

ENVIRONMENT AND ATTRACTIVE CITY SCRUTINY COMMITTEE

11 APRIL 2011

WASTE MANAGEMENT AND RECYCLING- UPDATE

REPORT OF THE EXECUTIVE DIRECTOR CITY SERVICES

**Strategic Priorities: Sustainable Communities/ Attractive and Inclusive
City**

Corporate Improvement Objectives CI01,CI04

1. PURPOSE OF THE REPORT

- 1.1 The Committee's workplan for 2010/11 includes the provision of an update report on wastes management arrangements.
- 1.2 To advise the Committee of the position reached in the procurement of a PFI supported contract for the treatment of residual waste.

2. BACKGROUND

- 2.1 The report summarises performance and achievements in 2009/10 and provides a projection of the outturn position for 2010/11.
- 2.2 The amount of municipal waste handled by the Council reduced from 149,221 tonnes in 2008/09 to 144,894 tonnes in 2009/10. This and the improved recycling and composting performance reduced reliance on landfill as a means of disposal with 71.62% of municipal waste being landfilled in 09/10.
- 2.3 The reduction in the quantities of waste handled in recent years appears to have slowed slightly in 2010/11 with a projection of 141,500 tonnes for the full year. It is estimated that less than 67% of that waste will be consigned to landfill.
- 2.4 The reduction in waste handled is largely attributed to the prevailing economic conditions since October 2007 and measures by food producers and retailers to reduce packaging and its weight (the Courtauld Agreement)

3. RECYCLING PERFORMANCE

- 3.1 The 2009/10 figures for household waste recycling indicated an increase in the amount of waste being recycled- 17.03%; compared with the same period in 2008/09-15.24%. The quantities of materials collected via Kerb- It had, however, reduced by 107 tonnes compared to 2008/09. This had been offset by 1200 tonnes of additional recyclable materials being recovered from residual waste by one contractor during a commissioning exercise.
- 3.2 The level of garden waste sent for composting has fluctuated in recent years and is to some extent weather dependent. In 2009/10 13,269 tonnes was processed of which 11,914 tonnes was collected via the brown bin scheme. The forecast for 2010/11 is that approximately 12,000 tonnes will be composted with approximately 11,000 tonnes of that collected from brown bins.
- 3.3 The combined recycling and composting figure (NI 192) in 2009/10 was 27.32 % having been 25.59 % in 2008/09. Performance for the period April to December (2010/11) is 32.25% but the outturn figure will be influenced by the seasonal nature of garden waste collections.
- 3.4 The improvement in recycling performance particularly since the introduction of the blue bins is set against a background of :
- § Indications of reduced consumption and consequently fewer recyclable commodities within the waste stream
 - § Reductions in packaging materials
 - § Reduced circulation and pagination of all newspaper titles
- 3.5 The position in respect of individual commodities is:
- Paper- the quantity collected in 2009/10 was significantly less than the peak of 2007/08. Latest projections for 2010/11 indicate a significant improvement on the 2009/10 figure and, therefore, capture of more of the available material.
 - Glass- projections indicate that 2010/11 will return a similar figure for 2009/10- the highest previous figure
 - Cans- projections for 2010/11 indicate the highest recovery rate to date.

The improved recovery of materials e.g. paper, glass, cans and plastic bottles; at the kerbside has, however, caused a reduction in the quantities collected from bring sites.

- 3.6 The number of bulky collection requests continues to fall with an outturn of 60,233 in 2009/10 compared to 64,721 in 2008/09. The projected outturn for 2010/11 is approximately 57,000. The recovery rate from this waste stream has reduced as both the quantity and quality of the waste presented for collection diminishes. The recovery level which had been as high as 50% in 2007/08 is currently around 40%.

4. BLUE BIN RECYCLING SCHEME AND PARTICIPATION LEVELS

- 4.1 Cabinet considered outline proposals for the new collection scheme to replace the Kerb- it black- box system on 29 April 2009.
- 4.2 The award of the Materials Recycling Facility (MRF) contract determined that mixed recyclables would be accommodated within the bin with waste paper stored separately in the caddy. This allows more value to be extracted from the uncontaminated paper because of its higher quality and reprocessing costs being lower.
- 4.3 The implementation programme commenced with the circulation leaflets to the first collection round in late March 2010. This was followed by the first collections in week commencing 12 April 2010. Bins were subsequently introduced in tranches with the programme, covering approximately 120,000 households, being completed in December 2010. Two small pockets of properties, where there were access or perceived storage problems, have since been incorporated into the scheme to achieve full coverage of traditional type dwellings.
- 4.4 The new system allows additional materials e.g. plastic bottles and card; to be collected from the kerbside and addresses many of the issues previously raised by householders in respect of the black box.
- 4.6 Residents' response to the bins has been positive with greater numbers making regular use of the bin and the levels of recovered material having increased.
- 4.7 The results of the 2010 Mori survey, which was undertaken as the blue-bin implementation programme was underway, indicated that where the bins had been introduced satisfaction levels with recycling services were much improved. Overall satisfaction levels were 93%.
- 4.8 The budget consultation for 2011/12 undertaken with Community Spirit panelists and the voluntary and community sector in October/ November 2010 (with a base of 844 respondents reinforced the findings of the earlier Mori survey. 67% of respondents believed the service had improved over the previous year (with 30% believing it to have stayed the same).
- 4.9 A participation monitoring exercise that had first been conducted in November and December 2009 was repeated in January and February

2011. The results indicate that participation rates, in the surveyed areas, are of the order of 75% compared to 52% in the earlier exercise with the improvement being more significant amongst particular (Acorn) groups of households.

