



AGENDA ITEM: 14
SUMMARY

Report for:	Cabinet
Date of meeting:	11 February 2014
PART:	1
If Part II, reason:	

Title of report:	Waste Strategy
Contact:	<p>Cllr Julie Laws, Portfolio Holder for Environment and Sustainability</p> <p>Author/Responsible Officer : David Austin, Assistant Director Neighbourhood Delivery</p>
Purpose of report:	To outline the implementation plan for changes to the waste collection service in the Borough of Dacorum.
Recommendations	<ol style="list-style-type: none"> 1. That Cabinet approve the Implementation Plan for the new waste service as outlined in this report. 2. That delegated authority is given to the Assistant Director (Neighbourhood Delivery) to negotiate an agreement for the sale of comingled recyclables on behalf of Dacorum Borough Council, subject to the contracted cost not exceeding the current approved budget.
Corporate Objectives:	<ul style="list-style-type: none"> • Safe and Clean Environment • Dacorum Delivers
Implications:	<p><u>Financial</u> As detailed in section 4 of this report.</p>
'Value For Money Implications'	<p><u>Value for Money</u> As approved at Cabinet on 23 July 2013, the new waste service configuration is the most cost effective option to remove cardboard from the organic waste stream.</p>
Risk Implications	The risk implications relate to the lack of clarity around the acceptability of co-mingled recycling collections as outlined in section 3 of this report.
Equalities Implications	As with the current service configuration, there will be criteria from which residents will be offered an assisted collection if they are unable to place their wheeled bins out for collection.

Health And Safety Implications	Given the inherent health and safety issues with the current box system (noise, manual handling), the introduction of a third wheeled bin will reduce risk in this area.
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer:</p> <p>No further comments to add to this report.</p> <p>Deputy S.151 Officer</p> <p>Revenue</p> <p>The draft 2014/15 budget, submitted to Cabinet for approval in February 2014, includes an assumption that the combined haulage and gate fee costs for the disposal of comingled recycling will be £13.84 per tonne.</p> <p>Given that the potential combined cost of £12.50 per tonne referred to in this report is less than the current budget provision, it would be legitimate to delegate authority to finalise the contract to the Assistant Director, as requested in recommendation 2.</p> <p>If further negotiations result in a contract price in excess of the currently budgeted £13.84 per tonne, further authority would need to be sought from Members.</p> <p>Capital</p> <p>The provision of compostable caddy liners for 12 months at a cost of £120k, if approved, will be a capital cost. This is not currently shown in the draft 2014/15 budget, but will be included as part of the year end approval process if Members approve the recommendation.</p>
Consultees:	Cllr Julie Laws, Craig Thorpe, Sheila Chauhan, Caroline Souto.
Background papers:	Cabinet Report 23 rd July 2013.
Glossary of acronyms and any other abbreviations used in this report:	

1) BACKGROUND

1.1 The new waste service configuration was approved at Cabinet on 23rd July 2013. This means that from November 2014 the collection method for waste in the Borough of Dacorum for households will be :

- **Weekly collection of food waste (with new kitchen kaddy).**
- **Fortnightly collection of fully co-mingled recycling (using a new 'third' wheeled bin).**
- **Fortnightly collection of 'landfill' waste (using existing grey wheeled bin).**
- **Fortnightly collection of garden waste from February until November (using existing green wheeled bin).**

1.2 For residents living in flats (as their service is mixed with commercial waste collections for efficiency reasons) a new service will be introduced in early 2015. This will allow officers to develop proposals for a new Commercial Waste recycling service.

2) IMPLEMENTATION PLAN

2.1 The Implementation Plan attached as Appendix A to this report gives an overview of the key tasks leading up to the launch of the new service in November 2014.

2.2 As with any changes to a frontline service, there will be a thorough communications programme as outlined in the plan. It is critical that residents fully understand the following messages from the start of the new service:

- To no longer use their boxes / baskets (some residents may complain about receiving a third wheeled bin and some may want their boxes/baskets to be collected).
- That a wider range of dry recyclables can be collected in the third wheeled bin.
- That this wheeled bin for dry recyclables will be collected on a fortnightly basis.
- That new weekly food waste collections will be introduced (so clear instruction as to their use will be required).
- Cardboard should only be collected as part of the dry recycling service.
- Garden waste collections mean just that, garden waste only and that these collections will not be all year.
- Home composting is still a viable, environmental friendly option.
- It is likely that some residents will experience a change in collection day.
- New policies and procedures for issues such as side waste and contamination for the new service.

