

CUSTOMER FOCUS SCRUTINY COMMITTEE
(HELD AS A VIRTUAL MEETING)

11 February 2021

Present:

Councillor Councillor Matthew Vizard (Chair)
Councillors Mitchell, M, Foggin, Mrs Henson, Mitchell, K, Quance, Sparkes, Wardle and Warwick

Apologies:

Councillors Martin and Oliver

Also present:

Director Net Zero Exeter & City Management, Director City Development, Housing & Supporting People, Director Finance, Democratic Services Officer (HB) and Democratic Services Officer (SLS)

In attendance:

Councillor David Harvey	-	Portfolio Holder for City Management
Councillor Amal Ghusain	-	Portfolio Holder for Communities and Culture
Councillor Ruth Williams	-	Portfolio Holder for Supporting People
Councillor Laura Wright	-	Portfolio Holder for Council Housing Dev. and Services

1 Minutes

The minutes of the meeting of the Customer Focus Scrutiny Committee held on 3 December 2020 were taken as read, approved as correct, for signing by the Chair at the earliest possible convenience.

2 Declarations of Interest

No declarations of interest were made by Members.

3 Questions from the Public under Standing Order No. 19

No questions from members of the public were received.

4 Questions from Members of the Council under Standing Order 20

No questions had been received from Council Members.

5 Waste and Recycling Collection Service

The Portfolio Holder City Management introduced the report and highlighted the following:-

- there had been no reduction in the collection service during the Pandemic;

- the original proposal for a kerbside collection had been devised with regard to the limited resources available;
- the main themes in the review of the service were the health and safety of staff, air quality and efficiency and scheduling of the rounds;
- evidence from neighbouring authorities using the kerbside sort system indicated that they were currently experiencing increased volumes of food and cardboard which were causing increased journeys to tip materials driving down productivity;
- the intention was to ensure that all new vehicles would be as environmentally friendly as possible;
- the new electric vehicles would receive power from the solar farm near to the recycling centre reducing diesel costs; and
- the high quality of output from the Materials Recycling Facility (MRF) engenders confidence in the service increasing the commercial potential to the Council.

The Director Net Zero and City Management reported that the habits of residents had changed as a result of Covid-19 which had impacted on the proposed kerbside recycling service approved in October 2019 which had comprised of a weekly collection of dry recycling (paper, card, mixed plastics, glass, tins and cans) and food waste and a three weekly collection of residual waste.

He highlighted the following implications:-

- the pause caused by the Covid Pandemic was being used to re-evaluate the service as a change would involve considerable investment in the MRF and new vehicles. The main options were co-mingled with food collections or a kerbside sort system, however there were a wide range of issues to balance out to ensure the most cost-effective and efficient system was selected and that it would be sufficiently flexible to deal with changes in demand and usage;
- whilst the current co-mingled system had coped with the changes, evidence from neighbouring authorities indicated that there would be increased journeys to tip materials especially during the Christmas period in respect of food and cardboard;
- the aim of the review was to achieve the same outcomes for residents, meet the expected Government legal requirements for waste collection and help to deliver Net Zero ambitions;
- there were disadvantages with a kerbside collection because of reduced room available for loading as vehicles were larger and had to be loaded from the side and with cars parked in residential areas during the day there would be an impact on residential traffic. This system was therefore approximately three times slower and required some 50% more vehicles. Additionally, there was no electric solution currently for kerbside sort vehicles, although electric solutions were available for standard refuse collection vehicles. These are extremely expensive at present;
- revenue and capital investment costs and operational considerations were being assessed for each option. Whilst a kerbside operation would reduce the MRF costs, investment in vehicles would be more and staying co-mingled would require more investment in the MRF as machinery was more complicated.

The following responses were given to Members' queries:-

- the allocated budget had not been used to date and it was anticipated that there was little difference between the capital costs of the alternative systems, some elements of each resulting in savings with greater expenditure associated with some other elements;

