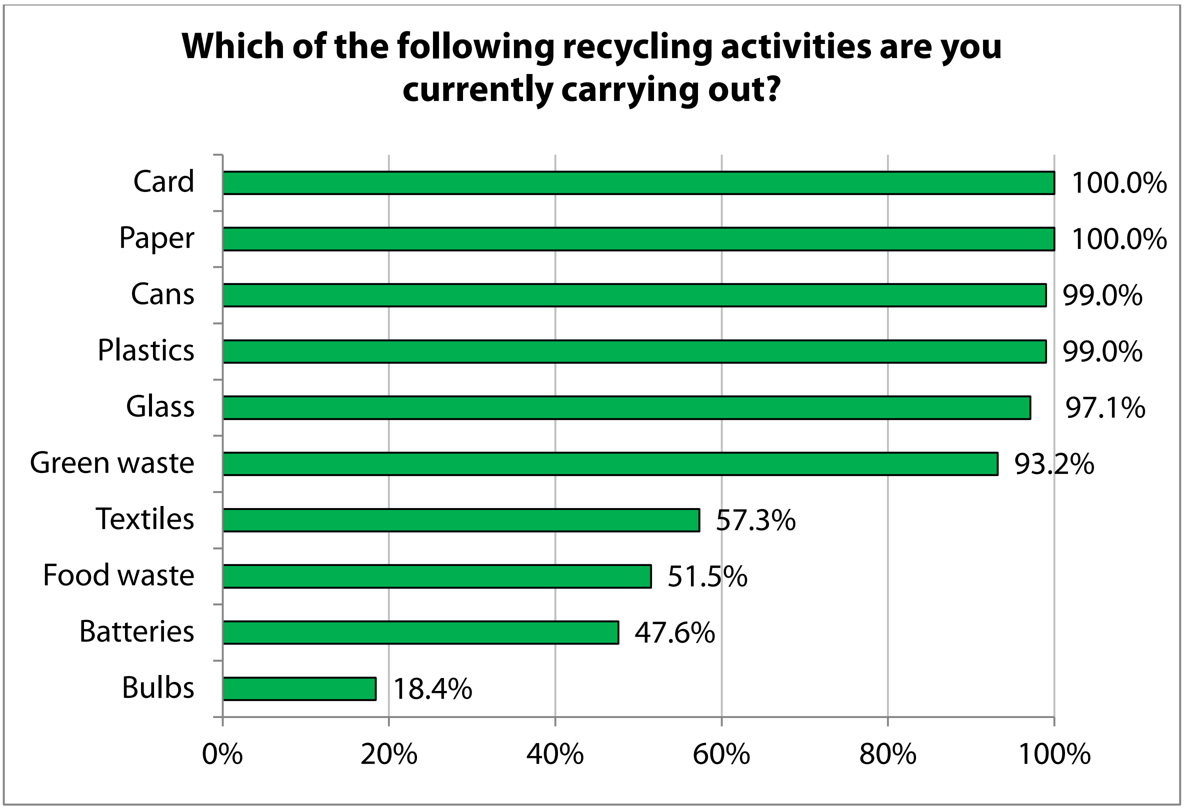
State of the Market 2015

APSE conducted an on-line survey during March and April 2015. This follows on from 2013, 2012, 2011 and 2008 Refuse Collection State of the Market surveys where similar questions were asked to allow for trend comparisons. 104 responses were received from local authorities throughout the UK. This report identifies the key findings of the survey.