- 4.10 A comparison of the materials recovered at the kerbside for recycling during the period April 2010 to January 2011 (where there was a mix of blue bins and black boxes) compared with a similar period in 2009/10 (when only black boxes were used) indicates an increase of 4357 tonnes
- 4.11 Work has now commenced on the assessment of apartment blocks, multi- storey flats and other non- traditional types of properties with a view to incorporating them into the scheme at the earliest opportunity. It is anticipated that as a result of space or other restrictions that communal type arrangements will need to be provided in most cases.

5. OTHER RECYCLING

- 5.1 There are 50 operational bring sites provided across the City including those provided at high- rise flats and those with restricted access e.g. schools, places of employment. These cater for a range of commodities in addition to those collected via the blue bin system e.g. books, cartons, textiles and shoes.
- 5.2 On- street recycling facilities are provided at six locations across the City.

6. COMMUNICATIONS

- 6.1 Members were previously advised that the principal objective of a marketing strategy developed by the South Tyne Wear Waste Management Partnership (STWWMP) was to complement the introduction of the blue bin scheme.
- 6.2 Consequently in the latter part of 2009/10 work concentrated on the development of information and publicity materials associated with that scheme. This included an innovative approach to the design of information leaflets, based on simple instructions, that has undoubtedly played a part in the wide and early acceptance of the bins.
- 6.3 Additionally each of the new vehicles acquired to service the blue bins was fitted with display panels, in a similar style to the leaflets, which served to reinforce the benefits of the bin and recycling. The panels were funded by WRAP.
- 6.4 In order to ensure the smooth introduction of the new scheme a small team drawn from the strategic Waste team and Customer Services Network was established to deal with enquiries at roadshows and over the telephone. The team also dealt with concerns on the doorstep and

this opportunity for face- to- face communication assisted in dealing with reservations raised by residents.

6.5 In addition to these lines of communication use was also made of the local press as well as the Council's website and Facebook.

6.6 As the implementation phase is largely complete there is now a need to consolidate and encourage and support participation. The first stage of this will involve changes to the display panels on the collection vehicles in the next weeks.

7. ANCILLARY CONTRACTS

7.1 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. It is intended that longer term contracts for recyclable and compostable materials will then be awarded by the STWWMP.

7.2. Green waste contract

The new contract with JBT Ltd which commenced on 1 April 2010 provides a local transfer facility and has consequently reduced the distances that collection vehicles have to travel. This has limited the impacts on collection arrangements and realised savings over the previous arrangements.

7.3 Materials Recycling Facility (MRF) contract

The award of this contract was a determining factor in kerbside recycling arrangements. The contract provides for the separation of paper from other recyclable materials delivered to the contractor's facility. This helps maintain high material quality standards and has significantly influenced the value for money offered by the contract. The contract which is serviced by Connorco Ltd commenced on 1 April 2010. Transfer and sorting facilities are currently provided in Hendon and Washington and again this provision of local facilities has limited the impacts on collection arrangements. Whilst the basis of the contract has changed from that of the previous contract the increased levels of recycling have assisted in the realisation of savings.

7.4 Waste management contract (interim arrangements for residual waste)

A contract with A.Smiles Ltd commenced on 24 January 2011. In addition to a waste transfer station at Deptford another is provided at Pattinson, Washington via a sub- contract arrangement. Most of the waste is to be taken to landfill with the facility for the treatment and opportunities for the additional recycling and recovery of 7.5% of the waste delivered to the contractor. The contract allows for the transfer of

the Authority's waste to the PFI contract facility once that commences in 2013/14. At that point the interim arrangement will terminate.

8. PFI CONTRACT (RESIDUAL WASTE)

8.1 The following provides a chronological summary of the steps taken and progress made in the procurement of a contract for a strategic facility that deals with the residual waste produced by the authorities within the STWWMP.

- December 2006- Stakeholders Agreement
- December 2007- OBC submitted
- July 2008- PFI Credits (£73.5 Million) awarded; Evaluation Criteria agreed
- July 2008- Contract Notice published in OJEU
- September 2008- Candidates Conference held
- October 2008- Pre Qualification Questionnaires issued
- October 2008- 12 PQQs returned
- February 2009- Invitation to Participate in Dialogue 8 Bidders
- June 2009 Invitation to Continue in Dialogue 3 Bidders
- December 2009 Call for Final Tenders dialogue 2 Bidders
- July 2010 Call for Final Tenders
- September 2010 Preferred Bidder Announcement

8.2 The respective Cabinets of the Partnership authorities agreed the preferred bidder as the Sita/ CLL consortium at meetings on the 15 September 2010. The solution involves the provision of a twin- line Energy from Waste facility at Haverton Hill, Billingham designed to export electricity to the Grid with a supporting waste transfer station located within each authority area.

8.3 It is anticipated that Financial Close will be reached and the contract formally awarded in the next weeks. This will then be followed by the formal Planning processes and the construction phase.

8.4 The main facility and waste transfer stations should be ready for use in early 2014.

9. RECOMMENDATION

9.1 The Committee is requested to consider the report and note the measures being taken to improve recycling levels; and the position reached with the PFI supported procurement of a strategic residual waste facility.

10. BACKGROUND PAPERS

10.1 The following background papers were used in the preparation of this report:

- i) Report of the Executive Director of City Services, Director of Financial Resources and Chief Solicitor- South Tyne and Wear Waste Management Partnership- PFI Update; Cabinet 15 September 2010
- ii) Report of the Executive Director of City Services, Director of Financial Resources and Chief Solicitor- South Tyne and Wear Waste Management Partnership- Appointment of Preferred Bidder for the PFI procurement; Cabinet 15 September 2010
- iii) Report of the Director of Community and Cultural Services- Wastes Management- Ancillary Procurements; Cabinet 14 January 2009
- iv) 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

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