- revenue costs could be expected to reduce in respect of a co-mingled option as less staff would be required than a kerbside collection but the revenue costs would still be more than existing because of the need for additional drivers. Electric vehicles would help to reduce costs;
- trials of the new system had been essential because of the great variation in street topography and the city's geography;
- whilst the Pandemic was changing behaviour it was anticipated that, on a return to normal circumstances, use of cardboard would be at higher rate than before the Pandemic. A co-mingled option provided greater flexibility as it was not limited to one individual material but this was not a deciding factor. The twin pack vehicle was a compartmentalised refuse collection truck with a compartment for glass although volume was quite low;
- local knowledge of ward Councillors would be utilised as they received numerous enquiries from their constituents and Members would be fully consulted;
- consideration would be given to a roll out in stages across the city, for example roll out of food waste collection could be done separately if the co-mingled and separate food waste collection option was chosen;
- no additional vehicles had been purchased recently and all fleet vehicles were being utilised at present;
- the workforce had been involved in the assessment process but would still have to work on the public highway and all rounds were risk assessed. The co-mingled system with a standard refuse truck offered some advantages over a kerbside system which required loading from the side of the vehicle. Lots of authorities however used the kerbside sort system including neighbouring authorities but narrow streets created difficulties;
- a further factor was to consider the value obtained from materials such as plastic and glass. Mixed plastics had less value than those separated out into separate plastic streams but this is offset by the reduced running costs of a simplified MRF with a lower staffing requirement. There was no value in glass at the moment;
- separate solutions for blocks of flats were also being assessed. Kerbside sort collections for apartment blocks were problematic and, for the initial modelling, co-mingled had continued but with separate receptacles for food waste and glass;
- there were currently 13, 26 tonne refuse vehicles, two seven and a half tonne collection vehicles, three tonne vans for bin delivery and bulky waste collection and two 26 tonne vehicles, both at the MRF, one loading and one sorting glass - 20 vehicles in total;
- whilst longer hours would not be introduced with a kerbside sorting system, more vehicles and therefore more staff would be necessary;
- consultation with MRF manufacturers was underway to assess projected volumes and machinery needed and would involve a tendering process prior to installation. It was hoped to increase MRF productivity from three and a half tonnes an hour to between 10 and 12 tonnes an hour but site constraints could impact on investment;
- maximising commercial opportunities and income creation was another issue to consider and how much capacity could be built in for future commercial development, for example, recycling on behalf of neighbouring local authorities. It was necessary therefore to balance commercialisation with the needs of Exeter residents and statutory duties; and
- it was not possible at present to predict when it was envisaged that a new scheme would be implemented. Given the Pandemic, it was understandable that the timescale has slipped.

A further report would be submitted to this Committee when costs of the options and the operational consequences were known.

Members noted the report and both the Portfolio Holder and Director thanked the Service Lead and the whole recycling team for their hard work especially during the Covid Pandemic.

6 **General Fund/HRA Estimates and Capital Programme 2021/22**

The Director Finance presented the report on the proposed General Fund revenue estimates for 2021/22 and recommending the Band D level of Council Tax for 2021/22. The report also included the proposed Capital Programme for 2021/22 and future years, and the proposals in respect of the Housing Revenue Account.

The report had previously been considered by the Executive on 9 February 2021, but this provided the opportunity to ensure Members were fully briefed before consideration of the budget at Council on 23 February 2021. Members noted that the three other reports presented to Executive – Capital Strategy 2021/22, The Prudential Code for Capital Finance in Local Authorities and Treasury Management Strategy Report 2021/22 - had also been circulated to Members with the agenda pack.

Particular reference was made to the following:-

- the recent Government announcement of the Local Government Finance Settlement with no change to the provisional settlement;
- the Referendum Principles for the Council Tax set by the Government would allow the Council to increase the tax by £5;
- the Council's core spending power would remain the same as the current financial year;
- the proposed budget took into account inflation increases for Exeter of £817,000;
- the Medium Term Financial Plan required savings of £6 million up to the period 2024/25;
- the HRA Medium Term Financial Plan would drop reserves close to minimum levels by 2023/24;
- the Government had also announced that there would be consultation on refining the New Homes Bonus which would close on 7 April 2021; and
- final figures would be reported to the Extraordinary Council on 23 February 2021 when the Devon County Council, the Police and Crime Commissioner for Devon and Cornwall and the Devon and Somerset Fire Authority precepts would be known.

The Director Finance responded as follows to Members' queries:-

- the Council was on track to deliver against the emergency budget including meeting the reduced delivery in services identified as necessary. The Government had provided a number of compensation schemes such as the Sales, Fees and Charges Scheme so it had not been necessary to make the savings originally anticipated at £1.8 million in preparing the 2021/22 budget;
- the majority of CIL reserves of £10.15 million were set aside for capital schemes with £900,000 identified annually for revenue funding. Allocations included £1.9 million for Neighbourhood schemes, £550,000 for habitat and £7.7 million for infrastructure;
- total capital receipts within the General Fund were approximately £4-5 million;
- income generated from interest obtained from lending was used to fund other programmes. Some £15 million of lending would generate additional interest of £450,000; and

- Council reserves were set at £3 million to meet emergency circumstances. Increased risks associated with the Pandemic included bringing the Leisure Services in house and reduced car park income.

Members noted the report and thanked the Director Finance and his team for their work.

The meeting commenced at 5.30 pm and closed at 6.45 pm

Chair

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