

# Executive

## Waste Strategy

8 April 2013

### Report of Head of Environmental Services

#### PURPOSE OF REPORT

For members to consider a number of Waste Management changes and to note the range of activities being undertaken to drive tonnages to landfill down and increase recycling

This report is public
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#### Recommendations

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The Executive is recommended:

- (1) To adopt the new Oxfordshire Joint Municipal Waste Management Strategy
- (2) To approve the Oxfordshire Waste Partnership deed of variation
- (3) To approve a trial expanded trade recycling service focused on Bicester
- (4) To approve the approach regarding Controlled Waste Regulations
- (5) To note the activities underway to promote recycling and reduce waste going to landfill

#### Executive Summary

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##### Introduction

- 1.1 The first Oxfordshire Joint Municipal Waste Management Strategy covered the period 2007 – 2012. The Oxfordshire Waste Partnership has been working on a new revised Joint Municipal Waste Management Strategy to cover the next five year period.
- 1.2 Since the previous Waste Strategy was developed there have been a number of changes. Recycling rates in Oxfordshire have risen from around 38% in 2006/07 to over 60% in 2011/12, the amount of waste going to landfill has fallen, food waste recycling across Oxfordshire has become widespread and a new energy from waste facility is under construction to largely replace landfill.
- 1.3 In addition waste has increasingly become a resource. For example commingled dry recycling now produces an income rather than being a cost

as it was prior to 2012. Small incomes are now derived from other materials such as batteries and Waste Electronic & Electrical Equipment (WEEE).

- 1.4 The new Oxfordshire Joint Municipal Waste Management Strategy is attached in Appendix 1. The vision is 'We will work in partnership to reduce waste and to maximise reuse, recycling and composting. We will treat residual waste before disposal to further recover value and to minimise the environmental impact of managing our waste stream'.
- 1.5 The Strategy sets new recycling targets with a 65% recycling target by 2020 and a 70% recycling target by 2025.
- 1.6 Although these targets are Oxfordshire wide, the targets are considerably greater than the current Cherwell recycling pledge of 57% in '13/14. A great number of activities commenced in 2012 and are continuing into 2013 to try to drive recycling rates forward. However to achieve a performance around 65% by 2020 will require a significant performance improvement.
- 1.7 Since 2009, financial arrangements have been in place to reward/penalise the collection authorities in Oxfordshire for the amount of waste each collection authority sends to landfill. The targets for each collection authority are calculated each year from the amount of waste produced across the County and the amount of waste which needs to be diverted to meet the recycling targets in the Oxfordshire Joint Municipal Waste Management Strategy. With recycling rates in 2011/12 hitting 60%, the 2015 target of 45% recycling and 2020 target of 55% were no longer relevant.
- 1.8 Altering these targets to the new targets in the new strategy would greatly reduce payments to the collection authorities. The County Council wanted to reduce overall payments since landfill diversion payments were costing them in excess of £1m. After lengthy discussions and a meeting of the Leaders of each Council, a new payment arrangement was agreed which no longer related to landfill tonnages. This agreement was approved at the Oxfordshire Waste Partnership meeting in January.
- 1.9 A deed of variation to the payments has been agreed and is submitted for approval.(Appendix 2)
- 1.10 Within the Oxfordshire Joint Municipal Waste Management Strategy is a commitment to help businesses, particularly small and medium enterprises (SMEs) to access recycling services. Landfill tax is making landfill disposal expensive in comparison to trade recycling. Hence trade waste especially focused on trade recycling is presenting a number of opportunities for the Council.
- 1.11 The classification of what wastes are considered household wastes and which waste charges can be made for has been clarified in the Controlled Waste Regulations 2012. Many of the categories of properties in the new regulations apply to few or no properties in Cherwell. However it is important that clarity exists on which properties can be charged.
- 1.12 The current household waste collection system was launched in August 2003. There have been improvements and additions to the scheme launched almost ten years ago such as food waste recycling, battery recycling and most recently the introduction of kerbside WEEE recycling last month. The recycling rate has risen from 10% in 2002/03 to 43% in 2004/05 to over 57%

in 2010/11. However despite promotion work recycling tonnages have been slipping and residual waste tonnages have been gradually growing.

### **Proposals**

- 1.13 To agree to adopt the new Oxfordshire Joint Municipal Waste Strategy which sets out a strategy for the management of waste in Cherwell and across Oxfordshire.
- 1.14 To agree the deed of variation which sets out revised payments from the County Council to the collection authorities.
- 1.15 To agree to launch a trade recycling scheme in the Bicester which provides good quality recycling service to businesses and reduces the net cost of the waste collection service.
- 1.16 To agree the approach in dealing with various waste categories
- 1.17 To note and support the drive to maximise recycling and minimise waste going to landfill

### **Conclusion**

- 1.18 The Oxfordshire Joint Municipal Waste Management Strategy presents a new agreed strategy to deliver waste management services across Oxfordshire. It sets out new targets and new policies for the management of waste.
- 1.19 The current waste collection service has both a high recycling rates & high customer satisfaction levels but those recycling levels will need to rise further for the service to continue to be cost effective

## **Background Information**

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### **Oxfordshire Joint Municipal Waste Management Strategy**

- 2.1 The original Oxfordshire Joint Municipal Waste Management Strategy (OJMWMS) covered the period from 2007- 2012. During that period waste services across Oxfordshire were transformed. All Oxfordshire authorities have moved over to an alternate week collection service similar to the one pioneered by Cherwell in 2003/04. Food waste recycling has been introduced for all residents in Oxfordshire. Recycling rates have soared as increasingly comprehensive recycling services have been introduced.
- 2.2 Since 2007 in Cherwell a number of developments in the waste collection service have included the introduction of food waste, on street recycling, battery collections and WEEE collections. Some of these innovations have been partly funded from the Oxfordshire Waste Partnership innovation fund. All have helped to reduce landfill tonnages and increase recycling rates.
- 2.3 The revised OJMWMS sets out the achievements made since 2007 and sets out 12 Policies to help improve waste management in Oxfordshire.
- 2.4 The new targets set out in the Strategy to boost recycling to 65% in 2020 and 70% in 2025 will present new challenges to get residents to recycle more. The current services if fully utilised by residents mean that around 80% of waste could be recycled. Hence one of the major challenges will be how to encourage residents to recycle more and send less to landfill.

### **Financial Arrangements**

- 2.5 The financial arrangements which have operated within the Oxfordshire were put in place to encourage waste collection authorities to put in more comprehensive recycling schemes. Food waste was seen as a big fraction of most household residual waste bins.
- 2.6 Food waste is expensive to collect but by introducing financial arrangements some of the extra costs of putting in food waste recycling services could be offset. The financial arrangements would also produce some savings for the County Council.
- 2.7 The financial arrangements have helped recycling rates rise substantially as districts have introduced new recycling services including food waste recycling.
- 2.8 Payments made by the County Council have been around £1m. However the County Council have indicated due to the financial pressures that they have wanted to reduce these payments.
- 2.9 The payments were related to outperforming landfill targets based on recycling targets set out in the 2007 Oxfordshire Joint Municipal Waste Management Strategy. For 2015 the target was to recycle 45% and for 2020 the target was to recycle 55%. However the recycling rate in 2011/12 was 60%.
- 2.10 When the Oxfordshire Joint Municipal Waste Management Strategy for 2012 was being revised, the continuation with the original recycling targets for 2015

and 2020 was not possible. However to raise them with the current financial arrangements would mean immediate and substantial reductions in income from OCC for the collection authorities.

- 2.11 Following a meeting between the Leaders of the councils which make up the Oxfordshire Waste Partnership, an agreement was made to continue payments but at gradually reducing rates over a period of years. The payments would no longer relate to landfill tonnages.
- 2.12 The new financial arrangements were agreed at the Oxfordshire Waste partnership meeting in January. A deed of variation has been produced to gain formal agreement from each council (Appendix 2).

### **Trade Recycling**

- 2.13 Nationally the government aims to encourage councils to help provide recycling services for small and medium size enterprises (SMEs). Policy 6 of the Joint Municipal Waste Management Strategy states that the Oxfordshire Waste Partnership will encourage businesses to reduce, reuse & recycle by providing good quality recycling services, information and advice.
- 2.14 Currently the Council's trade waste service is based on providing pre-paid sacks (residual and recycling). The target customers are very small businesses in the centre of Banbury, Bicester & Kidlington. The pre-paid recycling service was launched during 2009/10. In total the income is limited to around £25-30k per annum.
- 2.15 No bins are offered to customers hence only very small businesses tend to use the pre-paid sack service.
- 2.16 Trade waste has a high recycled content especially with large volumes of paper and cardboard. However, for convenience many businesses choose to just take trade refuse services or their trade waste provider only provides limited recycling services. With disposal prices rising towards £100/tonne in the future, trade recycling can save a business significant sums compared to just using trade refuse services.
- 2.17 Until recently for councils developing trade waste services were unattractive due to the Landfill Allowances Trading Scheme (LATS). This was a mechanism which would fine councils per tonne for sending waste to landfill above a certain target. Oxfordshire County Council, the disposal authority, indicated that any trade refuse which pushed landfill tonnages above targets would result in LATS costs being passed on to those with trade refuse services. Hence a trade waste service was not an attractive option since it could incur additional costs of £150/tonne. However LATS has now been abolished and the threat of extra costs have disappeared.
- 2.18 In South Northants Council a larger trade waste service exists which generates an annual surplus after disposal costs of around £250k. However SNC offers no trade recycling service. A potential opportunity exists to use the SNC trade waste experience together with the CDC trade recycling experience. This could result in an expanded service for CDC and new trade recycling services for SNC. This forms part of but is not reliant on the shared service business case recently approved by the Joint Arrangements Steering Group and currently being consulted on.

- 2.19 The development of Eco Bicester with a commitment to low carbon emissions and to environmental good practice creates an opportunity for the provision of trade recycling services. With a depot in Bicester, trade refuse disposal at nearby Ardley and trade recycling disposal at Helmdon, collection costs should be low.
- 2.20 The aim is to launch a trade recycling service in Bicester which offers bins in addition to pre-paid sacks. For a service to be financially viable for the medium term, around 30 customers are required. The risks involved in such a scheme are low since the only investment required is the purchase of bins. Even if such a scheme proved not to be viable after a period of time the bins could be used elsewhere in flats.
- 2.21 The target of gaining in excess of 30 customers is achievable and if take up is good, the service could quickly start making a contribution towards fixed costs in 2014/15.
- 2.22 From an examination of the charges made by other councils, this Council should be able to offer charges which are competitive and should prove attractive to SMEs to switch to a trade service which centres on trade recycling.
- 2.23 The proposed charges will be put forward in a fees and charges report to the Lead Member. Oxford City currently charge around £17 per lift for a 1100 residual bin and around £9 per lift for a 1100 bin with commingled dry recycling. The proposed charges especially since the Council has access to excellent dry recycling rates should be favourable.

### **Controlled Waste Regulations**

- 2.24 As residual waste disposal costs have increased the proportion of costs relating to trade waste charges which is due to landfill disposal has significantly increased.
- 2.25 Some organisations have been looking at trying to reduce costs by claiming that their waste stream is household waste and therefore eligible for free disposal. Such organisations have included educational establishments, charities, prisons and hospitals.
- 2.26 The government has re-examined the classification of household waste, chargeable household waste and commercial waste (also known as trade waste) in the Controlled Waste Regulations.
- 2.27 Many of the different types of properties either don't exist or exist in very small numbers. The most common type of properties in this listing are schools.
- 2.28 Currently most of the primary schools are collected by the Council. The scheme which covers schools offers a package based upon the size of a residual waste bin with unlimited recycling capacity. Since these schools are passed by our household collection vehicles the collection costs associated with schools are very low. Under the new regulations schools can be charged for disposal. However for schools which joined prior to these regulations disposal costs cannot be charged. However it is proposed that only one set of charges is used for all schools irrespective of when they joined the Cherwell

scheme.

- 2.29 There is one area where many councils, especially in areas of tourism, have carried out work. Waste collected from properties let out for holiday purposes is classed as trade waste and charges can be made. No such work has been carried out in Cherwell to fully identify properties which are holiday lets and charge commercial rates. It is likely that such properties exist but numbers are likely to be low. Investigation work could be carried out in this area although income is likely to be low.

## **Household Waste**

- 2.30 The Council had a recycling rate on over 57% in 2010/11. Since then recycling tonnages have started to slip back and there has been some growth in landfill tonnages
- 2.31 In 2012/13 there has been a bigger fall because the Environment Agency has stopped councils composting detritus and leaves which have fallen on the highway. They believe they potentially bring in materials such as heavy metals. However the testing of the compost from composting sites show no traces of such elements and even on some recent input samples collected in Oxfordshire all samples passed except for one sample which had excessive litter present. Discussions are continuing with the EA but their decision resulted in Cherwell sending an extra 700 tonnes to landfill in 2012/13. Financially this effect on the Oxfordshire taxpayer is detrimental to the value of £30k.
- 2.32 Some of the fall, especially those relating to recycling tonnages, can be due to a number of national factors such as the recession, the fall in newspaper sales, the reduction in size of free papers and the general trend for packaging to become more lightweight.
- 2.33 However it is estimated from some compositional analysis of refuse collected that there is still around 4,000 tonnes of dry recycling present in the green bins. The gate fee income and the recycling credit income for this dry recycling waste if it could be moved from the green bin to the blue bin is worth around £400k.
- 2.34 It is also estimated that around 4,000 tonnes of food waste is also present in the green bins. However because of the change in the financial arrangements in the Oxfordshire Waste Partnership increasing the amount of food waste recycled would bring no financial benefit to the Council but could save Oxfordshire up to £200k/year if all this food waste could be moved from the green bin to the brown bin.
- 2.35 Moving to a weekly collection and recycling of food waste would divert more food waste from landfill. However some work carried out for a proposed bid to DCLG for the weekly collection fund last year showed that it would increase collection costs by around £400k/year, producing no additional income but boosting recycling rates by an estimated 3%. Hence no final bid was made to the weekly collection fund.
- 2.36 A number of projects have taken place during 2012/13 to reduce waste to landfill. A project to revisit all properties which had a 360 litre bin found that up to a 1000 properties either no longer qualified for a larger bin or were not

on the database for having a 360 litre bin. Over the last nine months many of these bins have been recovered and replaced with either 240 litre bins or 180 litre bins. Despite these actions landfill tonnages have still drifted upwards

- 2.37 Other actions to encourage recycling and landfill less include all new properties now receive three bins a 240 litre blue bin, a 240 litre brown bin and a 180 litre green bin.
- 2.38 Most of the literature associated with recycling has been updated. The information on the website has been reviewed and revised. Roadshows have taken place in a number of locations at a variety of events including Christmas light switch on events and Canal Day. Compost giveaway took place in September but mini compost events tied to the blitz events have also taken place.
- 2.39 Glass recycling is the one area where there has been a growth in tonnage with the number of community bring bank sites further increased to over 95 and glass recycling facilities have been installed in flats. In addition when glass is found to have contaminated blue bins, residents are sent a letter which identifies their nearest bring bank and includes a glass recycling bag.
- 2.40 The other areas of growth in recycling are in Waste Electronic and Electrical Equipment (WEEE). In March 2013, kerbside WEEE collection were started and the response has been good with tonnages growing compared to when WEEE was only collected through bring banks.
- 2.41 The quality of the recycling is very important since high quality recycling with the absence of glass has helped secure a very good price. Each month our contractor takes around 6-8 samples of the recycling and carries out a compositional analysis. The average monthly contamination rate is between 4-5%. UPM, the Council's recycling contractor is happy that we work together to minimise contaminants with the main contaminants being textiles and the wrong plastics such as children's toys
- 2.42 Recycling rates do vary across the district. Recycling rates are highest in the villages and Kidlington and lowest in Banbury.
- 2.43 To try and address the lower recycling areas, work has been carried out in Grimsbury as a pilot to understand what methods are most effective at persuading residents to recycle more. Ideas tried include connecting recycling drives to Neighbourhood blitz events, door knocking households where no recycling or small amounts of recycling (single blue box) are presented and stickers on bins to reinforce which materials go in each bin.
- 2.44 In addition limited incentives (free blue bin or roll of liners) are being explored as are mini compost giveaways. Further expanding the number of community bring bank sites as well as introducing new recycling streams are also being explored.
- 2.45 Work is also taking place to try to connect with specific communities such as the Asian and Polish communities.
- 2.46 The need to replace 240 litre green bins which are now around 17 years old is being examined with a plan to replace these bins using a smaller 180 litre bin and identifying opportunities to increase recycling as a result of this move.



- 2.47 Additional resources including more staff time is being directed at increasing the amount of waste being recycled, particularly the dry recycling. Over the coming weeks a more comprehensive plan of areas to target will be developed in conjunction with the Lead Member
- 2.48 The increase in recycling rate is not only good for the environment it is also important in waste collection costs with each 100 tonnes of dry recycling diverted from landfill being worth £10k of extra income. With some cost pressures on the horizon such as a need to pick up a proportion of the costs of using the Banbury Waste Transfer Station in 2014/15 when the Energy from Waste facility comes on line in autumn 2014 it is important that recycling rates are maximized.

### **Key Issues for Consideration/Reasons for Decision and Options**

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- 3.1 This report is presented to provide information on a number of issues regarding waste and recycling services. The Joint Municipal Waste Management Strategy sets out the direction for the Council's waste services for the next few years including new challenging recycling rates in the future.
- 3.2 The new financial arrangements are set out in the deed of variation and although the finances coming from the County Council are falling, they are now clearly set out and not subject to other factors.
- 3.3 A new trade recycling service in Bicester presents an opportunity for providing SMEs with high quality recycling services while generating income to help cover some fixed costs.
- 3.4 New and innovative ways of increasing the recycling rate are being developed and in the coming months the slow decline in recycling is expected to be turned around.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

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|---------------------|---|
| <b>Option One</b>   | To implement the Oxfordshire Joint Municipal Waste Management Strategy and carry out actions to support this strategy such as the introduction of a pilot improved trade recycling scheme as well as driving forward household recycling rates. |
| <b>Option Two</b>   | To implement the Oxfordshire Joint Municipal Waste Management Strategy but take only minor actions to support this strategy   |
| <b>Option Three</b> | Investigate other options   |

## **Consultations**

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### **Oxfordshire Waste Partnership**

The new strategy and deed of variation sets out the way forward for Waste Management in Cherwell and within the Oxfordshire Waste Partnership

## **Implications**

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### **Financial:**

The dry recycling contract & recycling credits make a significant contribution to the finances of Environmental Services. Recycling an additional 100 tonnes of dry recycling is worth almost £10k/year in income.

The proposed expansion of trade recycling is a low risk strategy which should produce additional income in 2014/15

Comments checked by Joanne Kay, Service Accountant 01295 221545

### **Legal:**

The deed of variation has been examined by the legal team and, upon the assumption that Executive agrees to the new payment terms agreed between the Leaders and the Waste Partnership and set out therein, it is recommended that the deed is signed

Comments checked by Kevin Lane, Head of Law and Governance – 0300 0030107

### **Risk Management:**

There are no significant risk implications arising directly from this report.

Comments checked by Claire Taylor, Corporate Performance Manager – 0300 003 0113

## **Wards Affected**

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All

## **Corporate Plan Themes**

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A Cleaner Greener district

## **Lead Member**

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**Councillor Nigel Morris, Lead Member for Clean and Green**

## Document Information

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<b>Appendix No</b>	<b>Title</b>
1	Oxfordshire Joint Municipal Waste Management Strategy
2	Deed of Variation
3	Controlled Waste Regulations 2012
<b>Background Papers</b>	
None	
<b>Report Author</b>	Ed Potter, Head of Environmental Services
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