membership resources

State of the Market Survey 2016

Local Authority Refuse Services

Briefing 16/37
September 2016

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 2016

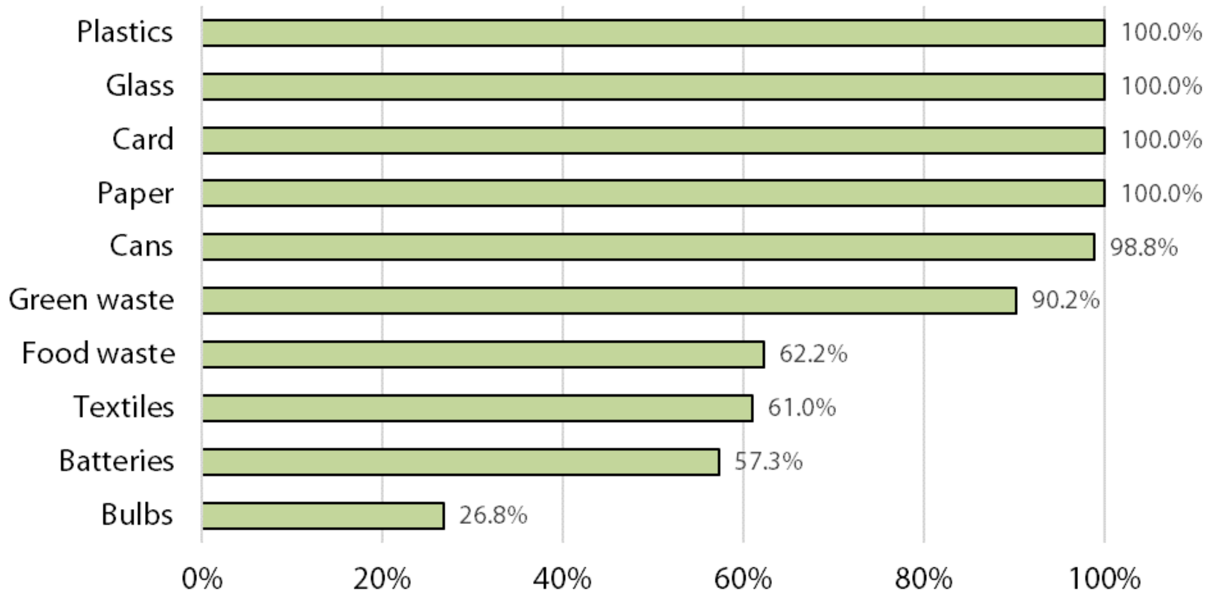
APSE conducted an online survey during May and June 2016. This follows on from the 2015, 2013, 2012, 2011 and 2008 Refuse Collection State of the Market surveys where similar questions were asked to allow for trend comparisons. 82 responses were received from local authorities throughout the UK. This report identifies the key findings of the survey.

Results from the survey

a) Recycling activities

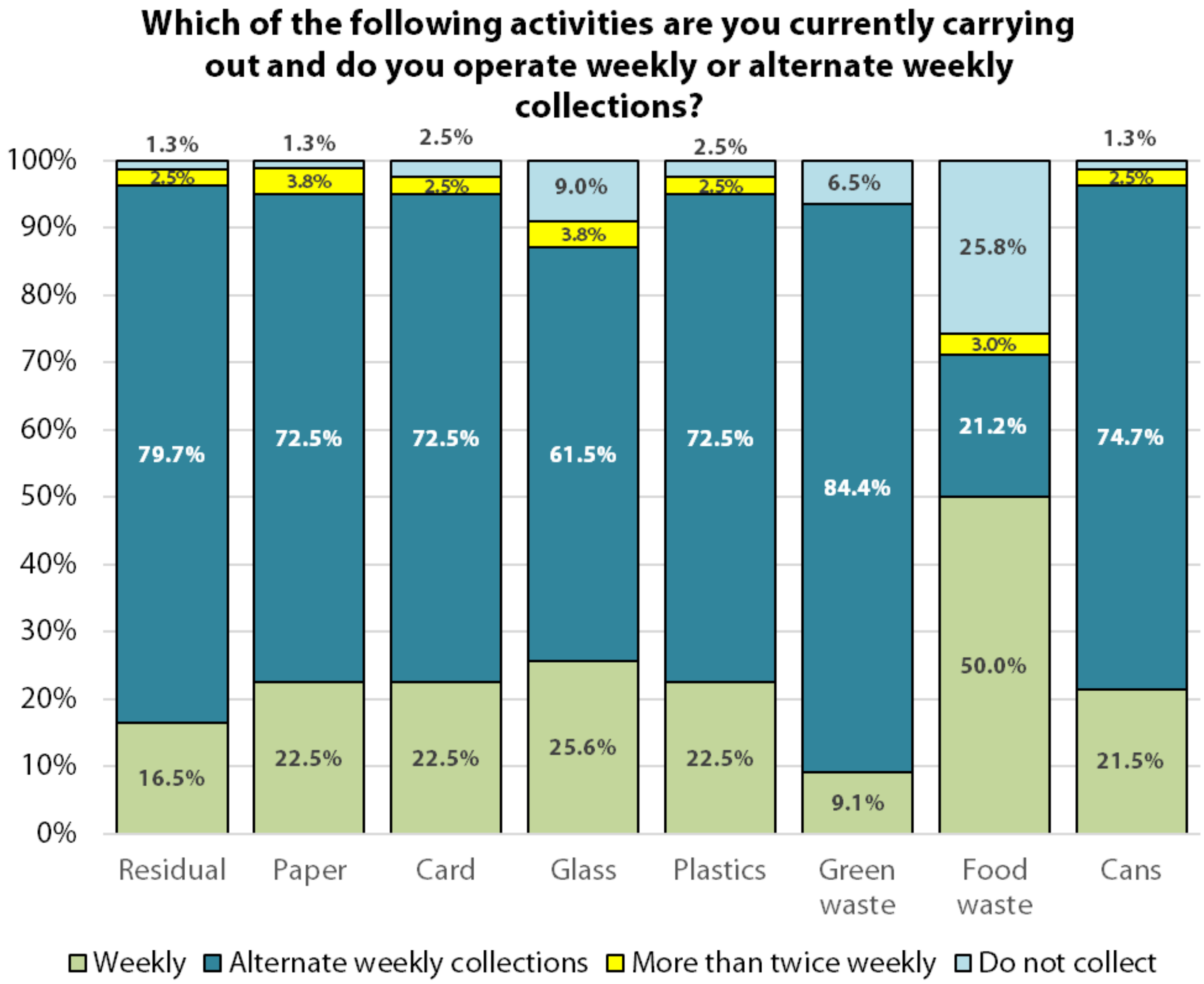
In terms of what recycling activities are currently carried out, the results were as follows:

Which of the following recycling activities are you currently carrying out?

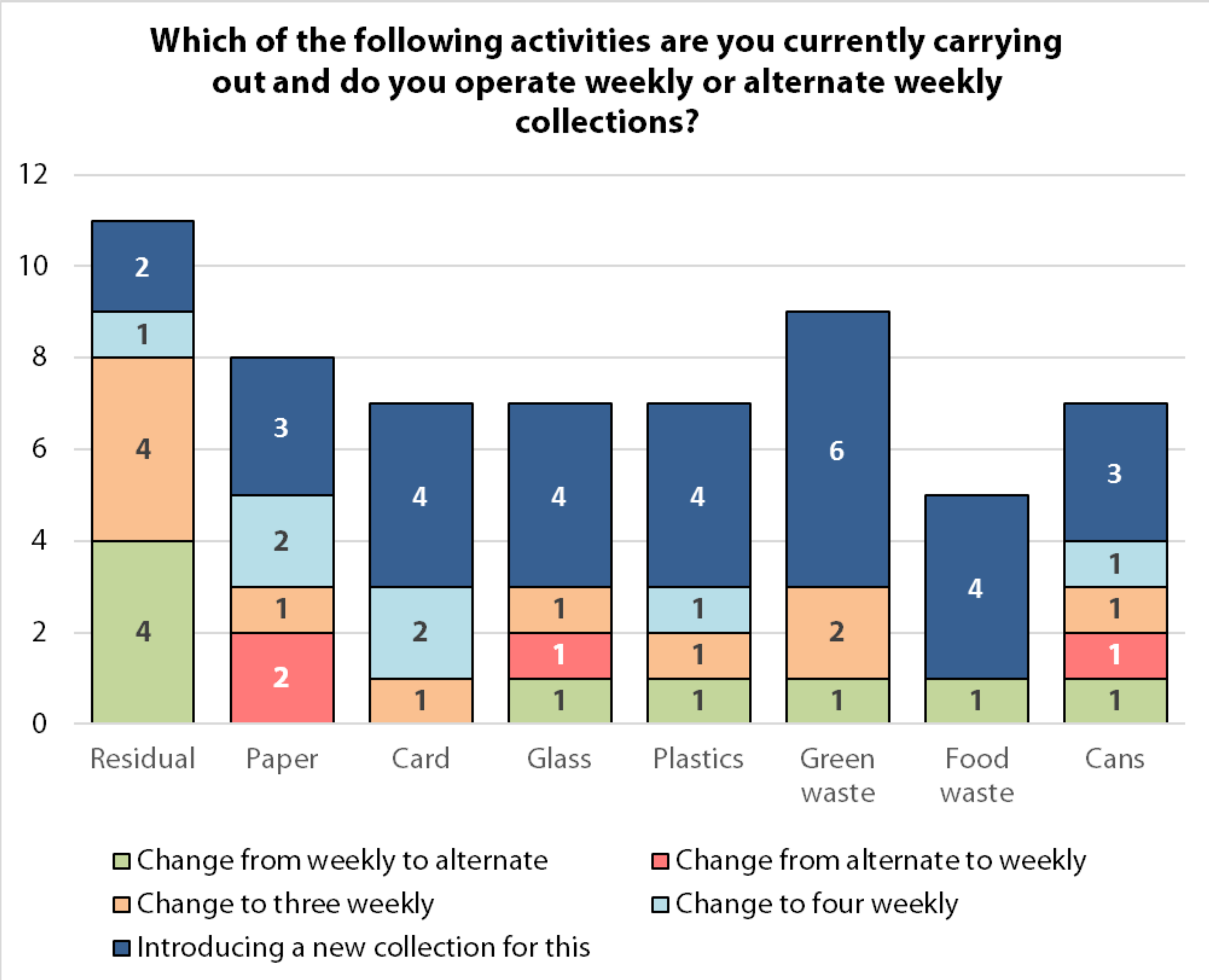


Since the last survey, this represents a 10.7% increase in food waste collection, a 9.7% increase in batteries, a 8.4% increase in bulbs, a 3.7% increase in textiles, a 2.9% increase in glass, a 1.0% increase in cans and a 1.0% increase in plastics among respondents. The only noted decrease was a 3.0% decrease in green waste collection, although this could be attributed to sample variations.

