

# Cherwell District Council

## Executive

5 January 2015

<b>Waste Collection Service</b>
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### Report of Head of Environmental Services

This report is Public

#### Purpose of report

To consider the future direction of the Waste Collection Service ensuring that it delivers a high quality service and good value and to ensure that it complies with the Waste Framework Directive from January 2015.

#### 1.0 Recommendations

The meeting is recommended:

- 1.1 To endorse the current high performing waste collection system which delivers high quality recycling and is considered to meet the requirements of the Waste Framework Directive (WFD)
- 1.2 To note the waste collection system is providing good value to residents, delivering increasing levels of customer satisfaction, while ensuring high quality recycling is collected.
- 1.3 To approve the proposed changes regarding S106 planning agreement requirements for the waste collection service in new developments.

#### 2.0 Introduction

- 2.1 The current waste collection service has been in operation since 2003/04. The service has been enhanced over the years with a number of developments including the introduction of food waste recycling, battery collections and small electrical recycling.
- 2.2 The recycling rate has been very high since 2009/10 following the introduction of food waste recycling in the brown bin.
- 2.3 From January 2015, the Waste Framework Directive (WFD) must be implemented. This directive aims to encourage increased recycling as well as promoting high

quality recycling. The WFD means that Councils must have collection systems for paper, metals, plastics and glass. In addition the materials should be collected separately unless it is Technically, Environmentally or Economically not Practical (TEEP) not to do so.

- 2.4 The Government has not provided guidance on meeting the WFD but has backed, the not for profit organisation, Waste Resources Action Programme (WRAP) who have developed a road map to ensure compliance. Ensuring organisations comply with the WFD is the responsibility of the Environment Agency.
- 2.5 The roadmap and the approach are set out in Appendix 1. Changing to separate collection of these materials would require significant investment, would write off existing investment result in a lower recycling rate at a significantly higher cost of collection. The recommendation is the continuation of the existing collection system with a five year review. The purpose of the review would be to revisit the requirements of the WFD and to ensure the collection service continues to provide good value to residents with an easy to use collection system.
- 2.6 Besides ensuring meeting the requirements of the WFD, there are a number of challenges facing the waste collection service. These challenges include significant growth in housing numbers, service funding and income challenges and the need to build on the successes of the waste collection service.
- 2.7 The intention is to improve further the current collection scheme by continuing to recycle a large range of materials at the kerbside. In addition, other materials such as textiles and glass are recycled at an expanding network of community bring bank sites across the District.

### **3.0 Report Details**

- 3.1 The waste collection service is a high profile service delivered to all 60,000 residential properties in Cherwell. A commingled service has been in place since 2003/04. The commingled service includes paper, card, cans and plastic bottles. Glass has been recycled through a community bring bank network of over a 110 sites.
- 3.2 When the commingled service was introduced in 2003/04, no Materials Recovery Facilities (MRF) would take glass. Hence glass has always been recycled through a community bring bank system. The bring bank system has grown from 40 sites to over 110 sites and captures over 65-70% of all glass produced. The cost per property of the whole waste collection service was below £47.84/property/year in 2013/14. This is expected to fall further in 2014/15. Customer satisfaction with the waste collection service is very high with 88% satisfied with the kerbside recycling service.

Table 1 Cost of waste collection per property

Financial year	Cost of collection/property
2013/14	£47.84
2012/13	£52.08
2011/12	£58.51
2010/11	£57.82
2009/10	£62.92

- 3.3 The quality of materials collected has remained good with only 4-5% of materials being rejected at the Materials Recovery Facility (MRF).
- 3.4 Although the likely recycling rate will be around 57% in 2014/15, there are still significant tonnages of recyclable material in the residual waste bins. If all residents were recycling all possible materials, then the recycling rate would be as high as 80%. Consequently there is around 12,000 tonnes of recyclable materials in the residual waste green bins. Of this, around 1,000 tonnes is glass which could be recycled at the bring banks, 4,000 tonnes is mixed dry recyclables and up to 7,000 tonnes of food waste still remain in the residual bins. The challenge over the next few years is develop and implement successful strategies to divert as much as possible of this 12,000 tonnes into the food waste bins, the dry recycling bins and bring banks. If half this waste could be diverted then the cost of the service could be reduced by a further £180,000/year.
- 3.5 Significant investment has been made over a number of years in vehicles, bins and training. Further substantial investment is not required in the short term to push recycling forward. However, persuading those residents who are still reluctant to recycle much and encouraging residents to recycle even more of their waste will be difficult. By continuously communicating to our residents through a variety of approaches, it should be possible to boost the recycling rate beyond 60% over the next three years.

