

NEWCASTLE UNDER LYME INTEGRATED WASTE MANAGEMENT STRATEGY

Submitted by: D Adams/T Nicoll

Portfolio: Environment and Recycling

Ward(s) affected: All

Purpose of the Report

- To consider the outcome from the recent National Waste Review (NWR).
- To review the implications of the NWR for the Councils current Integrated Waste Management Strategy.
- To note the successful progress of the Councils Strategy and consider extending the period of the Strategy and associated contractual arrangements.
- To review opportunities to achieve further performance and financial advantages.
- To agree a timescale for a comprehensive review of the Councils Strategy.

Recommendations

- (a) That Cabinet note the recent National Waste Review and the current alignment of the Councils Strategy with the outcome of the review.**
- (b) That the progress of the Strategy to date, including significant increases in the amount of recycling rates and national recognition for the Councils scheme be noted.**
- (c) That the current Integrated Waste Management Strategy be extended until July 2016.**
- (d) That the Executive Director of Operational Services be authorised to enter into two year extensions of the existing contracts with the contractors detailed in this report.**
- (e) That the proposed timescale for a comprehensive review of the Councils Strategy be approved as set out in the report.**
- (f) That opportunities for further cost savings through existing contracts and joint working be kept under review through the life of the Strategy and review process.**

Reasons

- To consider alignment of national and local waste policy.
- To build on the successes to date and allow time for the current strategy to be fully implemented and embedded.
- To allow time for a full review of strategy and clear procurement objectives.
- To provide a significant financial saving to the Council over the next four years.
- To provide the security of an established and productive contractual arrangement and guarantee the associated level of service and investment.
- To ensure that the staffing resources required to drive the Strategy forward and the continuation of education and support provided to residents are maintained for the period of the Strategy and associated contracts.
- To provide a stable platform to enable the Council to maintain and develop the recycling and waste service and to further to increase its recycling rates.

1. **Background**

- 1.1 The Council's current recycling and waste strategy has been prepared following the principles agreed by Cabinet in October 2007 and consultation with stakeholders. It sets out the direction for the Waste Management services for the next five years 2008 to 2013. The strategy was prepared taking account of national guidance (Waste Strategy for England 2007) and the 'principles and policies' set out in the Integrated Municipal Waste Management Strategy for Staffordshire and Stoke-on-Trent (2020 Vision).

The key proposals of the strategy are to:

- Accept the objectives and targets set out in the Municipal Waste Strategy of the Joint Waste Board for Staffordshire and Stoke-on-Trent.
 - Expand the range of materials collected to include plastic bottles and cardboard and retain fortnightly recycling collections.
 - Develop a weekly food waste collection service and process the material through anaerobic digestion.
 - Extend the garden waste service to all properties with gardens.
 - Move to fortnightly residual waste collections.
 - Provide a communications campaign based upon the approved communication strategy to engage and inform all residents of the Borough about the changes to services and how to best make use of the services.
 - Maintain Waste minimisation initiatives: sustain and enhance the WRAP home composter programme, maintain relationship with Furniture Mine, continue 'Real Nappy' promotion, identify and promote new initiatives.
 - Improve bring site facilities by letting a contract for management of these sites with agreed service standards.
 - Develop a recycling service for businesses.
 - Continue to promote recycling and waste minimisation in schools
- 1.2 With the support and direction of the cross party Recycling and Performance Working Group of the Council and detailed modelling from WRAP the Councils recycling and waste service was reshaped.

1.2.1 **Current Recycling and Waste Service**

- Weekly separate food waste collection.
- Fortnightly kerbside sort recycling collections of paper, card, glass, tins & can, plastic and textiles.
- Fortnightly garden waste collection service to all properties with gardens
- Fortnightly residual waste collection.

1.2.2 **Management of the service**

- The recycling (plus one week food) contract (through kerbside sort) with Acumen Distribution commenced on 6 July 2009 for a term of 5 years (5th July 2014) with the option for two, one year extension (5th July 2016).
- The green waste treatment contract (through open wind row composting) with TEG commenced on 2 March 2010 for a term of 52 months (5 July 2014) with the option for two, one year extension (5 July 2016).
- The food waste treatment contract (through anaerobic digestion) with Lower Reule Bioenergy commenced on 2 March 2010 for a term of 52 months (5 July 2014) with the option for two, one year extension (5 July 2016).
- Garden waste collection is undertaken by an in-house team.