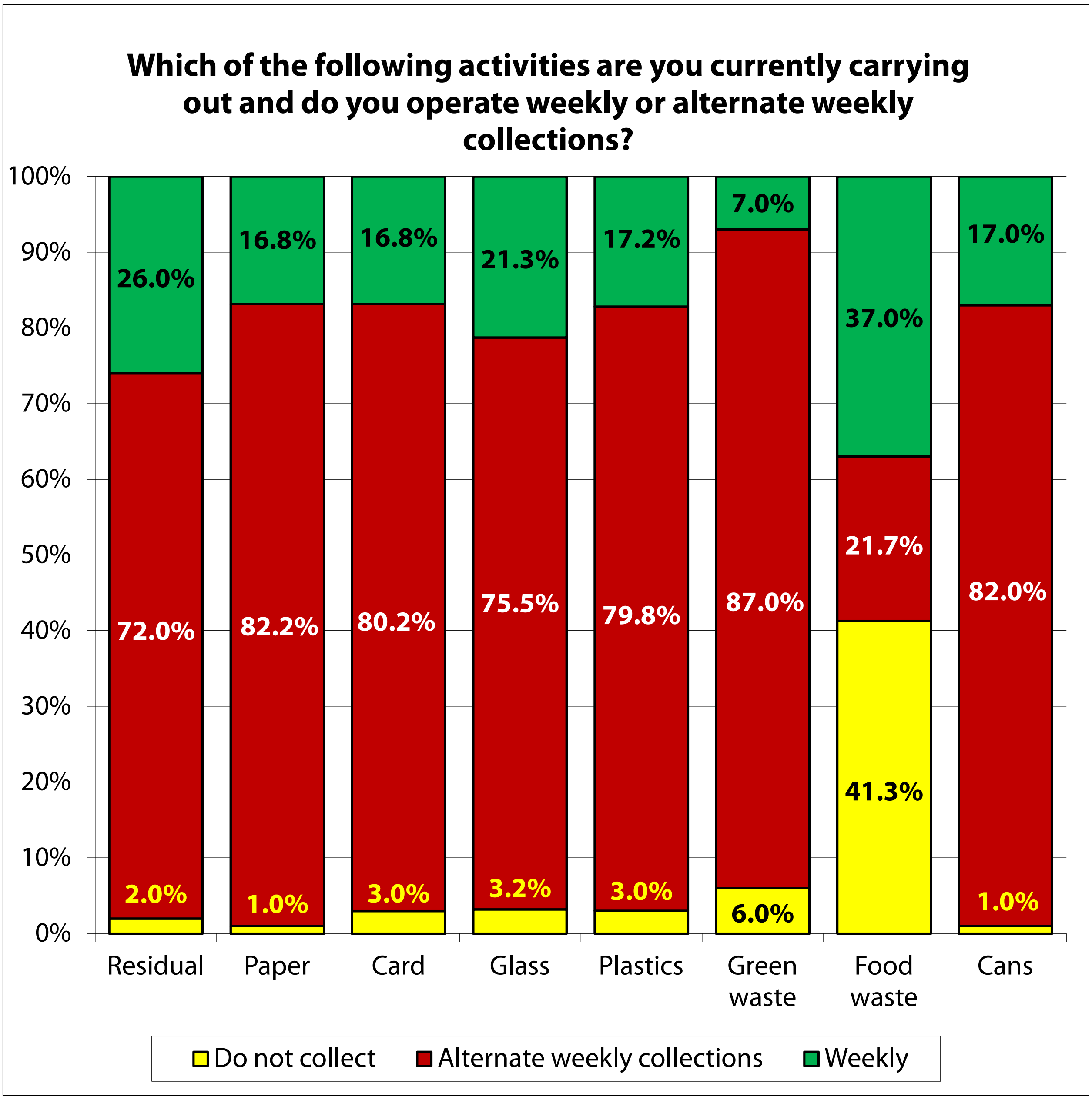
Results from the survey

a) Recycling activities

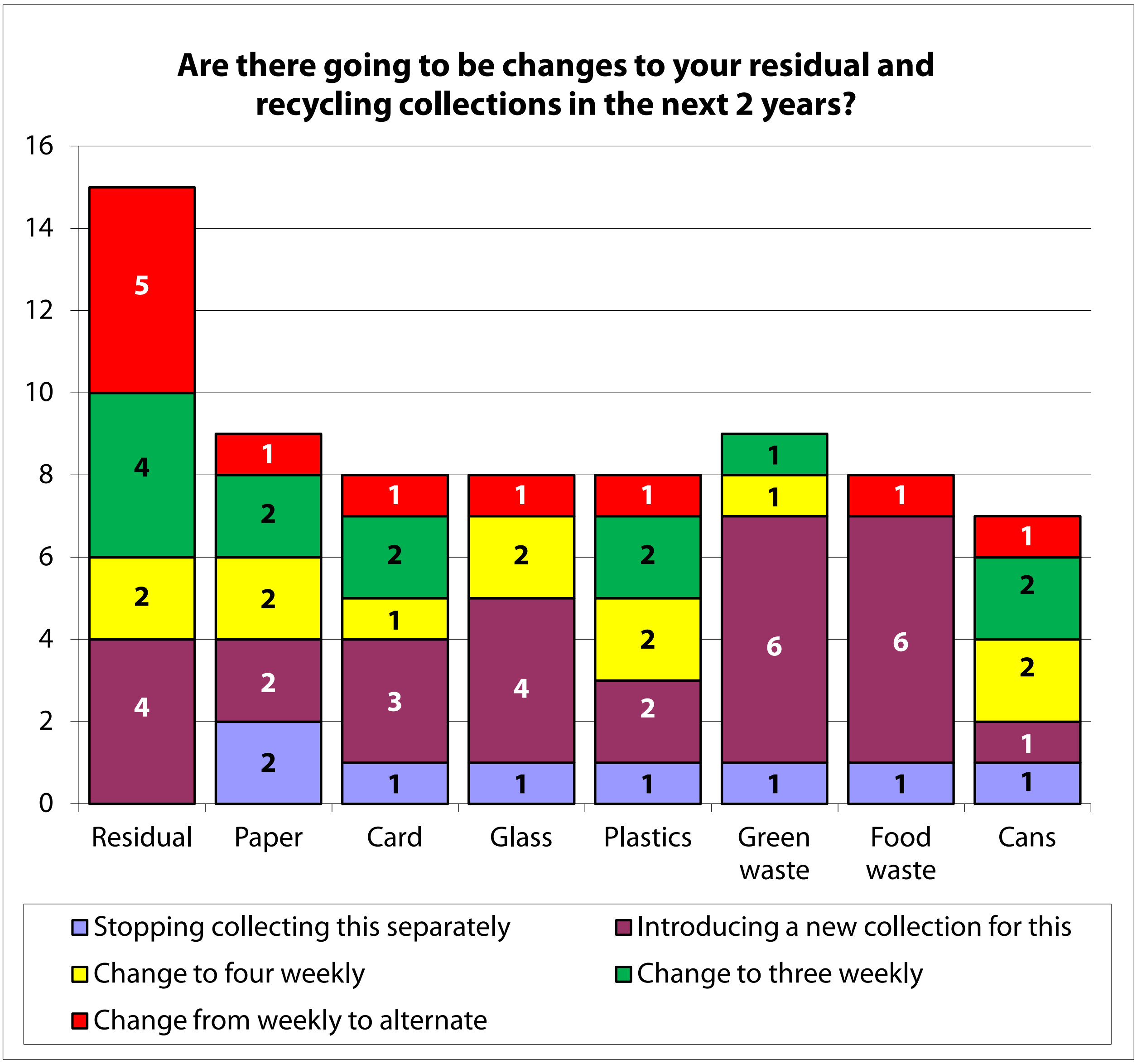
In terms of what recycling activities are currently carried out, the results were as follows:



In relation to the frequency of collections (weekly or alternate collections), the number of responses for each of the different types of collections (and the percentage breakdown between weekly and alternate collections) were as follows:



Members were asked whether there were going to be any changes to their residual and recycling collections in the next 2 years. The number of respondents who indicated that there is going to be changes are displayed below:



As can be seen above, the main changes are 5 respondents indicated that they are going to change from weekly to alternate collections for residual, 6 respondents are introducing new collections for green waste and an additional 6 respondents are introducing new collections for food waste.