### **Shared Service**

- 3.6 A shared service which includes the waste collection service has been in place since April 2014. This has brought many benefits including cost reductions and more resilience.
- 3.7 Although this Council and South Northants Council have a slightly different collection service, there are many similarities such as both councils operating the same type of trucks. There have been several times where resources have been shared and crews from one council have supported the other. The shared service has not only delivered cost savings it has made the collection service of both Councils more resilient.

### **Trade Recycling**

- 3.8 Trade recycling has been in operation for a few years on a pre-paid sack service. With disposal costs for trade refuse reaching £100/tonne, moving to more waste being recycled delivers financial savings both for the Council and commercial customers, as well as bringing environmental benefits.

- 3.9 The intention has been to extend the trade recycling service to cover bigger commercial properties than the current target market of very small businesses in the centre of the three urban centres. It was hoped that such a service would have commenced in Bicester this autumn. However the shared commercial waste officer left this October. A replacement will be in position from the start of January 2015.
- 3.10 It is expected that trade recycling services will commence in the Bicester area from March 2015 and rollout to Kidlington later in 2015.
- 3.11 The trade waste service generates c£50k income/year but only covers its operating costs. The intention for the service over the next few years will be to increase income, reduce collection costs and for the service to make a bigger contribution to service overheads and management costs. One of the competitive advantages the service has over private waste management companies is that customers are not charged VAT.

### **Growth**

- 3.12 The current service collects from 60,000 properties. There are ten front line crews covering refuse & recycling along with five crews covering food & garden waste.
- 3.13 Housing growth forecasts mean that the number of properties will sharply increase in the coming years. The current rounds have little or no capacity for extending to additional properties beyond 2015/16. Each new crew costs around £150k/year to cover salaries, fuel, maintenance & depreciation. Taking on additional crews before properties are built would be expensive. However, by moving the collection day of properties such as flats to Mondays and potentially utilising the resources from shared services, the timescale for further crews can be delayed. For each 4,000 new properties, one additional vehicle and crew will be required. With 13,000 properties being planned for Bicester, another 3 crews will be required just for collections in Bicester.
- 3.14 The costs for bins, bring banks and vehicles for new developments are significant. With large numbers of properties due to be built, the costs associated with those developments should be funded via S106 planning agreements rather than falling on the existing or new residents. With the collection rounds virtually at capacity, it is important that the capital cost of additional waste collection vehicles and the costs of new containers are funded via S106 agreements as set out in Appendix 2.

### **Recycling contract**

- 3.15 Recycling material values can fluctuate substantially. The value of materials is linked to world commodity prices. In 2008, prices collapsed before steadily rising until early 2012. At the time this Council let a joint contract with South Northamptonshire Council, prices had peaked. This contract was awarded to UPM Kymmene Ltd based in Cheshire. Since then prices have slipped back due to lower demand. For some materials such as paper, the increasing use of tablets and smartphones has led to falling newspaper sales. This, in return has resulted in lower tonnages of paper in the recycling mix. However with increasing use of on line shopping more cardboard is present.

- 3.16 The current dry recycle contract with UPM ends at the end of February 2015 but there is a Council option to extend for up to three years. The current contract is not profitable for UPM due to a combination of prices in some materials having slipped back and the reduced amount of paper in the recycling mix. Both councils have asked to take up the option for contract extensions since it is unlikely that a better price will be secured than the current rates. The outcome of this extension request is due imminently. If this proves unsuccessful a new tender for the recyclable material will be advertised and let with some uncertainty about financial outcome and the risk of a lower return to the Council.

### **Waste Framework Directive**

- 3.17 The WFD requires the setting up of separate collections for paper, plastic, metal and glass. Waste collection organisations must collect these materials separately, unless it is not necessary to provide high quality recyclates or unless it is not technically, environmentally or economically practicable.
- 3.18 The requirement to set up separate collections of paper, plastic, metal and glass is implemented in England & Wales by regulation 13 of the 2011 Waste Regulations as amended in 2012. The regulatory body to enforce these regulations is the Environment Agency
- 3.19 Central Government has not issued guidelines to deal with these regulations. However WRAP, along with the Local Authority Waste Network has helped develop a Waste Regulation roadmap. The roadmap is set out in Appendix 1 along with the evaluation approach and results. Much of the information in Appendix 1 is of a very technical nature which would be presented to the Environment Agency in the event of a challenge. However it shows the current collection system is of a lower cost than a source separate system, captures more recycling and therefore reduces CO2 emissions. Officers from this and other councils have worked through the road map together to produce a unified approach to determine the implications of the Waste Regulations on the respective collection systems.
- 3.20 The conclusion from using the roadmap is that recycling produced by the Council is high quality with a 4-5% rejection rate at the MRF (sorting facility) in Shotton. Glass is not included in the dry recycling mix and the quality of materials are good so the necessity test of is met. Changing to separate collections is not Technically, Environmentally or Economically Practical due to
- Technically not practical to persuade residents to change back to a box system when residents have embraced the blue bins. To date over 45,000 residents have opted to pay a one off charge for a blue bin. Without the support from residents recycling systems do not work.
  - Changing to a separate collection system will reduce recycling. Recycling in neighbouring South Northants has increased by more than 40% since the introduction of blue bins. Recycling has risen from 6,500 tonnes to an expected 9,500 tonnes in 2014/15. Changing back to separate collections would not be practicable and in Cherwell the expected fall in recycling would be of at least 3,000 tonnes. Hence moving to source separated would be environmentally detrimental.