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:

- 4 respondents indicated that they will change from weekly to alternate collections for residual while another 4 respondents are changing to three weekly residual collections
- At least 3 respondents are introducing new collections for paper, card, glass, plastics, green waste, food waste and cans
- Overall across all different types of materials, 9 respondents are changing from weekly to alternate collections, 11 respondents are changing to three weekly collections, 7 respondents are changing to four weekly collections, 4 respondents are changing from alternate to weekly and 30 respondents are introducing new collections

b) Collection and disposal methods

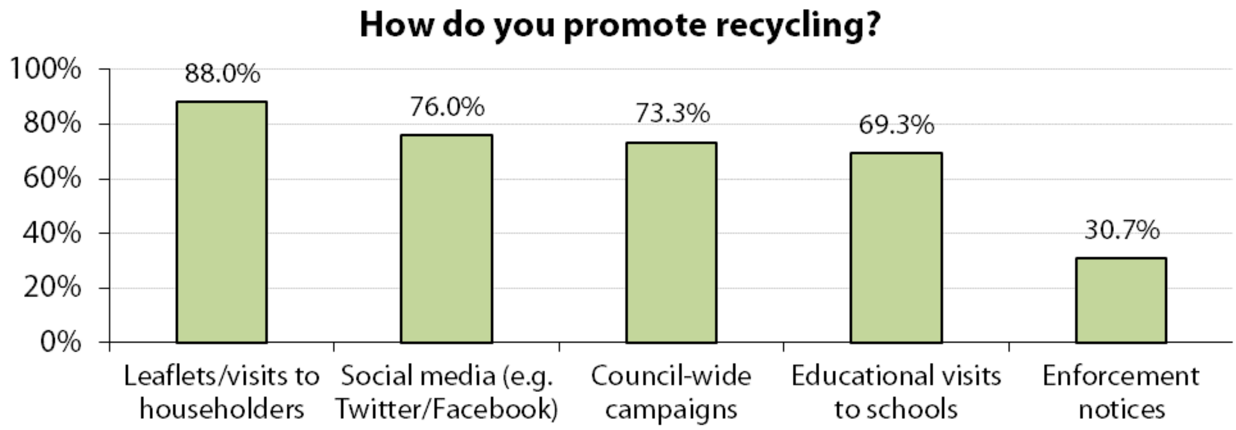
39.7% of respondents indicated that they operate a task and finish system for refuse collection (a decrease from 48.2% in 2015) and 28.8% use zonal working (collecting all waste from one zone on the same day).

56.2% operate a 5-day week, whereas 23.3% operate a 4-day week. 4.1% of respondents have a double shifting system in place. Comments to this question noted that some authorities carry out a 6-day a week collection, a 7-day working pattern over 14 days and others operate a team finish collection system.

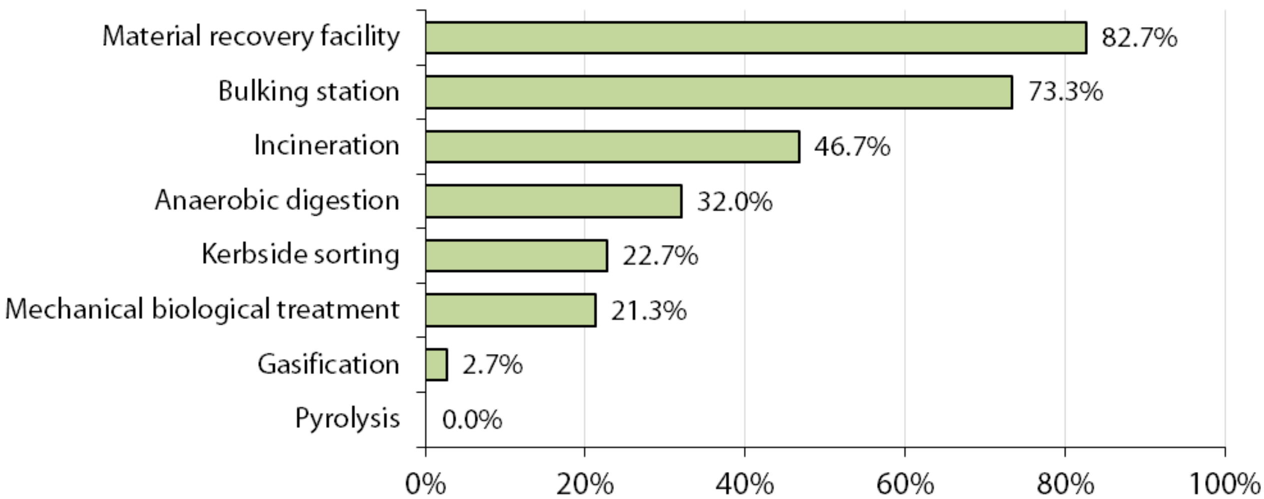
On average, 6.2% of containers are replaced each year (including residual, kerbside recycling, green and kitchen waste).