3) RISKS

- 3.1 The EU Waste Framework Directive requires Member States to set up separate collections of waste paper, plastic, metal and glass from 2015, where necessary and practicable. These requirements were transposed by DEFRA into the Waste Regulations 2012. The Regulations were challenged by judicial review, but the High Court ruled in DEFRA's favour in 2013. This means that the requirements allow the co-mingled collection of recyclables after 2015 but it will up to local authorities to decide what is practicable.
- 3.2 With this in mind , it will be important for Dacorum Borough Council to be able to demonstrate that the decision to implement a commingled collection service for mixed dry recyclables under the context of what the Authority considers to be 'technically, environmentally and economically practicable (TEEP)'.
- 3.3 It is unlikely that DEFRA will issue further guidance on this matter so in conjunction with the Hertfordshire Waste Partnership; officers will develop a TEEP statement which can be used in the event of a legal challenge to our changes.
- 3.4 The type of information to be included in the TEEP statement could include the following:

- **Technical**

The results of our investigations demonstrate that commingled collections enable the use of a conventional refuse collection vehicles meaning collections can continue until the vehicle is full (subject to the compaction ratio set) making this a more efficient collection process.

In addition the collection of commingled materials in a wheelie bin avoids the need for manual handling of materials by collection crews. This reduces potential injuries from materials with potentially sharp edges e.g. glass and cans, therefore also reducing lifting injuries.

One of the main concerns with commingled collections is the potential for contamination of the paper stream by glass fragments. In this section, DBC would need to demonstrate where newspaper from a MRF is sent, to ensure there is a high value use of the material, with no problems being reported due to glass contamination. Similarly, we would need to define the end markets for all materials recovered through a MRF, demonstrating that it is technically practical to collect comingled recyclables.

- **Economical**

By using commingled collections the Authority is able to collect selected dry recyclables on a fortnightly basis which is economically more efficient than the current weekly kerbside box system. This has been evidenced by the work of the Task and Finish group and validated by an external specialist (WYG Consultants).

- **Environmental**

It is estimated that by using commingled collections, the Authority's recycling performance will improve from 46% to 60% as well as allowing for the introduction of a weekly food waste collection service. Statistics demonstrate that co-mingled wheeled bin collection services achieve the highest recycling rates with 13 of the top 20 English authorities for recycling employing this type of collection in 2011/12 (most recent statistics available).

4) FINANCIAL IMPLICATIONS

- 4.1 At the time of last Cabinet Report (July 2013), the end market for the comingled recyclables was being retendered by the Hertfordshire Waste Partnership (HWP). Based on an assumption of receiving an income for the collected recyclables it was projected that the new service would cost £170,000 less per annum than the current service costs.
- 4.2 Since then, we have received the results of the tender and the winning bid charged a gate fee for the receipt of recyclables. If accepted this would have meant a 'swing' of £540,000 (based on collected recyclables of 16,800 tonnes) leading to the new service costing £370,000 per annum more than the current service costs. It was decided not to join this tender and our neighbouring authorities Watford Borough Council and Three Rivers District Council also took the decision not to join the contract.
- 4.3 Following on from this - on the basis that even with the results of the tender, this option remained the most effective way of removing cardboard from the organic waste stream – officers entered informal dialogue with a range of Material Recycling Facility (MRF) operators for collected recyclables. A range of proposals have subsequently been received and reviewed by officers and one proposal has been informally accepted.
- 4.4 The proposal in question would (based on current market rates) receive Dacorum's collected recyclables for a nil gate fee which would mean that only haulage fees would need to be met. This would be in the region of £12.50 per tonne. Within the proposal, there is also risk / reward mechanism which would mean that the gate fee (or income received) would alter depending on changes in market values for recyclables.
- 4.5 Given that there is limited reprocessing capacity at the current time it is recommended that delegated authority be given to the Assistant Director (Neighbourhood Delivery) to enter an agreement on behalf of the Council for the sale of comingled recyclables. The relevant officers have confirmed that this is acceptable in relation to the Authority's procurement regulations.
- 4.6 In the medium to longer term, officers have begun discussions with neighbouring authorities with a view to opening competitive dialogue with reprocessors around building a MRF (Material Recycling facility) to serve the western half of Hertfordshire.
- 4.7 In addition to the above the Task and Finish Group recommended that compostable caddy liners be provided free of charge to residents for the first 12 months of the scheme. The cost of this provision (subject to tendering) will be in the region of £120,000. The advantages of providing caddy liners are:

- Increased participation from residents leading to increased diversion of food waste (which will lead to financial gains from recycling credits / alternative financial model).
- Reduced risk of residents using the incorrect type of compostable bags / carrier bags which could lead to problems of load rejection.
- Potential productivity gains from easier collection process with the bags.
- Reduced risk of problems with flies / insects in warmer weather.

4.6 For the financial year 2014/15, there will be a revenue growth of around £87,500 (5 months of operation). It is highly likely that increased income in the short term from the Alternative Financial Model (AFM) will more than offset these costs but given the AFM contains formulae that are reliant on the recycling performance of other Authorities in Hertfordshire it is better to not account for this at the current time.

4.7 The capital investment required remains as previously set out:

Additional Wheeled Bins circa	£1.2m
New food waste containers	£300k
Publicity Costs/Project Implementation	£150k
Depot Infrastructure	£50k
TOTAL	£1.7m

4.8 Officers have also resubmitted a bid to the Hertfordshire Waste Partnership Waste Infrastructure Capital Grant and been awarded £233,679 towards the capital costs of the introduction of the new service.