Respondents were asked if they had made a bid for the Weekly Collections Support Scheme (funding made available by Communities and Local Government designed to support local authorities to introduce, retain or reinstate a weekly collection or residual waste and/or recycling (for example food waste)). 19.2% of eligible councils answered 'yes' to this question and the main intentions for the use of this money included introducing weekly collections of food waste and organics, enhancing communications campaigns, introducing weekly communal collections in flats and improving collection technology. It was noticeable none of the respondents said they were returning to a weekly residual collection, and those who were using funding to retain weekly residual collection were only doing so in the short-term. The survey's findings particularly in the above chart seem to suggest weekly alternative weekly collections for residual waste will become the norm in the next few years.

b) Collection and disposal methods

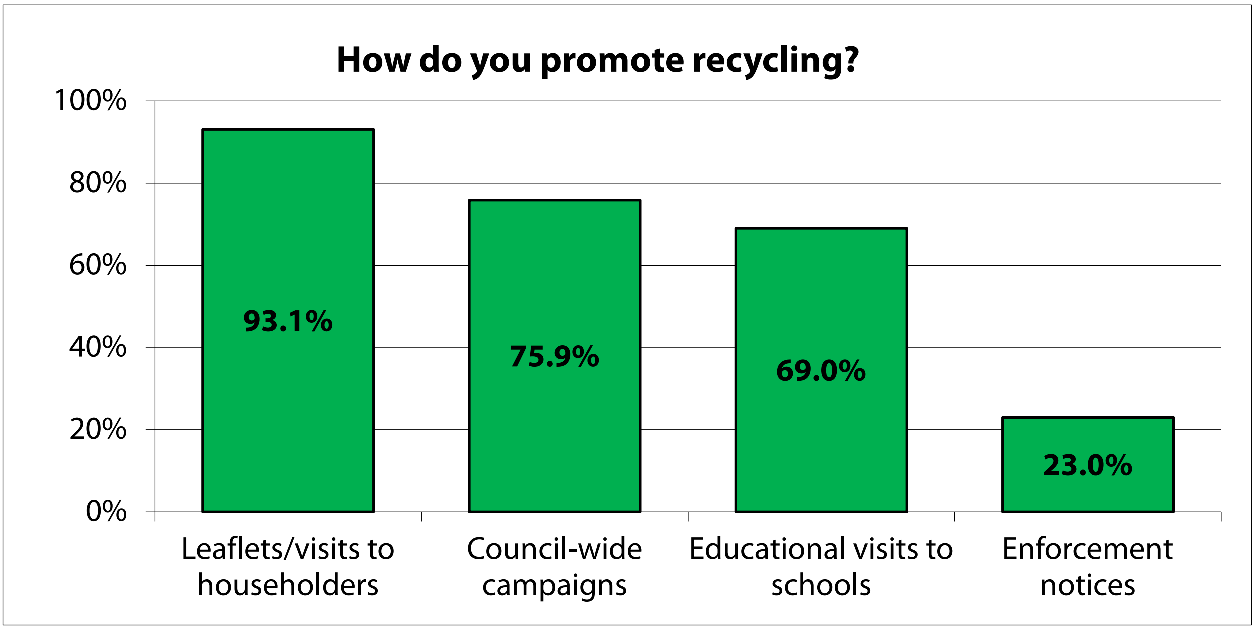
48.2% of respondents indicated that they operate a task and finish system for refuse collection (an increase from 46% in 2013) and 31.8% have zonal working (collecting all waste from one zone on the same day).

47.1% operate a 5-day week, whereas 23.5% operate a 4-day week (compared to 22% in 2013). 3.5% of respondents have a double shifting system in place.