82.6% operate co-mingled collections and 21.7% operate source segregated collections. Several commenters noted that they had a mix of both approaches (e.g. paper/card segregated, cans/plastics/glass co-mingled).

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

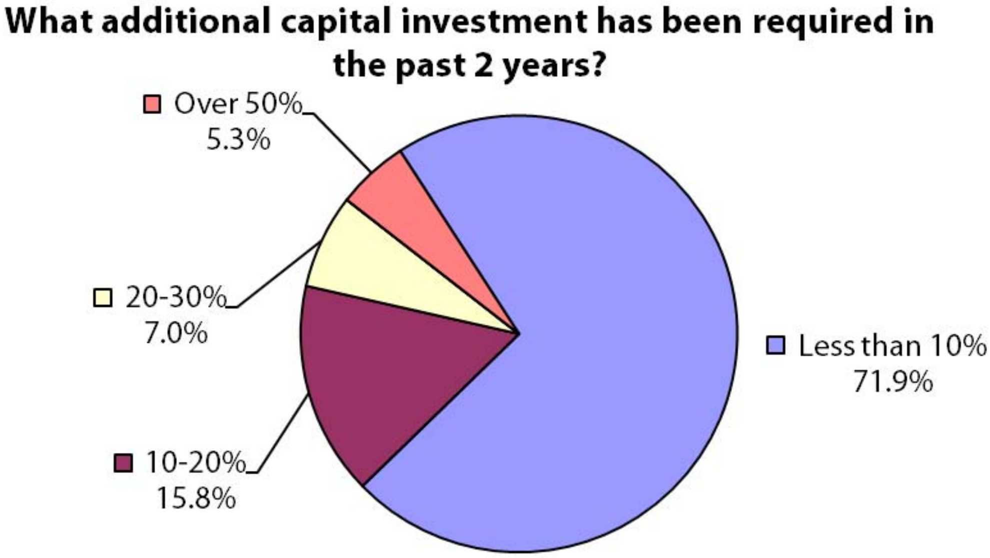


Treatment and sorting facilities include:



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:



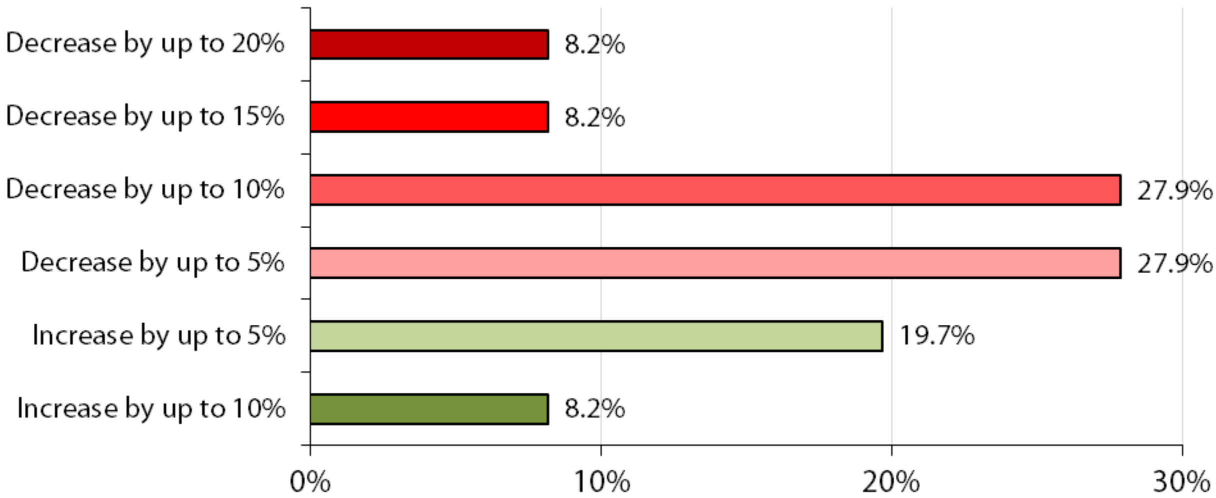
The additional capital investment was used for a range of different purposes such as: replacing and adding new vehicles to the fleet to cope with service demands, procuring new and/or additional containers and in the cases of two authorities, the provision of a new depot/transfer station and the construction of an organic waste transfer station.

d) Budgetary consideration

66.7% of respondents expect their refuse budgets to change over the next year, with the majority of these (61.7%) expecting a decrease in revenue or a decrease in capital (29.8%). However, it is worth noting that 29.8% are expecting an increase in revenue and 14.9% are expecting an increase in capital. These increases are linked to increases in property numbers (and the subsequent need for additional funding to cope with the demand for the service) and to cover the increased cost of treatment.

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 full breakdown can be found below:

What is your expectation of the level of funding in your service budget in the coming five years?



