

63/08 (4) - Environment (and Department of Community Services Business

Support) Business Units: The Cabinet Member (Environment) was invited to present the budget and outlined the approach taken to the budget and advised that there were four potential growth items. He highlighted the main financial and economic issues for 2009/10 which included the recycling market and the downturn in the recycling market for metals, paper and plastics due to less demand both at home and the Far East. Major variances included increases in budget costs for fuel, employees (as a result of Single Status), trade waste disposal costs and in the sales market for recyclables due to more efficient operations. There was increased income from trade waste removal, recycling credits and there was also a reduction in handling fees for recyclables. Potential growth items related to the establishment of a permanent part-time administration post (which the Corporate Management Team (CMT) had recommended be funded from Business Unit Reserves); to provide a fourth green waste kerbside recycling scheme which CMT had approved; to introduce a trial kerbside collection for card and plastic bottles which CMT had rejected as it was currently financially not viable and, finally, the expansion of bring bank recycling centres and the introduction of plastic bottle banks which CMT had also rejected for similar reasons. The Cabinet Member then referred to the briefing note on recycling markets pointing out the risks involved in embarking on investing in recycling schemes involving plastics and cardboard at a time when recycling markets were in such a depressed state. Cash efficiency savings included £17,000 for the reduced cost of gate fees for recycling materials, £9,000 for the reduced cost of managing abandoned vehicles and £47,500 from increased income for street cleansing, pest control, bulky collections, MOT, and trade waste sack sales. There were also reduced costs totalling £7,000 in the advertising, training and equipment budgets as well as a £2,500 saving from a minor restructure. Fees and charges were to be increased by 6% or more and trade waste charges had been increased by 25% to cover increased disposal costs, landfill tax and increased HBC costs such as fuel. He concluded by reporting on the main risks to the budget which were the dependence on income from sales, fees and charges, with significant amounts generated by the trade waste and pest control services, both of which operated in a highly competitive market. He added that income was carefully reviewed against market conditions and that there were regular budget monitoring meetings involving accountancy staff.

In relation to the DCS Business Support business unit there were no major variances to the budget and no growth items. Cash efficiency savings of £11,020 had been identified.

He expressed thanks to the staff in the Department and, in Particular, Debi Rowe as Acting Head of Environment.

The Cabinet Member also referred to the current recycling markets and requested a steer from the Commission about the financial viability of recyclable materials.

Questions were then invited. Councillor Reg Marsh queried the increase in the charge for the collection of bulky items and the Cabinet Member responded, but said that he

needed to confirm the new charge for this service in writing. The Cabinet Member responded to a query regarding delays to the Waste Options Project and the new kerbside recycling scheme, the Cabinet Member advised that the Waste Options Project had been delayed to enable a free study on communications and promotions to be undertaken by the WRAP (the Government's advisory body) and would begin on completion of that work. With regard to the new kerbside dry recycling scheme, this was due to start in February 2009.

A discussion regarding the kerbside recycling scheme and the current state of the recycling market and the trade waste charges ensued and it was noted that the results of the Wrap study and the Waste Options Project would enable a review of recommendations on recycling options. One Member queried the overall figure in relation to the transfer to reserves and the Head of Financial Management advised that a substantial proportion of this related to the vehicle reserve which was used for the annual provision of new and replacement fleet vehicles.

The Cabinet Member then responded to questions regarding trade waste, recycling rates generally and in particular rural areas, the implementation of wheelie bins and garden green waste.

RESOLVED:

That Members noted the Environmental Business Unit budget.

(Three Members voted for the motion and there were three abstentions)

(6.40 pm - 7.23 pm)