

Agenda Item	<b>7.(b)</b>
Report No	<b>RES/15/23</b>

## HIGHLAND COUNCIL

**Committee:** Corporate Resources Committee

**Date:** 8 June 2023

**Report Title:** Financial Assessment of Notice of Motion – NC500 Waste Collection

**Report By:** Head of Finance

### 1. Purpose/Executive Summary

- 1.1 A Notice of Motion relating to NC500 Waste Collection was reported to the Council meeting of 11 May, along with an assessment by the Council's Section 95 Officer which identified that financial implications relating to the Notice of Motion were anticipated.
- 1.2 Per Council Standing Orders *"If financial implications have been identified, the proposal will be referred to the next meeting of the Corporate Resources Committee for a full assessment and referral back to the next Council."*
- 1.3 This report sets out the assessment of the Notice of Motion for consideration by Members.

### 2. Recommendations

- 2.1 Members are asked to:
  - i. consider the financial assessment of the Notice of Motion relating to NC500 Waste Collection;
  - ii. note the financial implications of the Notice of Motion which are assessed as £110,000 for 2023 and a reduced 17 week period, or £150,000 on a recurring basis for an annual 22 week period;
  - iii. note the financial risks and implications as set out in the report, and that a clear and agreed funding solution would need identified for the Notice of Motion to progress; and

- iv. note that the Notice of Motion and the financial assessment will be considered by Council on 29 June.

### 3. Implications

- 3.1 **Resource** – additional temporary staff are required for the delivery of a seasonally enhanced waste service. The budget requirements set out in 6.2 and 6.3 of this report reflects seasonal staff employed at a HC03 level on the Highland Council pay and grading structure. To progress the Notice of Motion would require either a decision for an additional unplanned drawdown from reserves, or additional savings/reductions in existing service areas to be identified and agreed. Both of which would have implications and opportunity costs. Use of reserves would also not be a sustainable funding solution, and could only provide for short-term and non-recurring costs. The report to Council on 2nd March highlighted the financial and sustainability challenges facing the Council.
- 3.2 **Legal** – Waste Management Services operates within in a highly regulated environment. This includes certain duties within the Environmental Protection Act 1990 including ensuring all land in the direct control of the Local Authority which is open to the air and to which the public has access to is kept clear of litter and refuse.
- 3.3 **Community** – Tourism benefits assist communities in helping sustain local facilities, some negative tourism impacts such as environmental mess affect mainly rural communities.
- 3.4 **Climate Change / Carbon Clever** – There are no Climate Change/Carbon Clever implications arising directly from this report.
- 3.5 **Risk** - There is a risk that a reduced Waste Management response to tourism pressures will result in areas experiencing the previous environmental challenges and issues directly connected to high visitor numbers.
- 3.6 **Gaelic** – there is no Gaelic implication arising directly from this report.

### 4. Background

- 4.1 The full text of the Notice of Motion reported to Council on 11 May is as set out below.
- 4.2 *“The positive impact of the NC500 around the Highlands has been manyfold, however, with the positive impact on the economy of the Highlands comes the negative impact on services and amenities across the area. Last year the Council waste collection services innovatively introduced a flexible and additional bin collection scheme which made a significant difference to the levels of waste that was abandoned in some of the most scenic parts of the Highlands. Local communities have commented on what a positive difference this initiative made around the NC500 route. That being the case this Council will put a similar project in place for the coming season to ensure that we make the NC500 route memorable for all the right reasons for the traveling visitors. In addition, this will also be welcomed by the local communities along the route who do not want to be faced with uncontrolled waste abandoned indiscriminately by the roadside.”*

## **5. Current Position**

- 5.1 In 2021 a time limited Visitor Management Plan (VMP) was introduced to address the anticipated issues from an increased number of visitors to the Highlands as Covid restrictions were relaxed. Activity was largely funded from £1.5m allocated for visitor management in the Council's 2021/22 revenue budget. This was a Phase 1 Investment earmarked reserve, not a recurring budget sum.
- 5.2 The additional funding allocation to Waste Management in 2021/22 was £180,000 from this reserve. This enabled Waste Management to provide a seasonally enhanced service which focused on the main tourism areas of Highland. The service included employing eight seasonal waste staff for additional litter-bin collections and to keep tourism hotspots clear of litter and refuse. The funding also extended to providing additional hired vehicles, litter bins and stickers.
- 5.3 In 2022/23 the funding provided to Waste Management from the Phase 3 Investment reserve for Visitor Management increased to £220,000. The additional funding raised the number of seasonal staff to nine.
- 5.4 Prior to implementation of the VMP, Waste Management responded to tourism pressures by increasing the service during the summer months mainly through additional weekend working. This was significantly less than the service level provided through the VMP funding.

## **6. Assessment of Notice of Motion**

- 6.1 The allocation to NC500 Waste Collection from the VMP earmarked reserve was always time limited. There is no existing service budget to fund the level of seasonal enhancements that has been provided over the last 2 years through the VMP.
- 6.2 The cost to implement the service during 2023 for a reduced period of 17 weeks is estimated as £110,000. This level of funding would cover additional staff and vehicle costs only.
- 6.3 A recurring seasonally enhanced service as described above over a period of 22 weeks will require an annual funding level of £150,000.
- 6.3 The late introduction of seasonal enhanced service within the current year may impede the deliverability of the service, securing the necessary seasonal staff for a shorter period will foreseeably be difficult to achieve.
- 6.4 No revenue budget amount was allocated for this activity in the 2023/24 revenue budget, and as noted above the previously earmarked reserve for VMP was a time limited sum only. Any additional sum allocated to support this Notice of Motion would therefore either necessitate identification of additional savings, or cessation of other current service activity, or an additional unplanned drawdown from Council reserves. The report to Council on 2<sup>nd</sup> March 2023 highlighted a multi-year revenue budget forecast (appendix 10 of that report). That appendix highlighted the risk that by the end of 2025/26, general reserves could be wholly depleted.

Designation: Head of Finance

Date: 30/5/23

Authors: Brian Porter, Head of Finance and Alan Mckinnie, Strategic Lead (Waste Strategy & Operations)

Background Papers: