

APPENDIX C

WAVERLEY BOROUGH COUNCIL

EXECUTIVE- 2 MARCH 2010

Title:

**DISCUSSION PAPER
THE FUTURE SHAPE OF THE RECYCLING AND WASTE SERVICE IN
WAVERLEY**

[Portfolio Holder: Cllr John Sandy]

[Wards Affected: All]

Summary and purpose:

To set out the main issues and considerations facing the Council in deciding on the future shape of the recycling and waste service in Waverley, with a particular focus on minimising waste and maximising recycling across the borough.

How this report relates to the Council's Corporate Priorities:

The report addresses the Council's 'Environment' priority, specifically, the plan to contribute to tackling climate change by "working with partners to increase the recycling rate to 45% by April 2010 and to 55% by 2015".

It also contributes to the Council's 'Value for Money' priority by setting out strategies to improve overall satisfaction ratings with the waste service, and by suggesting measures to ensure the Council achieves its key delivery targets and performs well against the relevant National Indicators.

Equality and Diversity Implications:

The waste and recycling service is provided equally to all sectors of the community. Bespoke arrangements are developed to serve houses in multiple occupation, and assisted collection arrangements made for the disabled and infirm. Any fundamental changes to the current system would be subject to an Equality Impact Assessment.

Resource/Value for Money implications:

The Council's Waste Management Contract is one of the Council's single largest items of expenditure. Any changes to the service are likely to have a financial impact, and the value for money of any such changes must therefore be considered carefully in the light of other spending priorities.

Legal Implications:

Should a decision be made to re-tender the current Waste Management Contract, the procurement would be subject to the relevant EC Procurement Directives.

Background

1. At its meeting of 1 December 2009 the Executive considered a report presenting proposals for the phased introduction of a segregated household food-waste collection in Waverley. The Executive resolved that: -
 1. In considering service initiatives for 2010/11 the introduction of a food-waste collection service be a priority for the Council
 2. Subject to approval as part of the budget-setting process in February 2010, the Council should embark on a bolt-on service during 2010/11, and the service should focus initially on urban areas,
 3. Officers be requested to bring forward proposals for further encouraging home composting in the rural and semi-rural areas of the Borough; and
 4. Officers be instructed to proceed with the 'Next Steps' as outlined in Paragraph 25 of the report, to report back to Members in February 2010 with the outcome of this work and to seek a final decision on whether to proceed with this initiative;
and, in order to set the food waste collection proposals in the context of a wider strategy for waste minimisation as a whole,
 5. Officers be requested to bring to the meeting of the Executive in March 2010 proposals for longer-term strategy options relating to the overall objectives of waste minimisation.

Strategic Overview

2. The Council is approaching a crossroads in terms of the management of its waste and recycling service, with a number of key factors (both internal and external) coming together over the coming 12-24 months which are likely to influence the way the service is delivered into the future. The key issues, dealt with in further detail in the main body of the report are:-
 - (i) The first term of the Council's (7 + 7 year) Waste Management Contract with Veolia is due to expire in October 2012, and a decision will need to be made over the coming months as to how the Council wishes to proceed.
 - (ii) This is an opportunity to reconsider the design of the current collection service.
 - (iii) Surrey County Council (SCC) have, over the past 6 months demonstrated a renewed commitment to waste management across the county, and in December 2009, publicly stated their intention to develop a 'world class waste solution' by 2013. This will entail a completely new way of joint working between boroughs, districts and county, and will see a raft of new facilities and new reprocessing technology being made available in Surrey over the coming years.
 - (iv) The Council's Waste Service has been the recipient of some poor customer feedback over the past year, and it is incumbent upon us to establish the root cause of this dissatisfaction and to do something about it. Customer expectations continue to rise; many want more materials to be recycled at the kerbside, in a more user-friendly and responsive way.

- (v) There is an increasing local, national and international recognition that recycling, whilst preferable to landfill, should be seen as the last resort and that an increased emphasis should be placed on minimisation and reuse wherever possible. A key question that must be asked therefore, is whether the Council should continue to strive for ever-higher figures against National Indicator 192 (percentage of household waste sent for reuse, recycling and composting). There are easy ways of doing this (such as the provision of a free or heavily-subsidised garden waste service for example)- but this acts to increase the volume of waste in the waste stream, something we wish to avoid.
- (vi) Recycling targets however, continue to rise, and SCC have now publicly stated their desire to move towards 70% recycling, and to achieve a 'zero landfill' position by 2013. Surrey Boroughs and Districts have a key role to play in achieving this aim.
- (vii) Through the Surrey Waste Partnership, there has been a significant 'coming together' of Waste Collection and Waste Disposal functions over recent years. It is recognised that the next step is for medium and longer-term opportunities for convergence of contracts and operations to be explored, and some detailed partnership work is now being carried out on this.
- (viii) Reducing the carbon impact of the service is a key objective going forward; in 2008/09, the waste and street-cleaning contract accounted for 23% of the Council's total carbon emissions and 48% of our total emissions from transport.
- (ix) Business continuity and resilience- the recent bad weather brought into focus the importance of having key contractors who are able to assist in times of emergency. Building resilience and adaptability into any new service contract is therefore key.

The current kerbside waste mix

3. Waverley currently operates an alternate-weekly collection system, collecting residual waste in the first week and kerbside-sorted recyclables the following week. The recyclables are currently collected from the doorstep in three crates/ boxes, as follows:
 - White paper, newspapers, magazines, junk mail, catalogues, greetings cards, white envelopes, telephone directories, yellow pages
 - Plastic bottles (milk, drinks, detergent and shampoo bottles), steel/ aluminium cans and aerosols
 - Mixed glass- bottles and jars of any colour
4. In addition to this core service, the Council has also provided, since April 2006, a garden waste collection service. This service currently serves approximately 2,800 customers from whom garden waste collections are carried out on a fortnightly basis on a day independent of their scheduled refuse or recycling date. This is a chargeable service, for which an annual subscription charge is paid. This is currently £45 for 2 sacks (increasing to £50 in 2010/11), and £60 for 4 sacks with half-price concessions for people in receipt of benefits.

5. Finally, there is also a separate clinical waste collection service. There are currently just under 800 customers on the clinical waste database, who can receive weekly collections if required. For people with sharps boxes a 'collection on request' service is provided. Clinical waste collections are made either on a Thursday or Friday dependent upon the area in which people live, and although it is possible to charge for this service, it is currently provided free of charge.

Question- What else could we consider for collection? (e.g., food waste, card, mixed plastics)

Materials currently recycled at bring sites

6. The bring sites are an integral part of our service and should be looked at as part of this review.
7. Waverley maintains 25 bring sites in various locations across the borough. These sites are primarily provided to collect materials that are not currently collected from the kerbside, such cardboard, tetrapak and mixed plastics, as well as other 'niche' materials such as textiles. However, there are also a number of banks that duplicate the materials collected from the kerbside, such as cans, plastic bottles, paper and glass. Last year, Bring Sites captured 2,600 tonnes of recyclables, which equates to 16.5% of the total material recycled by Waverley.

Why recycle more materials at the kerbside?

8. Waverley has, over recent years, been steadily improving its recycling performance. However, after a sustained period of achieving rates of just over 40% combined recycling and composting, performance is now consistently falling below this level. This appears to be due to a number of related factors, and can be clearly linked to the economic downturn, particularly in relation to the reduction in the size, quality and number of newspapers and magazines being consumed (and therefore recycled).
9. Against this backdrop, European, regional and local recycling targets are set to become ever more challenging over the coming years, as summarised below: -
 - (i) The Surrey Joint Municipal Waste Management Partnership 'Memorandum of Understanding' (to which all eleven Surrey Districts and Surrey County Council (SCC) itself are signatories), currently has a joint target of achieving combined recycling and composting targets across Surrey of 40% by 2010/11 and 45% by 2013/14, and these targets look set to be revised upwards to reflect the partnership's latest ambitions, as set out in paragraph 41 (SCC's target is 70% across the county).
 - (ii) Waverley's is currently committed through its own Corporate Plan targets to achieve a combined recycling and composting rate of 45% by 2010/11 and 55% by 2013/14.
 - (iii) The EU Waste Directives have imposed targets for the reduction of biodegradable municipal waste sent to landfill to 75% of 1995 levels

by 2010, 50% by 2013 and 35% by 2020, with severe financial penalties imposed for failure to do so (which would affect the Waverley Council Tax payer).

10. As part of a Surrey-wide waste composition analysis carried out by MEL Research, participation in kerbside dry recycling in Waverley was measured, between November 2007 and February 2008 as being between 78% and 94%.
11. Furthermore, it was found that between 85% (in the case of plastics) and 98% (in the case of glass) of dry recyclables that could be recycled in the existing system were being correctly recycled during this period.
12. Therefore, whilst there is some limited scope to push recycling rates up by further engaging with those who don't participate in the current scheme and by providing further information targeted at those who continue to put recyclables into the residual waste stream, this will only have a limited impact on overall diversion rates.
13. At present, it would therefore be extremely challenging to increase recycling rates in Waverley much beyond 40% without increasing the range of materials collected and/ or reviewing the current method of collection. Essentially, without a 'step change' in the separation of household waste for recycling, it will not be possible for the Council to meet either its own 2010/11 targets, or the longer-term targets of the Surrey Joint Municipal Waste Management Partnership.

Question- Are we prepared to continue with some form of kerbside recycling collection?

What else could be recycled at the kerbside? Food Waste, Card & Mixed Plastics

14. The 2008 MEL waste composition study indicates that up to 40% (by weight) of material currently found in residual household bins in Waverley is food waste. This represents the single greatest concentration of potentially recyclable material in the residual waste stream.
15. It is generally recognised that the introduction of household food-waste collection in Waverley would meet a number of key objectives, and a provisional budget has therefore been allocated to finance the launch of a first phase of this programme (designed around a single collection vehicle) in 2010/11.
16. Further details of this initiative can be found in the report to the Executive's meeting of 2 February 2010 and the rate at which wider implementation of this service is possible will necessarily be governed by available resources and progress on the re-specification and retender/renewal of the Waste Management Contract on, or before 1 November 2012.

17. The second greatest concentration by weight (approximately 15%) is card. Although there is currently little value in it, and it cannot be recycled with paper in our current system (or within our current contract with Aylesford Newsprint), it comprises a significant proportion of Waverley's residual waste and its separate collection therefore warrants consideration. There would of course be implications in terms of the recycling vehicle required should a decision be made to incorporate card into the current mix.
18. Mixed plastics (i.e. non-bottle plastic) are one of the greatest concentrations by volume in the residual waste stream. Furthermore, the general confusion about what plastics can and cannot be recycled at present means that currently, up to 12% of plastics that are recyclable under the existing collection system are finding their way into the residual waste stream. As with card, any decision to incorporate mixed plastics into the recycling mix would require different recycling vehicles to be deployed.
19. If there is a desire to remove other potentially recyclable materials from the residual waste stream in Waverley, it is food, card and mixed plastics that would achieve the greatest diversion rates. The experiences of a number of neighbouring boroughs and districts that have implemented a full food waste collection service for example, suggest that a headline increase in recycling rates of approximately 10% could be expected by introducing a borough-wide food-waste collection service, and authorities that have introduced entirely new collection systems incorporating glass, paper, cans, mixed plastics, card and food have consistently achieved recycling rates of over 60%.

Questions- Do we further explore options for card and mixed plastics? How do we wish to see our new food waste service being developed?

Public perception of the service - Place Survey and Participatory Budgeting

20. The Council scored poorly in terms of satisfaction with refuse collection and recycling in the 2008 Place Survey. In order to provide independent verification of these findings, and to establish whether there were any underlying causes of this poor satisfaction rate, the same questions were asked of those taking part in the Council's recent 'Participatory Budgeting' consultation process, with a supplementary question asking for reasons for their response.
21. Although this survey showed a higher level of satisfaction than reported in the Place Survey with 62% of respondents either fairly or very satisfied, there is still significant room for improvement. Further public consultation work is proposed for 2010/11 to help us fully understand the current causes of dissatisfaction with the service, and how we might address these going forward.
22. The Participatory Budgeting exercise did provide some useful information as to the causes of dissatisfaction, and it is clear from the results that the main issue with the service is the Alternate Weekly Collection of residual waste, and in particular the perceived issues of smells and maggots; something which would be largely resolved by the provision of a weekly food waste collection.

23. A second supplementary question asked of those taking part in the 'Participatory Budgeting' consultation sought to establish their relative priorities in terms of recycling other materials. The provision of a weekly food waste collection service was considered the first priority by the largest proportion (35%) of respondents, with 29% of respondents considering card the highest priority, and 24% mixed plastic.

Questions- Do we continue with Alternate Weekly Collection?

Do we place as a continued to priority the further expansion of food waste collection?

Do we look at card and mixed plastics as further high priority items?

The case for waste minimisation- The Waste Hierarchy

24. Of course, to look at the issue of waste management purely as an exercise in maximising recycling rates would be a mistake. It is important to remember that, whilst recycling and recovery is preferable to disposal, waste minimisation and re-use are better still as they remove the problem at source.
25. All Surrey authorities have adopted, through the Surrey Joint Municipal Waste Management Strategy, the 'Waste Hierarchy' as outlined in the National Waste Strategy 2000. This promotes the reduction and recovery of value from waste prior to ultimate disposal and emphasises the need to focus on the first two stages of the waste hierarchy (minimisation and re-use) before considering options for recycling, thus reducing the volume of waste which requires management in the first place.
26. As is outlined in paragraph 35 below, SCC's 'World Class Waste Solution' recognises this issue as of utmost importance and sets out an aspiration to reduce the amount of waste dealt with in Surrey through waste minimisation initiatives by 15,000 tonnes per year by 2012/13. It aims to achieve this by working in close partnership with the 11 Waste Collection Authorities on a range of initiatives, including targeted education and information campaigns, and the provision of subsidised home-composting units, among other things. Further details of the specific waste-minimisation projects taking place in Surrey over the coming 12 months can be found in paragraph 44.
27. In May 2008 this Council invested £20,000 and embarked on a one-off initiative to provide subsidised Green Cones and Johannas to Waverley residents at a cost of £10 and £20 respectively. Through various promotional events and subsequently through website promotion, almost all of the 500 units have now been sold, however, there is clearly still a long way to go to encourage further uptake of home composting across the borough. Officers are therefore in negotiation with SCC with a view to working together to ensure that their current plans are successfully implemented throughout Waverley as soon as possible.

Questions- Do we embark on a further subsidised Green Cone/ Johanna initiative and/or work with SCC on their subsidised composter scheme?

Should we continue to monitor and pursue continuous improvements in recycling rates, or should we be concentrating instead on waste minimisation as our main priority?

Choosing the right recycling system

28. At present, no two waste collection authorities in Surrey provide identical services, collect exactly the same range of materials, or collect in exactly the same way. Some provide weekly refuse and recycling collections, some collect recycling weekly but refuse fortnightly, and some operate alternate weekly collections; some operate 'kerbside sorted' (box and basket) recycling systems whilst others offer 'co-mingled' (all recyclables in one wheelie bin); even in terms of food-waste collections, whilst four authorities in Surrey now provide a fully integrated service, all have their own systems and approaches to it.
29. This serves to demonstrate the diversity of approaches available to us, and also shows that there is no single right or wrong answer to the question of what we should collect or how it should be collected.
30. For example, it is generally believed that a 'co-mingled' recycling system carries lower collection costs than a 'kerbside-sorted' system, and also tends to yield a higher headline recycling rate due to the fact that it is easier for the customer, generally offers greater capacity, and can more easily accommodate a wide range of materials. However, co-mingling and compacting materials during collection (especially if glass is part of that mix) lowers its integrity. Defra research suggests that such a system leads to rejection rates of up to 10% (and this 10% will find its way into the residual waste stream), and thus reduces both the environmental and monetary value of the materials collected, as well as potentially undermining public confidence in recycling.
31. In its 2009 publication, "Choosing the right recycling collection system", WRAP (Waste & Resources Action Programme) sets out a series of key principles which it believes should guide a Waste Collection Authority's decision as to which system should be used, and these can be summarised as follows:
 - (i) Quality of material- Recycling reduces the use of virgin materials and much of the energy required to extract and process raw materials. Generally the greatest benefit is achieved by 'closed loop' recycling, where materials are put back into the same or equivalent application substituting for virgin materials, and these benefits can only be achieved if the collection system delivers recyclates of sufficient quality
 - (ii) Cost efficiency- It is important that the full cost to the taxpayer of any given system is understood, from doorstep to reprocessor/ treatment plant, rather than simply the cost collection in isolation. Although it is generally recognised that the headline cost of 'co-mingled' systems is

lower, the gate fees and processing costs tend to be higher, the value of materials tends to be lower, and the 'contamination rates' (and therefore the volume incurring landfill tax) tends to be higher.

- (iii) Cost effectiveness- Although headline figures often suggest 'co-mingled' systems capture more recycling than 'kerbside-sort' schemes, closer inspection suggests that this has more to do with the amount of space provided for recycling, rather than the system itself (a kerbside sort scheme with 3 baskets/ boxes, for example provides only 165 litre capacity, compared with an average wheelie-bin of 240 litres). Making a 'kerbside sort' scheme more cost-effective by increasing recycling capacity may in fact prove more effective than adopting a 'co-mingled' system to increase recycling performance.
 - (iv) Public acceptability- Not surprisingly, engaging the public in their local recycling scheme is essential to its success. Whichever scheme is chosen it is important that it is designed to fit the needs of the local population and their homes. The type, size and number of containers is central to this, as is the need to fully understand the scheme.
32. WRAP concludes that, for the reasons set out above, a fully co-mingled system should not be adopted unless it is the only practical solution. There is no strong evidence to suggest such a system captures more recyclates, is more acceptable to the public, or is cheaper to run.
33. They argue therefore that 'kerbside sort' systems should be the preferred system wherever practical, and where not practical, a 'two-stream co-mingled' system (essentially to keep glass and paper separate) should be adopted.
34. Annexe 1 sets out a number of collection options open to this Council which would help to increase recycling performance by facilitating the integration of further materials into the mix. It explains some of their respective advantages and disadvantages from an environmental, financial, customer service, and operational perspective, and sets out headline costs of each option.
35. A number of principles are felt to be important in influencing the decision as to which system is appropriate in Waverley, these are-
- (i) The desire to keep paper separate from any recycling mix in order to retain existing good income and demonstrate sustainable 'closed loop' recycling practices.
 - (ii) The need to keep glass out of any recycling mix in order to ensure the value and integrity of other recyclates is maintained.
 - (iii) Public opinion of the current system, and the need to test alternative options with the customer.
 - (iv) The net cost of any given system- both to this Council, and to the Council Tax payer (i.e., taking into account SCC's reprocessing/ landfill costs as well as WBC's collection costs).
 - (v) Selecting a system which offers the most practicable route to 'convergence' with the systems operated by other authorities. In other words, providing the opportunity for a future partnering arrangement.

Question- Are the principles in Paragraph 34 supported?

Surrey County Council's 'World Class Waste Solution'

36. In December 2009, SCC announced that it no longer planned to build Energy from Waste (EfW) incinerators in Surrey, and that it would instead concentrate on reducing the amount of waste produced in the county, encouraging people to reuse things where they could and recycle as much as possible after that, with the aim of reducing the amount of household waste dealt with in the County every year by 35,000 tonnes.
37. With landfill tax currently costing SCC over £7 million per year, and set to almost double over the next 3 years, the aim is to achieve zero landfill by 2013. This challenging goal will clearly not be achieved by minimisation alone, so the council has also announced its intention to develop an Eco Park at Charlton Lane, Shepperton, which would be the first of its kind in the country. It would incorporate a range of waste treatment facilities, including an anaerobic digester (for food waste) and a gasifier (for residual waste), an innovation centre to look at and develop new technologies and an education centre open to all.
38. In a gasifier, residual waste is heated to produce a gas, which can then be burned cleanly at high temperatures to provide energy in a similar way to natural gas.
39. Anaerobic digestion is a natural treatment by which food waste is broken down producing gases, which can be converted into energy.
40. Between them, it is anticipated that these facilities would produce enough energy to power 10,000 households, which equates to one fifth of the houses in the Borough. This 'green' energy would be sold to the national grid.
41. The County is also talking with all Waste Collection Authorities about what other facilities are required in Surrey to help them to maximise their recycling performance, and has set a target of recycling around 70% by 2013, which will put Surrey among the best performers in the world. This new initiative is fully supported by all members of the Surrey Waste Partnership.

Surrey Waste Partnership Projects

42. In 2008, each local authority in Surrey received £174,615 rewards money from government for achieving the stretch targets set out in a local public service agreement for enhancing glass recycling.
43. In May 2008, the Council agreed that 50% of the Waverley share of this funding should be pooled with similar contributions from the other member authorities of the Surrey Waste Partnership (SWP) to provide funding for partnership working and joint projects. This contribution was to be payable over two years in instalments of £43,654.25 from each authority for each of the years 2009/10 and 2010/11.
44. This has resulted in available funding for the current year (September 2009 until August 2010) of £431,888.25 with a similar sum available the following year, and the SWP has agreed to use this partnership funding on improving

waste coordination through partnership working and on funding a range of partnership projects.

45. Among the projects approved to date, and due for completion between April and September 2010, are a number that have the potential to have a significant impact on the future direction of waste management in Waverley, in particular those dealing with waste minimisation issues, and those looking at specific aspects of waste collection and material treatment infrastructure, as follows;

- Love Food Hate Waste- To deliver locally a national WRAP behavioural change campaign using iconography from the national campaign and best practice behaviour change communications tactics
- Home Composting- To increase the number of households diverting waste by composting at home
- Master Composter Scheme-To examine the feasibility of introducing a master composter scheme in Surrey
- Real Nappies- To increase awareness of real nappies and to increase the number of parents using real nappies for their children
- Junk Mail- To reduce the amount of unwanted direct mail by enabling people to take more control of their mail
- Re-use- To increase the amount of unwanted material diverted from landfill for re-use, especially furniture and white goods
- MRF and Waste Chain Analysis- To analyse the most effective MRF solution for the maximum benefit of recycling in Surrey, coupled with a cost analysis of waste chain options
- Collection and Treatment of Mixed Plastics- To commission a specialist plastics recycling consultancy to consider options for mixed plastics recycling in Surrey
- Bring Site Analysis- To analyse what is currently collected at Bring Sites, where the material comes from and how the service dovetails with kerbside collections and Community Recycling Centre facilities
- Food Waste Analysis- To analyse residual waste and food waste in districts where food waste is collected separately

Contractual Matters

46. As well as considering the specification of the future service, we will need to consider how we wish it to be delivered. The current Waste Management Contract commenced on 30 October 2005. The contract period is a term of seven years, meaning the current agreement will terminate naturally at the end of 29 October 2012.

47. Whilst this date may appear to be some time in the future, we will need to give careful detailed attention to matters such as:

- i. options for delivering the service; and
- ii. the potential for future joint working.

48. It is likely we will need to procure expert advice to ensure we are properly informed on these issues.

Conclusion

49. This Council faces a number of important decisions over the coming months and years which will inform the future direction of the waste service in Waverley for the next decade and beyond.
50. The key areas for discussion in addition to the questions already considered, are:
 - a. What should we include in any redesigned recycling system?
 - b. How should we collect refuse and recycling in future?
 - c. How can we improve customer satisfaction with the waste service?
 - d. How can we reduce the carbon impact of the service going forward?
 - e. Should we continue to monitor and pursue continuous improvements in recycling rates, or should we be refocusing instead onto waste minimisation?
 - f. What service and delivery strategy should we adopt?
51. All councillors will be interested in the specification of the service (items a-e inclusive) and it is proposed that a councillors' conference be arranged to facilitate maximum involvement. The delivery and project management issues (item f) will require the detailed attention of portfolio holders and so it is suggested that the Leader, Deputy Leader and Portfolio Holder for the Environment be delegated to consider these matters and report back to the Executive in due course.

Recommendation

It is recommended that:-

1. officers be requested to make arrangements for an all member conference on recycling and waste services, in consultation with the portfolio holder for the Environment; and
2. the Leader, Deputy Leader and Portfolio Holder for the Environment be delegated to consider the contractual issues involved in the future delivery of our service and to report back to the Executive in due course.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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