The survey asked 'What efficiencies are you currently working towards or proposing' and the main responses to this question are as follows:

- Route optimisation/double shifting of vehicles.
- Moving to alternative weekly collections for recyclables and three weekly collection for residual waste.
- Reducing hours and re-viewing provision of Household Waste Recycling Centres.
- Increasing income generation opportunities e.g. charging for green waste collections/ wheeled bin replacement/ commercial waste contracts
- Introducing new technologies e.g. Big Belly Bins, in-cab CCTV.
- Reducing contamination levels and introducing no side waste collection policies.
- Reviewing staffing and fleet levels

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 replacement bins	36	5	25
Bulky waste collections	60	2	7
Clinical waste collections	5	2	39
Trade waste collections to schools and hospitals	55	1	0
Green waste collections	19	8	33
Food waste collection	1	2	37
Black bags	3	1	27

In terms of income from areas like trade waste services and its importance to the future financial viability of your service, 27.9% stated they could not manage financially without this and 21.3% stated that they need to generate more income to survive; alternatively, 44.3% stated that the additional income is useful but not essential to their service and 8.2% stated that they do not currently raise any additional income.

With the new Waste Directive (including TEEP requirements), 91.0% of respondents have recently reviewed their waste and recycling services of which 79.1% are not amending their collection methods as they believe they are already TEEP compliant, and 11.9% are making amends to ensure they are TEEP compliant; the remaining 10.4% do not believe it is necessary to review their collection methods as a result of TEEP.

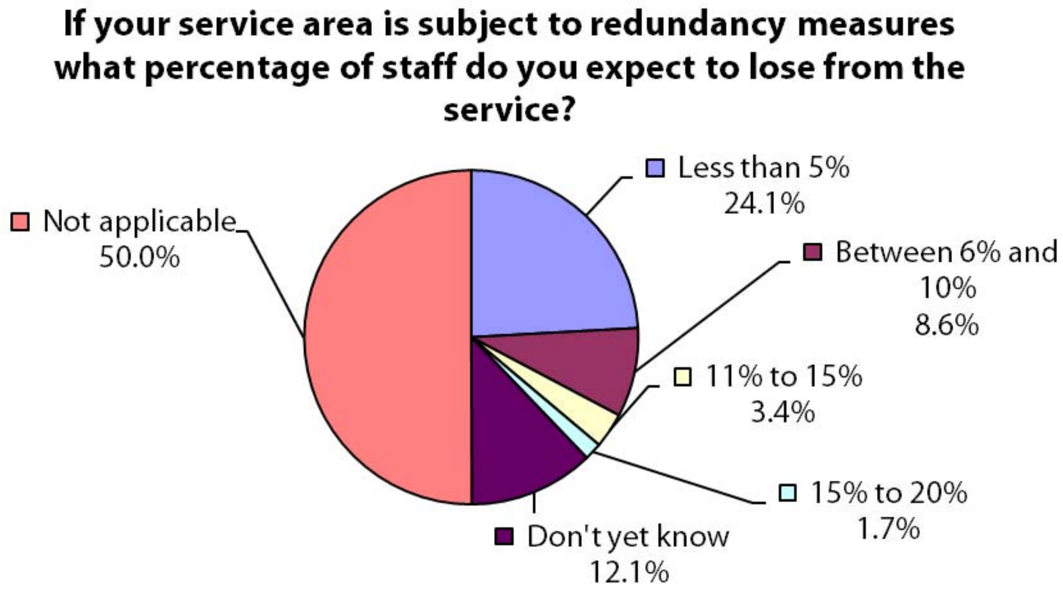
12.7% responded 'yes' to the question on whether they had or have a planned reduction in recycling credits from their waste disposal authority; 45.5% answered 'no' and 41.8% didn't know.

e) Staffing

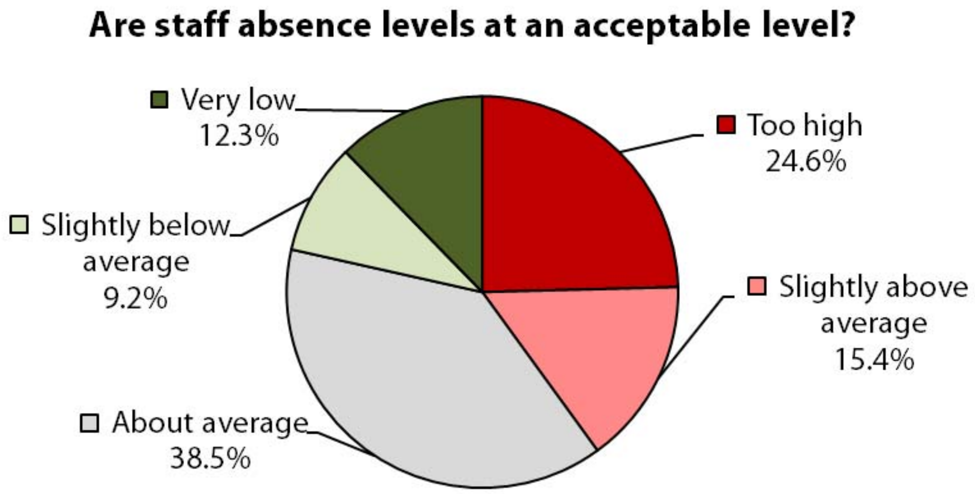
Regarding managing future staffing levels, within the next 12 months 34.3% expect natural wastage, 32.8% expect voluntary redundancy, 13.4% expect to implement a recruitment freeze, 7.5% expect compulsory redundancy and 43.3% have indicated that they intend to implement none of these. The results from the 2015 and 2013 Refuse State of the Market surveys have been provided below for comparison.

