

**ENVIRONMENT AND ATTRACTIVE CITY SCRUTINY COMMITTEE
18 JANUARY 2010**

WASTES MANAGEMENT AND RECYCLING- UPDATE

REPORT OF THE EXECUTIVE DIRECTOR OF CITY SERVICES

Strategic Priorities: Attractive and Inclusive City

Corporate Improvement Objectives CI01,CI04

1. Why has this report come to Committee?

- 1.1 The Committee's workplan for 2009/10 includes the provision of an update report on progress with future wastes management arrangements and recycling performance.
- 1.2 To advise the Committee of the bidders shortlisted to submit tenders in respect of the PFI supported contract for the provision of a strategic residual waste treatment facility.

2. Background

- 2.1 The amount of municipal waste handled by the Council has reduced from 162,048 tonnes in 2004/05 to 149,221 tonnes in 2008/09. The amount of waste produced by each household has reduced over the same period. This and the improved recycling and composting performance have reduced reliance on landfill as a means of disposal with 73.85% of municipal waste being landfilled in 08/09.
- 2.2 The reduction in the quantities of waste handled has continued into the first half of 2009/10. Compared to the same period in 2008/09 waste arisings have reduced by 5.05% (3937 tonnes). This continued reduction is largely attributed to the prevailing economic conditions and reduced household spending particularly since October 2007.
- 2.3 The Partnership authorities commissioned a series of household waste composition surveys which resulted in a comparative report. The surveys were carried out in March 2007 (pre- Credit Crunch), November 2008 and June 2009.

The results reinforce the point that residual waste arisings i.e. what's placed in the (original) green bin; has reduced (from 18.67kg/ household/ week in March 2007 to 14.62kg/ household/ week in June 2009).

3. Recycling Performance

- 3.1 The 08/09 figures for household waste recycling indicated a reduction in the amount of waste being recycled- 15.24%; compared with the same period in 07/08-17.34%. The quantities of materials collected via Kerb- It reduced by 976 tonnes compared to 2007/08. The reverse was true for Green- it, however, with 1155 tonnes more garden waste being recovered for composting.
- 3.2 The reasons for the reduction in recycling are, as at 2.2 above, linked to prevailing economic conditions and considered to include the following:
- Fewer recyclable commodities within the waste stream as a result of reduced consumption
 - Reduced circulation and pagination of all newspaper titles
 - The number of bulky collection requests continued to fall with an outturn of 64,721 in 2008/09 compared to 69,639 in 07/08. In 2007/08 recovery rates from this waste stream were over 50% but in 2008/09 were below 40% due to the quality of material presented. The amount of material recovered for recycling consequently fell significantly.
- 3.3 The impact that the collapse in the market for recyclable materials (late 2008) and the resultant adverse media coverage is more difficult to measure. This may well have changed some peoples' perceptions as to the value of recycling.
- 3.4 Recycling and composting performance for the period April to September 2010 is 30.8%. Seasonal variations, however, will affect that figure.
- 3.5 In the first half of 2009/10 approximately 1200 tonnes of additional recyclable materials was recovered from residual waste- this being the result of a commissioning exercise for plant installed by one contractor. Weights of materials recovered through the Kerb- It and Green- It schemes, however, are very similar to the same period in 2008/09. The reduction in the quantity of material recovered from the bulky waste stream has continued in 2009/10 as the quality of that waste diminishes.

4 Recycling Participation

- 4.1 Between 2 November and 11 December 2009 a participation monitoring exercise, commissioned by WRAP on behalf of the South Tyne and Wear Waste Management Partnership (STWWMP) authorities, was carried out on the existing kerbside recycling scheme

(black box). WRAP best practice requires that monitoring is undertaken over three consecutive collections.

- 4.2 A minimum of 1100 households were required to be monitored in each local authority area. In Sunderland a total of 2,846 households were monitored. The areas chosen covered a number of socio- economic (Acorn) groups and included Silksworth, Barnes, Plains Farm, Eden Vale and Durham Road.
- 4.3 The exercise revealed that (for the sample areas) the number of households that placed their boxes out on each of the collection days ranged from 36- 41% and that 52% of households placed their boxes out for collection at least once in the six- week period. Only 23%, however, participated in every one of the three collections.
- 4.4 There was much greater participation from areas with wealthier households compared to those with more moderate means. Households that had a second box appeared to be more consistent (and committed) in their recycling habits.
- 4.5 This information will provide a useful benchmark for the new blue- bin scheme.

5. New Recycling Scheme

- 5.1 Cabinet considered outline proposals for the new collection scheme to replace the black- box system on 29 April 2009.
- 5.2 The award of the Materials Recycling Facility (MRF) contract has confirmed that the standard container will be a 240 litre wheeled bin inside of which will be housed a 40 litre caddy to separately store waste paper. This will allow more value to be extracted from the paper from improved quality and, therefore, easier reprocessing.
- 5.3 The new system will allow additional materials e.g. plastic bottles and card; to be collected from the kerbside.
- 5.4 The new system will also address many of the issues previously raised by householders in respect of the black box as potential barriers to recycling e.g. manoeuvrability, absence of a lid, weather affecting the contents of the box.
- 5.5 Orders have been placed for the new bins, caddies and vehicles and detailed work is underway on the planning and phasing of the new system. The current plan is to commence collections on the first round in week commencing 12 April 2010.

6. Other Recycling

- 6.1 There are 47 bring sites which are accessible to the general public with 7 others provided at high- rise flats and sites with limited access.
- 6.2 There are now 14 sites able to accept plastic bottles and 12 sites have facilities for books/ cd's. Twenty- one sites now cater for cartons with recent enhancements at:

Fatherley Terrace, F.Houses,
Harraton - James Steel Park,
Welfare Road, Houghton

- 6.3 Following the relaxation of a previous reprocessor moratorium on new sites an additional 7 sets of glass banks have been provided at:

Welfare Road, Houghton
Rickleton Village Centre
Holiday Inn, Washington
Wickes, Wessington Way (along with facilities for textiles and paper)
Harraton, James Steel Park

- 6.4 Plans are being progressed for the provision of shoe banks at:

Welfare Road, Houghton
Lidl, Ryhope Road
Holiday Inn, Washington
Wickes, Wessington Way
Harraton, James Steel Park

- 6.5 On- street recycling facilities have been provided at Hetton and Concord bus stations for some months. More recently units have been located at:

Park Lane Interchange
Fawcett Street
Brougham Street/ Market Square
Crowtree Rd (Leisure Centre).

Other potential sites in shopping areas across the City have been identified should funding become available.

7. Communications

- 7.1 On average, each UK resident throws away 70kg of avoidable food a year. It is estimated that buying and then throwing away good food costs the average UK household £420 and for households with children £610 a year.

- 7.2 The Waste Resources action Programme (WRAP) has promoted a nationwide “Love Food Hate Waste” campaign which coincided with the STWWMP’s own communications programme. Locally the campaign involved roadshows in local supermarkets and the Civic Centre. The “love food” page on the Council’s web site encouraged residents to send in tips and recipes for leftover food. Anyone sending in such a tip received a free leftover cookery book.
- 7.4 Nine families from Gateshead, South Tyneside and Sunderland took part in a six-week competition to slash their food waste and the closing event was held at the Glass Centre on 30 September 2009.

The winning family were able to cut the amount of food they threw away by 100% saving themselves £57 a week on their shopping bill. All the participants managed to dramatically reduce their food waste, by between 16% and 100%, and to save up to £90 a week on groceries.

- 7.5 A sponsorship arrangement with the breakfast show on Sun FM between May and August aimed to promote recycling and waste minimisation. It is estimated that relevant messages reached 107,000 adults (40% of the population of Sunderland adults) with each hearing the sponsorship credit around 40 times.
- 7.6 A draft marketing strategy for the Partnership has been developed in conjunction with WRAP. In the first year the principle objective of the strategy will be to complement the introduction of the new recycling (blue bin) scheme.

8. Ancillary Contracts

- 8.1 The Environmental and Planning Review Committee considered a Cabinet report regarding the procurement of ancillary contracts on 19 January 2009. These contracts are to cover the period from 1 April 2010 up to the commencement of the PFI contract. Longer term contracts for recyclable and compostable materials will then be awarded as the strategic residual waste facility becomes operational.

8.2. *Green waste contract*

The invitation to tender was issued to 7 bidders and submissions were received from 5 contractors. The preferred bidder has been identified and the contract award is expected to be confirmed in mid- January 2010. It is not expected that the contract will have any significant impacts on collection arrangements and will provide for savings over current arrangements.

8.3 *Materials Recycling Facility (MRF) contract*

The award of this contract was a determining factor in future kerbside recycling arrangements. In the case of each of the Partnership

authorities the successful bid provides for the separation of paper from other recyclable materials delivered to the contractor's facility. This will help maintain high material quality standards and has significantly influenced the value for money offered by the successful bids. A common system will, therefore be adopted across the three councils.

The contractor for Sunderland will not, however, be the same as that to be employed by Gateshead and South Tyneside. Sunderland's appointed contractor expects to establish materials recycling facilities within the City's boundaries.

8.4 *Waste management contract (residual waste 2010- 2013)*

The invitation to tender has been issued to ten companies with submissions now required by mid- January 2010 with a view to contract award in February 2010.

Care has been taken to ensure that there is as seamless a transition as possible between this and the PFI contract.

8.5 *Short- term contract (diversion from landfill and some recovery from residual waste)*

None of the Partnership authorities was able to award such a contract. Alternative arrangements are being explored by officers with existing contractors for the remainder of 2009/10 with a view to recovery of some materials from an element of residual waste and to divert some further waste away from landfill. Tenders for the waste management contract (8.4 above) may provide opportunities for additional recycling and recovery.

9. PFI Contract (Residual Waste)

9.1 Eight bidders were originally invited to participate in the competitive dialogue process. Three bidders were then shortlisted; following evaluation against the criteria agreed by the respective Cabinets of the Partnership authorities in July 2008, for the Invitation to Submit Detailed Solutions (ISDS) stage in July 2009. They were:-

- i) MVV Umwelt
- ii) United Utilities/Galliford Try
- iii) Sita/CLL

The preferred technologies of the remaining bidders all involved the eventual production of energy from the wastes treated.

9.2 As with the previous stage several rounds of dialogue were conducted with all of the remaining bidders during the ISDS stage. Detailed solutions were submitted by 19 October 2009 and further dialogue sessions were held, for the purposes of clarification, prior to the

evaluation of submissions. That evaluation involved the processing of large volumes of material from each bidder and its assessment against the criteria previously agreed.

- 9.3 As a result of that evaluation Sita/ CLL and United Utilities/ Galliford Try will be invited to submit final tenders for the required solution. The Joint Executive Committee of STWWMP was advised of that outcome on 18 December 2009.
- 9.4 The indicative timetable for the remainder of the procurement will involve the call for final tenders being issued in February 2010, the preferred bidder being determined in May 2010; and with financial closure being secured in September 2010. The residual waste facility will then be operational by 2014

10. Recommendation

- 10.1 The Committee is requested to consider the report and note the measures being taken to improve recycling levels; and to note the position reached with the PFI supported procurement of a strategic residual waste facility and the shortlisting of two bidders to proceed to the "call for final tenders" stage of the process.

11. Background Papers

- 11.1 The following background papers were used in the preparation of this report:
- i) Report of the Director of Community and Cultural Services- Wastes Management- Ancillary Procurements; Cabinet 14 January 2009
 - ii) Report of the Director of Community and Cultural Services- Kerbside Recycling; Cabinet 29 April 2009
 - iii) Report of the Director of Community and Cultural Services- South Tyne and Wear Waste Management Partnership- Evaluation Methodology and PFI update; Cabinet 30 July 2008

Contact Officer: Peter High

0191 561 4550

peter.high@sunderland.gov.uk