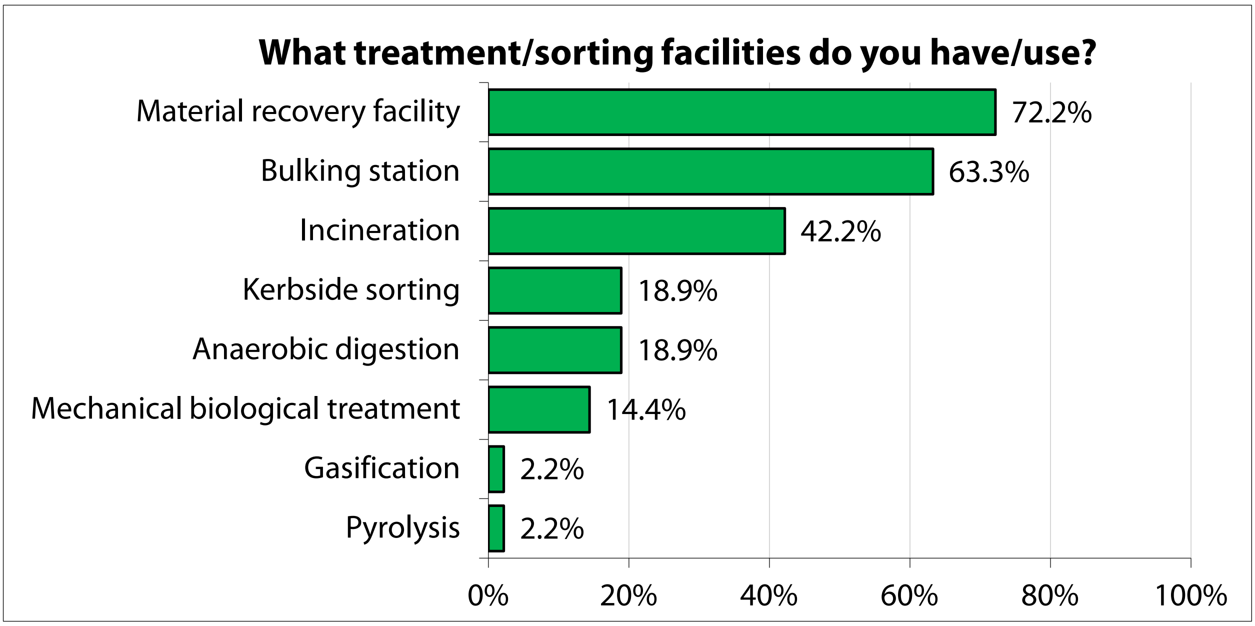
On average, 5.3% of containers are replaced every year (including residual, kerbside recycling, green and kitchen waste).

82.7% operate co-mingled collections, which is a slight decrease from 84% in 2013.

The following chart shows a breakdown of methods used to promote recycling.

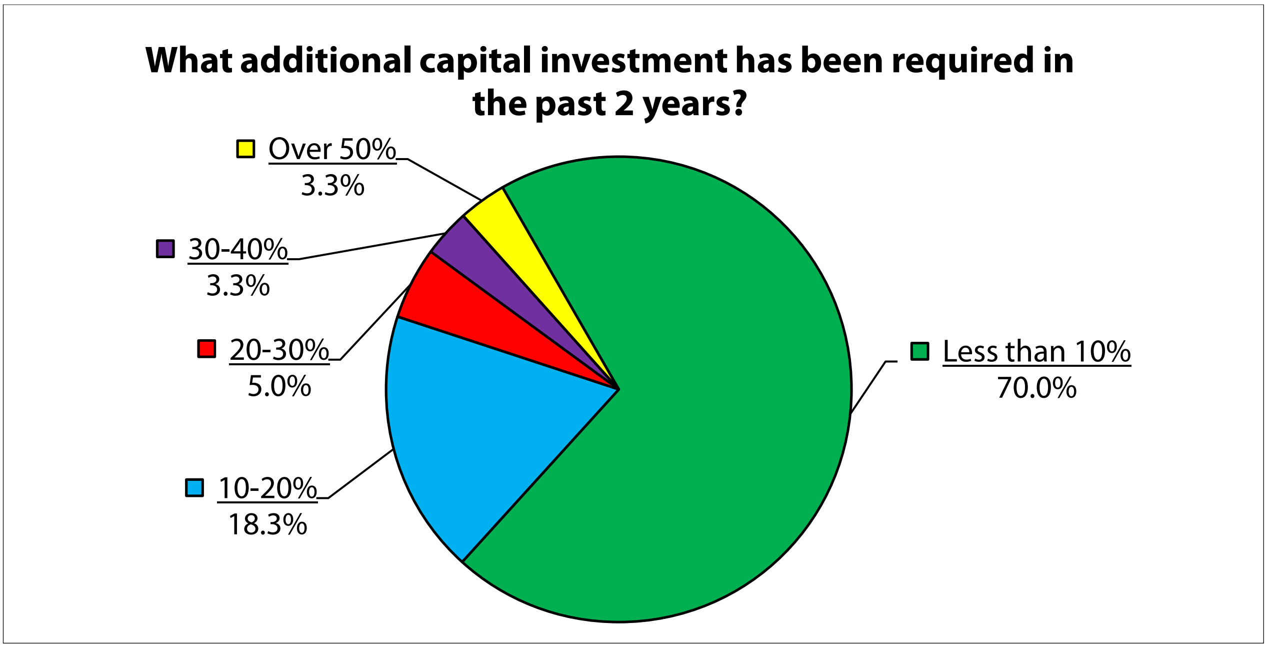


Treatment and sorting facilities include:



c) Investment in and managing the service

When asked what additional capital investment has been required in the past 2 years, the responses were as follows:

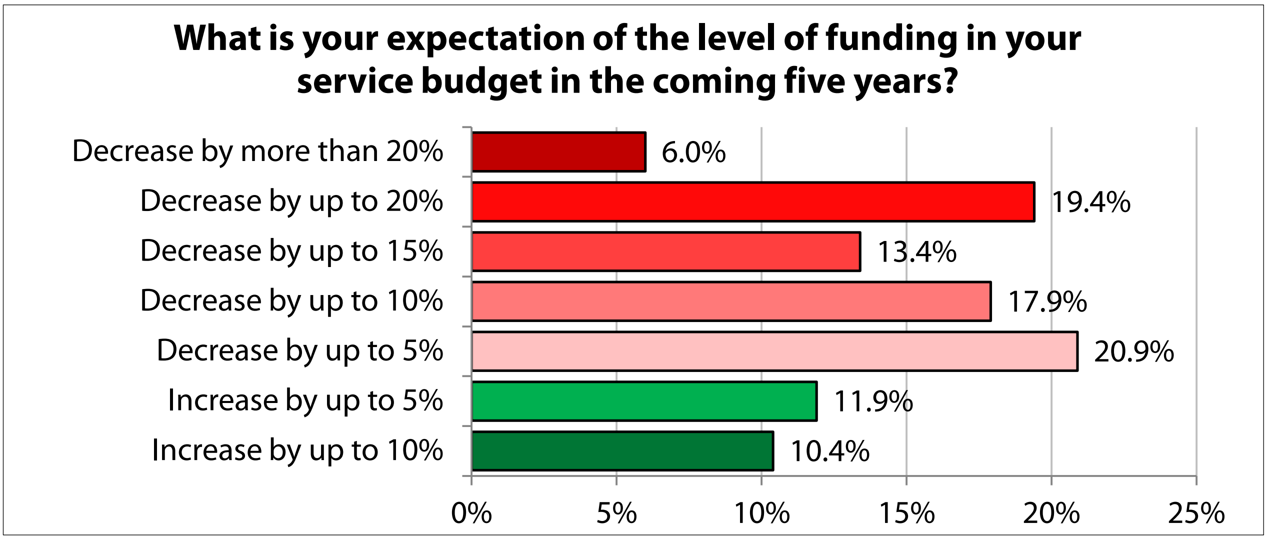


Most of the capital investment was to increase or replace vehicle numbers (mostly recycling vehicles), and purchase and waste/recycling containers.

d) Budgetary consideration

71.8% of respondents expect their refuse budgets to change next year, with the majority of these (63.8%) expecting a decrease in revenue and some (37.9%) expecting a decrease in capital. However, it also worth noting that some are expecting increases in capital (20.7%) and revenue (27.6%). These increases are linked to increases in property numbers and the introduction of new services such as food waste collection.

Over the next 5 years, the majority of respondents expect to see a reduction in their service budgets, with many expecting this to be up to 20%.



The survey asked 'What efficiencies are you currently working towards or proposing' and the main responses to this question are as follows: route optimisation leading to reduction in crews and vehicles and the introduction of double-shifting. Reductions in management structures. Increasing income from chargeable services and closing or reducing operational hours of HWRC's. Renegotiation of contracts and reduced landfill disposal costs. Introducing fuel saving technologies and finally, merging services with neighbouring authorities to reduce costs brought about be shared service structures.

The survey asked about whether councils charge for the following services and the results are as follows:

Answer Options	Yes	No but will do within the next 1-2 years	No
Supply of bins	32	8	**36**
Bulky waste collections	**70**	3	6
Clinical waste collections	5	2	**48**
Trade waste collections to schools and hospitals	**52**	1	11
Green waste collections	17	16	**43**
Food waste collection	2	0	**41**
Black bags	4	0	**40**

In terms of income from areas like trade waste services and its importance to the future financial viability of your service, 23.2% stated they could not manage financially without this and 31.9% stated that they need to generate more income to survive; alternatively, 29.0% stated that the additional income is useful but not essential to their service and 24.6% stated that they do not currently raise any additional income.

With the new Waste Directive (including TEEP requirements), 91.8% of respondents have recently reviewed their waste and recycling services of which 86.3% are not amending their collection methods as they believe they are already TEEP compliant and 5.5% are making amends to ensure they are TEEP compliant; the remaining 8.2% do not believe it is necessary to review their collection methods as a result of TEEP.

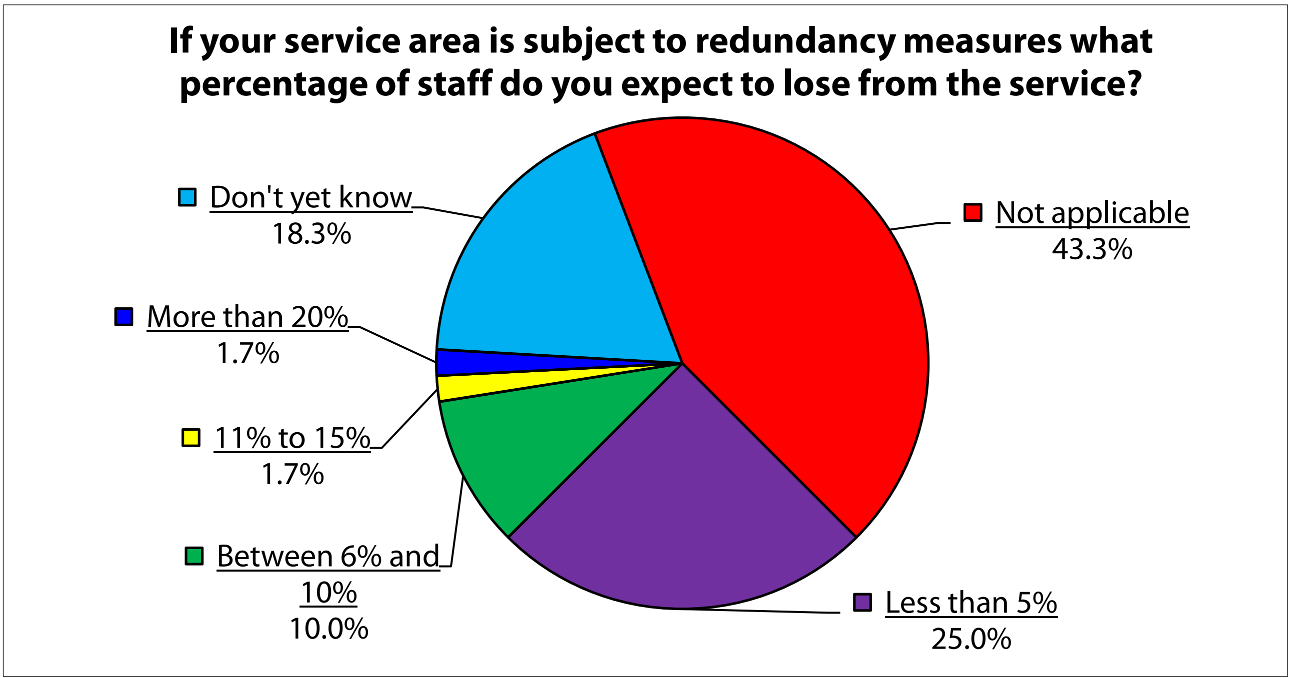
23.8% responded 'yes' to the question on whether they had or have a planned reduction in recycling credits from their waste disposal authority; 42.9% answered 'no' and 33.3% didn't know.