- Changing to a separate system will decrease environmental cleanliness due to increases in windblown litter. Recycling bins contain light recyclables, such plastics and cardboard, are much better than boxes. Hence, again changing to a separate collection system would not be environmentally practicable.
- Changing to a source separate system would reintroduce Health & Safety risks which wheelie bins have removed. Source separate collections have significantly greater manual handling risks, risks to hand injuries from sorting recyclables at the kerbside. Hence such a change is not technically or environmentally practicable
- Changing to a separate collection is not economically practical. The current scheme has reduced costs significantly. Moving to separate collections would require more investment in different & additional vehicles & recycling boxes will be required. The overall revenue cost would be substantially increased.

### **Other Service Initiatives to Improve Recycling**

- 3.21 The recycling service has been innovative introducing kerbside recycling to include batteries in a clear bag on top of the bins and the collection of small Waste Electronic & Electrical Equipment (WEEE) in supermarket carrier bags. Both schemes have been successful. Making glass recycling easier by increasing the number of bring banks to around 130 sites by Summer 2015 should increase recycling tonnages further. In addition the launch last year of bring banks at key locations for the recycling of small scrap metals items such as old baking trays, broken cutlery will be expanded to increase the number of sites.
- 3.22 Over the years the amount of space residents need for their residual waste has reduced. For new properties and when damaged bins are replaced, a 180 litre residual waste bins has been issued. As the number of new developments increase, the number of properties with the smaller residual waste bin will increase.

## **4.0 Conclusions and Reasons for Recommendations**

- 4.1 The use of the WFD roadmap has shown that the waste collection scheme produces high quality recycling with low rejection. It also shows that it is not Technically, Environmentally, Economically Practicable to collect the four waste streams separately.
- 4.2 The current system has been successful with residents but it is important that residents' satisfaction levels continue at high levels and further service development and promotion is pursued to improve performance further.

## 5.0 Consultation

South Northamptonshire Council  
Planning

## 6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified

Option 1: To reject the current waste collection service and consider an alternative

Option 2: To request that officers consider alternative amendments to the current service.

## 7.0 Implications

### Financial and Resource Implications

7.1 Change to a source separated system is not economically practicable due to increased costs of collection and the need for new capital investment.

Comments checked by Brian Wallace, Service Accountant 01295 221737  
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### Legal Implications

7.2 As indicated in the report, the continuation of a commingled approach to dry recyclates will comply with the legislative requirements only if a separation approach is not technically, environmentally or economically practical. The reasons why the Council considers that a switch is not practical are set out in paragraph 3.20.

Comments checked by: Kevin Lane, Head of Law and Governance  
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### Risk

7.3 There is a risk of challenge from the regulator if a good rationale is not shown for it not to be Technically, Environmentally, Economically Practicable to collect Paper, Plastics, Metals & Glass separately.

Risks will be managed locally through operational risks and escalated to the corporate risk register as and when necessary and reported quarterly.

Comments to be checked by Louise Tustian, Acting Performance Manager, 01295 221786, [louise.tustian2@cherwellandsouthnorthants.gov.uk](mailto:louise.tustian2@cherwellandsouthnorthants.gov.uk)

## 8.0 Decision Information

### Key Decision

Financial Impact Threshold met - No

Community Impact Threshold met - Yes

### Wards Affected

All

### Links to Corporate Plan and Policy Framework

Cherwell: Safe, Clean, Green

### Lead Councillor

Councillor Tony Ilott, Lead Member for Environmental Services

### Document Information

Appendix No	Title
1	Roadmap & Evaluation Document
2	Revised S106 requirements for new developments for Waste
Background Papers	
None	
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