Answer Options	Results from 2016	Results from 2015	Results from 2013
Natural wastage	34.3%	34.7%	39.5%
Recruitment freeze	13.4%	19.4%	17.0%
Voluntary redundancy	32.8%	34.7%	26.0%
Compulsory redundancy	7.5%	8.3%	12.0%
None of these	43.3%	47.2%	49.0%

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 an acceptable level. 34.4% estimated their absence levels to be under 5%, 57.4% estimated under 10% and 8.2% estimated under 20%. The responses are shown in the chart below:

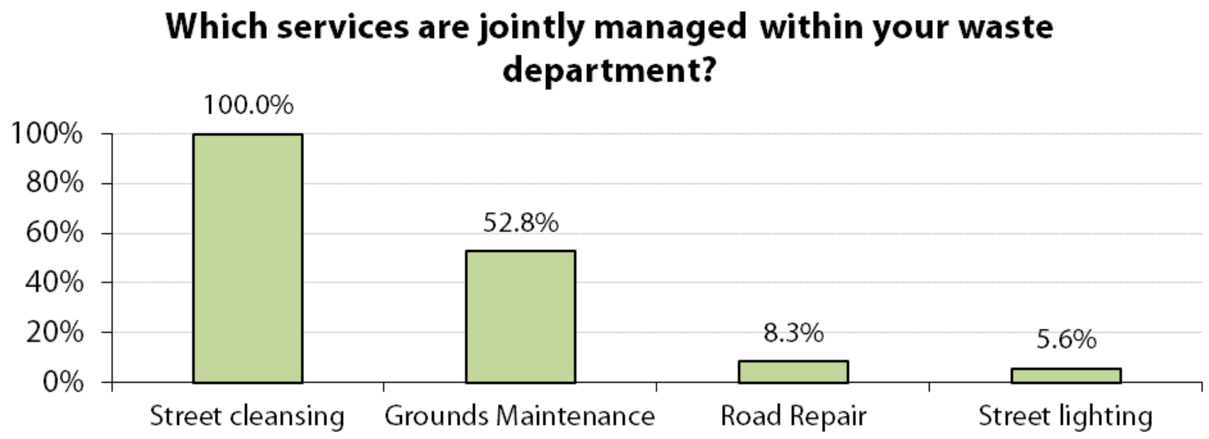


Only 3.1% envisaged an increase in the training budget over the next 12 months, with 20.0% stating that this will decrease and 71.8% stating this will stay the same. These results are broadly the same as those reported in the 2015 and 2013 surveys.

f) Service provision

66.7% currently manage their service in-house, 4.3% via joint waste authorities and 29.0% are external. Of those respondents whose service is managed externally, the survey asked how long the contract is for and the majority were for '7-10 years' (33.3%), but the rest were relatively evenly split between 'up to 5 years' (20.8%), '5-7 years' (25.0%) and '10+ years' (20.8%). 61.5% indicated that they have an option to extend the contract. 61.2% expect their service to be managed in-house over the next 2-3 years, 23.9% stated that they expected their service to be managed externally and 4.5% expected their service to be managed by joint waste authorities.

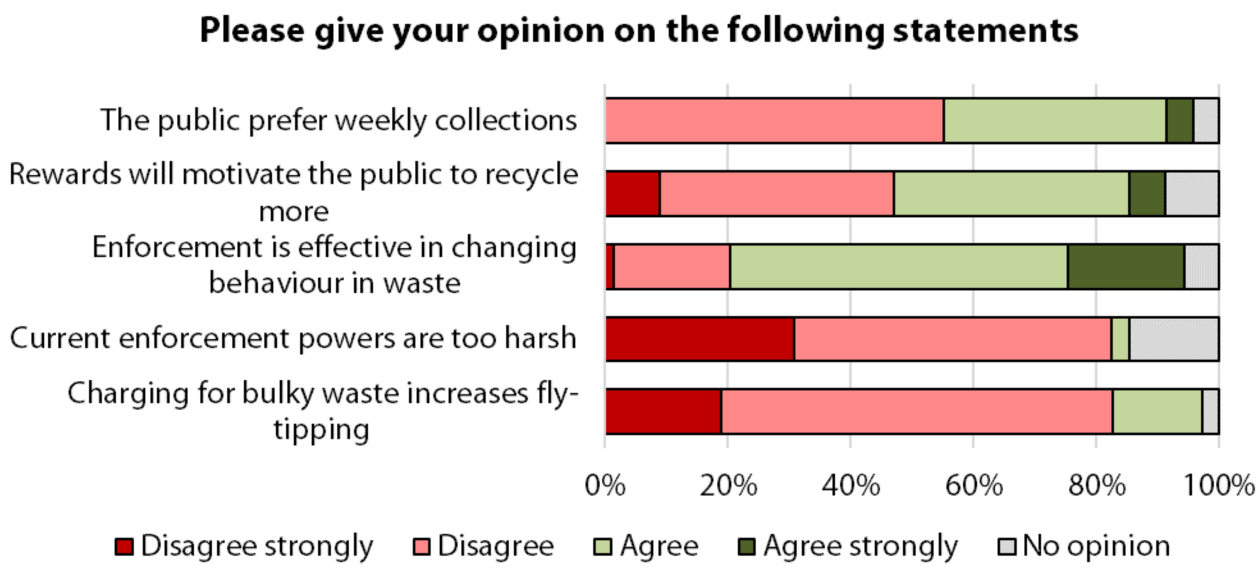
53.6% of respondents indicated that their refuse service is integrated with other service areas and of those this includes the following services being jointly managed:



Of those respondents who indicated that they aren't integrated with other service areas at the moment, 20.0% expect to become part of an integrated street scene service in the near future.

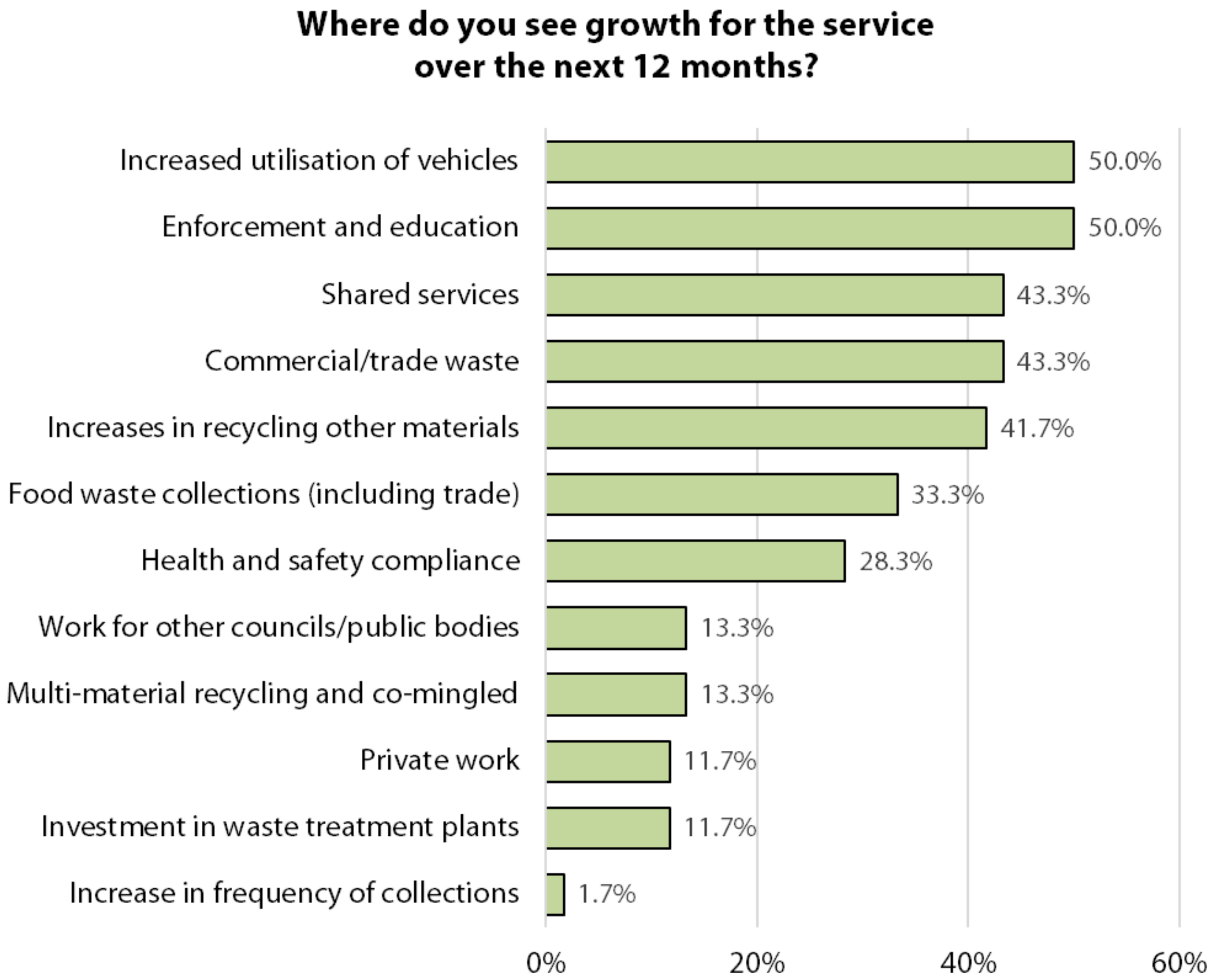
g) Your opinions

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

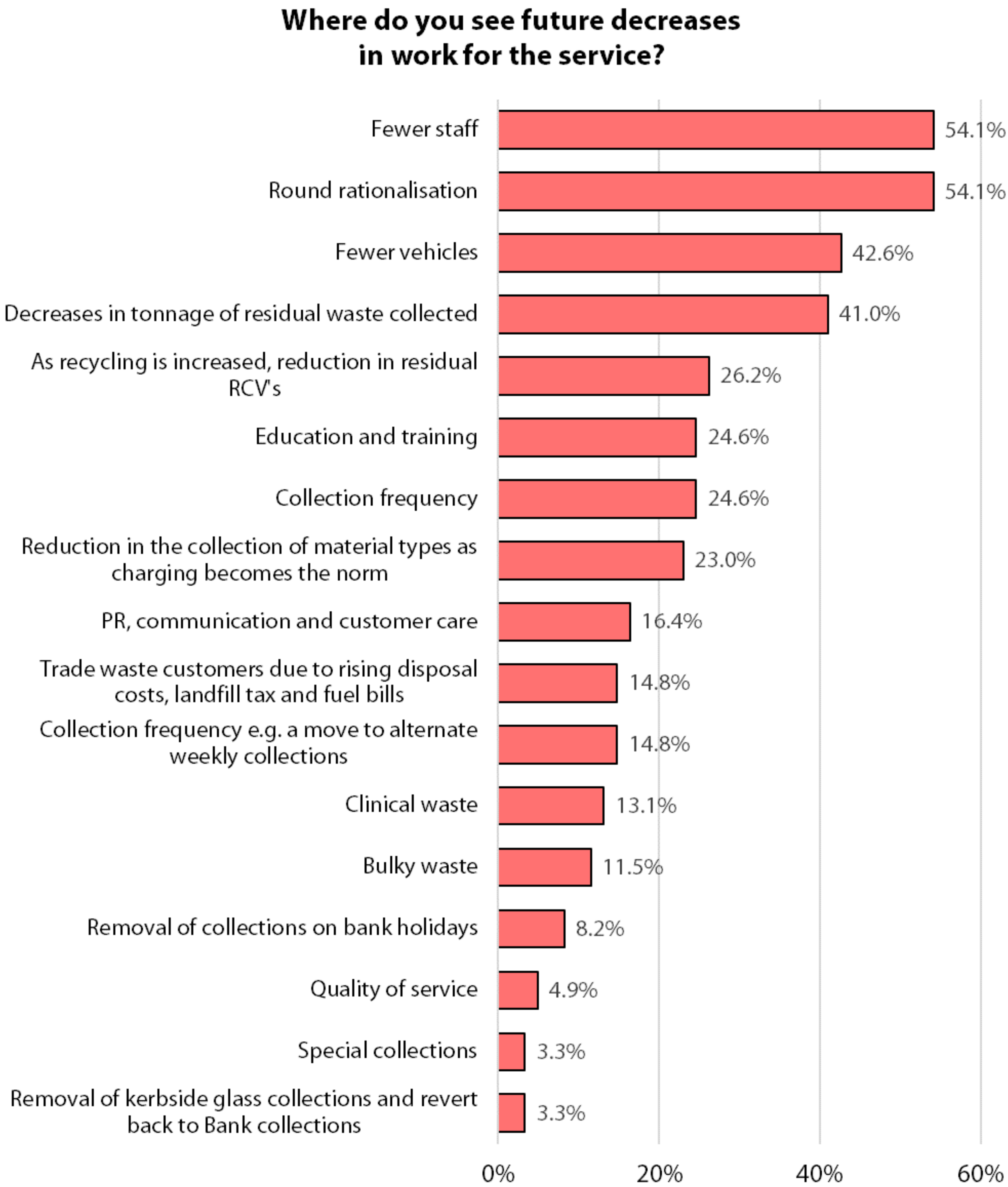


h) Future areas of work and service reviews

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



Respondents were also asked where they see future decreases in work for the service. The responses included:



56.1% indicated that they have income generation schemes from their waste service and of these, the majority (89.3%) relate to selling recycling materials. Others generate income through renewable energy (17.9%) and solid fuel recovery (3.6%). Other responses noted in the comments included 'hiring out communal wheeled bins', 'trade waste charges' and 'bulky waste collections'. When asked if respondents had undertaken a service review recently, 39.4% stated that they have completed this, 40.9% stated that they have a review which is underway and 10.6% stated that they will be doing so in the next 1-2 years. Only 9.1% 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	76.4%
Utilisation of vehicles	65.5%
Service re-design	56.4%
Review of productivity/work study	45.5%
Review of working time/rota's	41.8%
GPS tracking	40.0%
CRM handhelds	36.4%
Income generation capacity	23.6%
Eco drive vehicle monitors	10.9%
Using systems thinking techniques	10.9%

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. With regards to the collection and recycling of waste, more local authorities are reducing their residual collection services with the aim of driving up recycling rates, and despite concerns over TEEP requirements, most local authorities are collecting recyclables as co-mingled, rather than separate collections of materials. What is perhaps surprising is that 25% of local authorities surveyed are still not collecting food waste, although when compared with last year's results, this figure is reducing.

Interestingly some of the concerns about major funding cuts in excess of over 10% have not materialised, with most expected cuts in the future falling between 5% and 10%.

One important element which has come out of the survey is that in-house provision has risen and fewer local authorities are expecting services to be externalised than last year.

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.

The Association for Public Service Excellence

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.

Our national advisory groups include:

- Building cleaning
- Catering
- Housing, construction and building maintenance
- Local authority commercialisation, income and trading network
- 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 2016 please contact Wayne Priestley Principal Advisor for Environmental Services at wpriestley@apse.org.uk