e) Staffing

Regarding managing future staffing levels, within the next 12 months 34.7% expect natural wastage, 34.7% expect voluntary redundancy, 19.4% expect to implement a recruitment freeze, 8.3% expect compulsory redundancy and 47.2% have indicated they intend to implement none of these. The results from the 2013 and 2012 Refuse State of the Market surveys have been provided below for comparison.

	Results from 2015	Results from 2013	Results from 2012
Natural wastage	34.7%	39.5%	47%
Recruitment freeze	19.4%	17%	26%
Voluntary redundancy	34.7%	26%	34%
Compulsory redundancy	8.3%	12%	8%
None of these	47.2%	49%	32%

Of those services who expect to be subject to redundancy measures, they expect to lose the following percentage of staff from the service:



Members were asked what their staff absence levels are, and whether they thought this was at an acceptable level. 43.9% estimated their absence levels to be under 5%, 42.4% estimated under 10%, 12.1% estimated under 20% and 1.5% estimated under 30%. The responses are shown in the chart below:

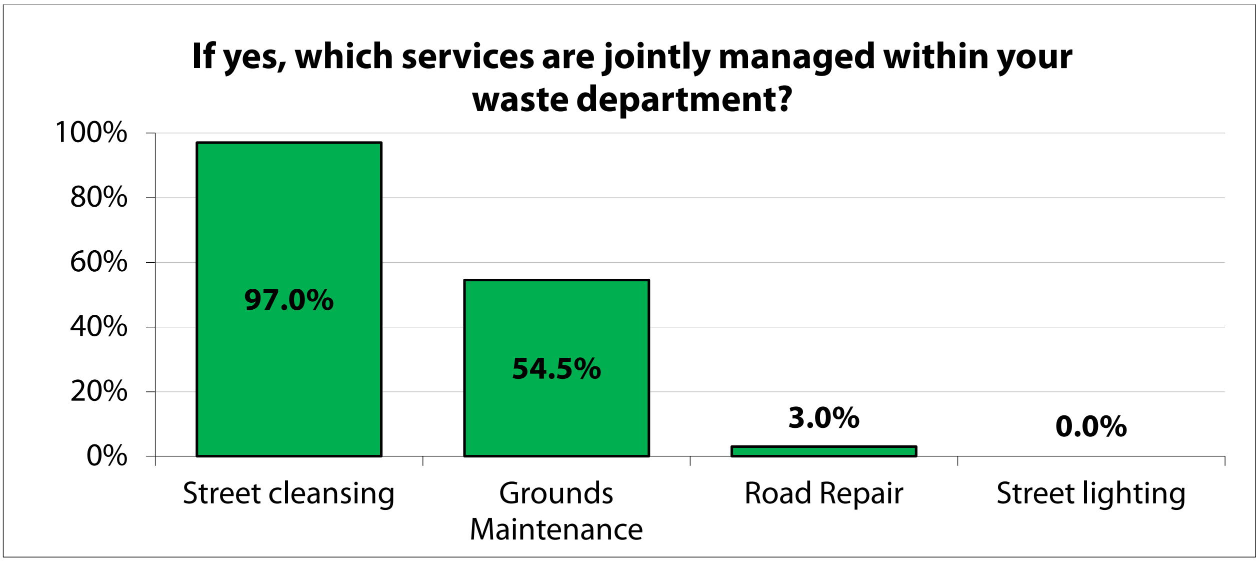
Answer Options	Response Percent
Too high	**38.60%**
Slightly above average	21.40%
About average	20.00%
Slightly below average	15.70%
Very low	4.30%

Only 4.2% envisaged an increase in the training budget over the next 12 months, with 23.9% stating that this will decrease and 71.8% stating this will stay the same. This shows little change from the 2013 survey, where 3.5% expected it to increase and 23% stating this will decrease.

f) Service Provision

67.6% currently manage their service in-house, 1.4% via joint waste authorities and 31.0% are external. Of those respondents whose service is managed externally, the survey asked how long the contract is for and the majority were 5-7 years (29.2%) or 7-10 years (33.3%), but many were also up to 5 years (20.8%). 82.6% indicated that they have an option to extend the contract. 54.9% expect their service to be managed in-house within the next 2-3 years, 32.4% stated they expected their service to be managed externally and 2.8% expected their service to be managed by joint waste authorities.

