



Title: **Stop Textile Recycling Credit Payments to Charities and Community Groups**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Council** On: **29 September 2011**

Key Decision: **No**

Change to Budget: **Yes** Change to Policy Framework: **No**

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1. What we are trying to achieve and the impact on our customers

- 1.1 This report responds to the need to make in year budget savings in Spatial Planning, if a balanced budget is to be achieved by year end. These savings are cashable and will count towards targets for 2012/13, with member approval. The area to be looked at is payment of textile recycling credits to charities and community groups.

2. Recommendation for decision

- 2.1 That the Council ceases payment of the recycling credit to charity and community groups that claim credits for items other than furniture, paper and garden waste.
- 2.2 That this decision be implemented six weeks after charity and community groups affected have received a letter from Torbay Council advising them of this decision.

3. Key points and reasons for recommendations

- 3.1 By not paying out a Recycling Credit for textiles the council will save in the region of £40k p.a. Torbay Council is continually trying to reduce costs itself, so it is becoming more difficult to justify the payment of a recycling credit to external organisations now that a comprehensive collection of recyclables from the kerbside is available to every household throughout the Bay.

- 3.2 The amount paid out by Torbay Council for Textile recycling credits in 2009/10 and 2010/11 was about £40k each year, and the figure is likely to increase to £45k for 2011/12. The number of groups claiming recycling credits in 2010/11 was 24, with claims for the year ranging from £41 to £7,091(See appendix 1).
- 3.3 The textiles collected by the charities and community groups, could be collected by TOR2 from the kerbside at no additional cost to the council or TOR2.
- 3.4 The organisations would still receive income from the recycling companies that they sell the materials to, and might be able to renegotiate with them how much they receive for the raw materials. The textile markets are good at this current time, so by maximising their income they could help to offset the loss from the recycling credit payments no longer being available. Current prices for textiles paid to charities are in the region of £500 - £600, (current market prices from letsrecycle.com), so by not paying the £57.76 recycling credit, this is about a 9% reduction.
- 3.5 The furniture can still be collected, and a recycling credit paid, as Torbay Council can claim this amount back from Devon County Council. This is possible due to Torbay Council's partnership working with Devon County Council, being part of the Devon Authorities Waste Reduction and Recycling Committee.
- 3.6 As the community groups only receive £15 per ton for paper from the recycling companies, it was thought that taking away the recycling credit of £57.76 was disproportionate and would almost remove their entire income stream, so this will be continued at least for 2011/12 financial year.

For more detailed information on this proposal please refer to the supporting information attached.

**Les Crump
Executive Head of Spatial Planning**

Supporting information

A1. Introduction and history

- A1.1 Torbay Council currently pays recycling credits, a non statutory payment to charities and community groups that collect household waste that is subsequently recycled. As this material is not landfilled, in the past Torbay Council saved the disposal gate fee and it was this saving that was passed on as the recycling credit.
- A1.2 These groups also receive income for the sale of these materials to third party recycling companies, in addition to the recycling credit that Torbay Council currently pays. The materials recycled are mainly textiles and paper, and furniture is re-used therefore also diverting it from landfill.
- A1.3 On 19/7/10 Torbay Council formed the Joint Venture Partnership with May Gurney, known as TOR2 and they introduced kerbside separated recycling to every household in the Torbay. TOR2 are now able to collect textiles directly from each household. By stopping recycling credit payments most of the materials would either be collected from the kerbside or still be collected by the charities and community groups with little ending up back in landfill.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

- A2.1.1 Without these charges being implemented then the saving of about £45k p.a. will need to be found from other areas within the Spatial Planning budget.
- A2.1.2 This will have a financial impact on charity and community groups currently participating in the scheme. However, the organisations affected could renegotiate with their recycling contractors to offset some of this loss.

A2.2 Remaining risks

- A2.2.1 Torbay Council may receive some adverse publicity by stopping the payment of recycling credits to charities and community groups.

A3. Other Options

- A3.1 Continue to pay recycling credits to charities and community groups.

A4. Summary of resource implications

- A4.1 There will be no resource implications as ceasing these payments constitute only a very small part of various officers' workloads.
- A4.2 The whole financial saving will come from the ceasing of the payments to the relevant groups.

A5. What impact will there be on equalities, environmental sustainability and crime and disorder?

A5.1 The community groups and charities will be disappointed to lose this funding, but just as the council has to make savings, then these groups can renegotiate contracts as the textile markets are very good at present.

A5.2 There will be no impact on waste minimisation as the majority of the material previously collected through recycling credits scheme will be collected at the kerbside.

A6. Consultation and Customer Focus

A6.1 If this policy is accepted a letter will be sent to all charities and community groups that have claimed a recycling credit with in the last two years, to inform them that these payments will cease six weeks from the date of that communication.

A7. Are there any implications for other Business Units?

A7.1 There will be a slight reduction in workload for the payments section.

Appendices

Appendix 1 Recycling Credit Payment list 2009-10 & 2010-11