Over 50.7% of respondents indicated that their refuse service is integrated with other service areas and of those this includes the following services being jointly managed:



Of those respondents who indicated that they aren't integrated with other service areas at the moment, 30.8% expect to become part of an integrated street scene service in the near future.

g) Your opinions

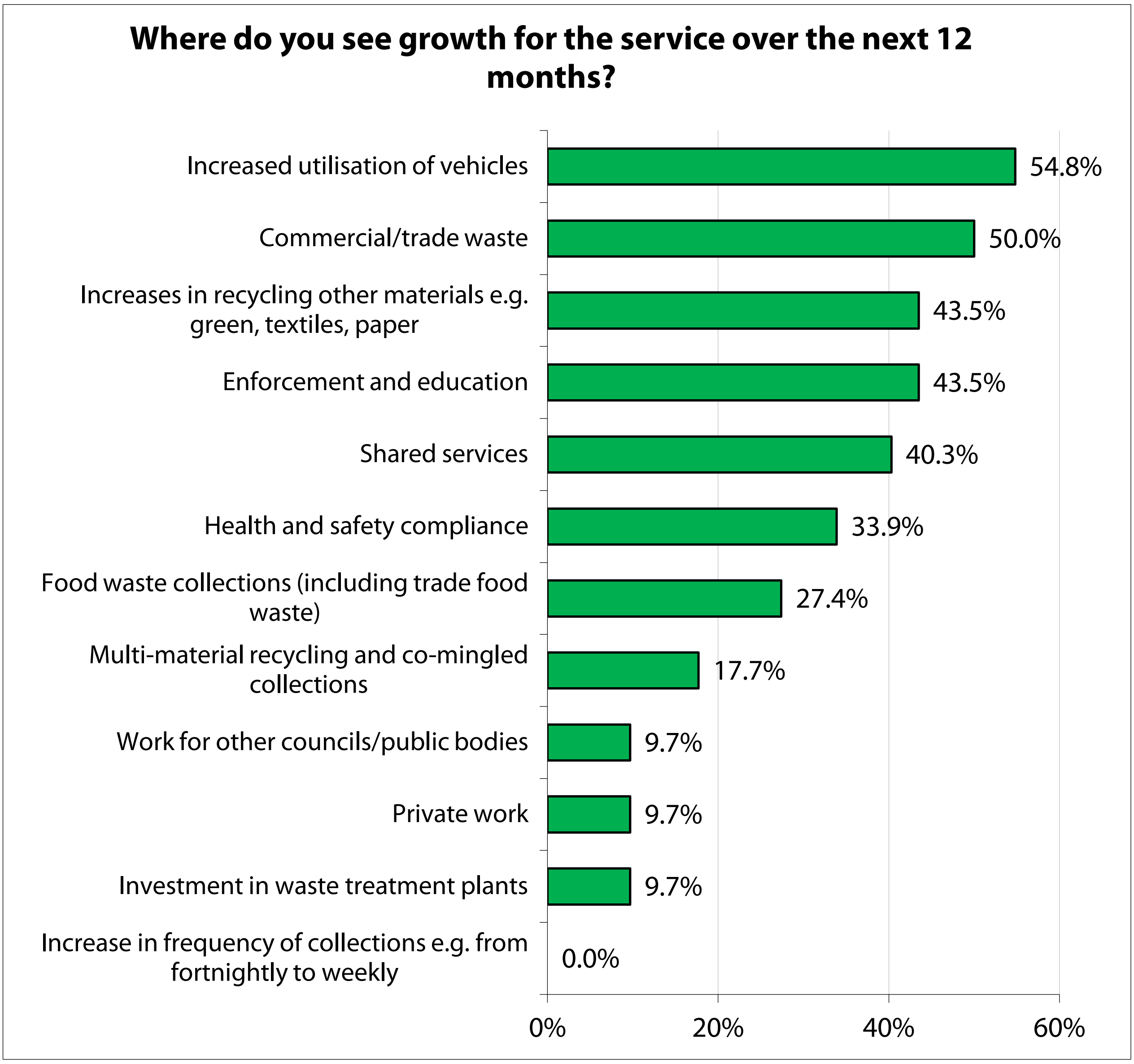
The chart below shows the breakdown of respondents who agree/disagree with the statements:

Answer Options	Agree strongly	Agree	Disagree	Disagree strongly	No opinion
The public prefer weekly collections	9	21	29	7	6
Rewards will motivate the public to recycle more	2	20	34	8	8
Enforcement is effective in changing behaviour in waste	13	38	13	1	6

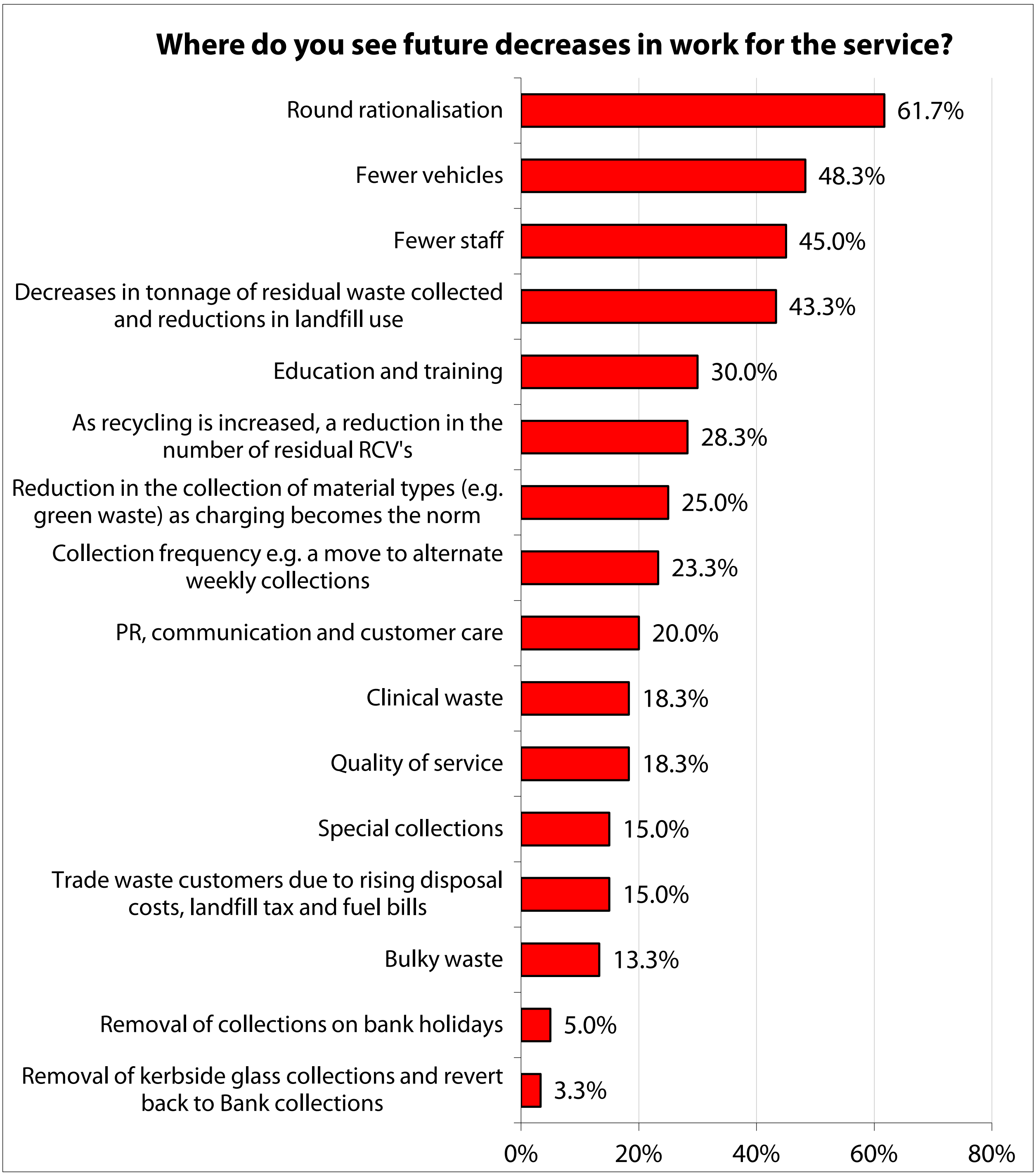
Current enforcement powers are too harsh	**0**	**0**	**43**	**19**	**10**
Charging for bulky waste increases fly-tipping	**1**	**8**	**42**	**16**	**5**

h) Future areas of work and service reviews

Respondents were asked where they see growth for the service over the next 12 months and responses included:



Respondents were asked where they see future decreases in work for the service:



50.7% indicated that they have income generation schemes from their waste service and of these, the majority (75.0%) relating to selling recycling materials and others including renewable energy (16.7%), solid fuel recovery (13.9%) and anaerobic digester (5.6%). When asked if respondents had undertaken a service review recently, 38.6% stated that they have completed this, 40.0% stated that they have a review which is underway and 14.3% stated that they will be doing so in the next 1-2 years. Only 7.1% said 'no' and they won't be undertaking a review in the next 1-2 years.

Respondents stated that the reviews involved the following:

Answer Options	Response Percent
Route optimisation	81.7%
Utilisation of vehicles	68.3%
Service re-design	61.7%
Review of working time/rota's	48.3%
Income generation capacity	48.3%
GPS tracking	46.7%
Review of productivity/work study	41.7%
CRM handhelds	28.3%
Eco drive vehicle monitors	18.3%
Using systems thinking techniques	18.3%

APSE comment

It is clear from the above charts relating to the future of services, that reducing service delivery costs whilst increasing income generation will be the focus of service managers across the UK. Certainly the decision to share service delivery with adjoining authorities is becoming something which more local authorities are considering and in some cases implementing. Because of the statutory nature of refuse collection services and their impact on cross–cutting agendas, their role will always have significant strategic priority for many local authorities and as such the future of service delivery methodologies will never be far from being on local and national priorities. It is hoped therefore that the information contained within the findings of this survey will prove helpful in assisting local authorities to make future decisions in this service area.

About APSE for waste, refuse collection and recycling services

APSE member authorities have access to a wide range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers and heads of service, together with trade union representatives to discuss service specific issues, innovation and new ways of delivering continuous improvement. The advisory groups are an excellent forum for sharing ideas and discussing topical service issues with colleagues from other councils throughout the UK.

Advisory groups are a free service included as part of your authority's membership of APSE and all end with an informal lunch to facilitate networking with peers in other councils. If you do not currently receive details about APSE advisory group meetings and would like to be added to our list of contacts for your service area please email enquiries@apse.org.uk. For specific advice on environmental services please contact Wayne Priestly on wpriestley@apse.org.uk

Our national advisory groups include:-

- Building cleaning
- Catering
- Housing, construction and building maintenance
- Parks, horticultural and ground maintenance
- Renewables and climate change
- Roads, highways and street lighting
- Service delivery models
- Service transformation and performance management
- Sports and leisure management
- Vehicle maintenance and transport
- Waste management, refuse collection and street cleansing

If you require any further information on the findings of this State of the Market survey 2015 please contact Wayne Priestley Principal Advisor for Environmental Services at wpriestley@apse.org.uk