- Residual waste collection is undertaken by an in-house team.
- Alternative food waste collection is undertaken by an in-house team.

1.3 Waste Strategy for England 2011

In June 2011 a new Waste Strategy for England was announced. The key areas of the review are detailed below

- Prioritise efforts to manage waste in line with the waste hierarchy and reduce the carbon impact of waste;
- Develop a range of measures to encourage waste prevention and reuse, supporting greater resource efficiency;
- Develop voluntary approaches to cutting waste, increase recycling, and improve the overall quality of recycle material, working closely with business sectors and the waste and material resources industry;
- Support energy from waste where appropriate, and for waste which cannot be recycled;
- Work to overcome the barriers to increasing the energy from waste which Anaerobic Digestion provides, as set out in the new AD strategy;
- Support initiatives which reward and recognise people who do the right thing to reduce, reuse and recycle their waste;
- Work with councils to increase the frequency and quality of 'smelly' waste collections and make it easier to recycle;
- Support councils and the waste industry in improving the collection of waste from smaller businesses.

2. Issues

2.1 Strategic alignment

The Councils current strategy is closely aligned to the key areas of the review as it recognises the waste hierarchy, encourages waste prevention and re-use, supports energy from waste, supports anaerobic digestion as a process for food waste, supports people who reduce, reuse and recycle their waste, maintains weekly collections of 'smelly' waste and supports local businesses through its trade waste service.

Perhaps the one area where more work needs to be planned is in the area of recycling from the business sector and recycling on the go. Over the next year we will be looking at recycling bring sites across the borough and looking at the trade waste service to see if we can add a recycling service.

2.2 Results to date

The following table shows how the changes in the service provision and the continued support and education provided to residents has helped to reduce the amount of waste going to landfill & incineration and increase that being recycled .

	2008/09	2009/10	2010/11
Residual waste (tonnes)	36,216.08	36,124.70	25,369.96
Dry Recycling (tonnes)	8,317.43	8,294.93	9,905.83
Garden Waste(tonnes)	5,249.74	5,209.03	9,877.83
Food Waste (tonnes)	0.00	359.22	3,538.68
Residual household waste per household (kg)	676.56	672.07	470.25
Percentage of household waste sent for reuse, recycling and composting	27.25%	28.66%	48.14%

This represents a very significant increase in recycling and re-use. Further waste prevention measures are currently being investigated and trialled such as the recycling and reuse of street sweepings, increased schools recycling and recycling from multiple occupation dwellings. All of these initiatives require ongoing communication, awareness raising and education support to residents.

The service has been recognised by a number of national awards and including:

- Winner of Government Business 'National recycling champion' Award. 2011
- Winner of PAWR (Plant and Waste Recycling) "Local Authority of the Year" Award 2011.
- Winner of the LARAC (Local Authority Recycling Advisory Committee) 'Best Improved Recycling Rates (Target Success) 2011'
- Shortlisted Finalist for National Recycling Award for Local Authority Target Success 2011.
- Shortlisted Finalist for LARAC award for 'Recycling Officer of the Year' 2011

3. **Proposal**

3.1 **Strategy Extension**

Due to the success of the current recycling and waste strategy and its alignment with national strategy, it is proposed that the current strategy should be extended until July 2016 and to ensure that the necessary collection and treatment infrastructure is also in place for that period, a two year extension of all collection & treatment contracts be offered. This will bring the current strategy and associated contracts inline.

It is clear from our current recycling rates that the strategy and service is highly successful and well used by residents. Over the last two years residents using this service have almost doubled the recycling rate from 27.25% in 2008/9 to 48.14% in 2010/11. During the same time the amount of waste sent to incineration or landfill as decrease by over 30% from 676.56kgs per household in 2008/9 to 470.25kgs per household in 2010/11.

Our current strategy also dovetails in to the National Waste Review that was announced in 2011, in which it suggests that councils should concentrate on waste minimization, the collection of quality recycling that can be used as a resource and the provide of a weekly collection of 'smelly waste' i.e. food waste.

Also by confirming our recycling and waste strategy until 2016 this will support and enable officers and members to proactively feed into the development of the new Staffordshire and Stoke Waste Strategy which will be developed during 2012. The strategy will be used to develop what infrastructure recycling or waste is required within Staffordshire in the longer

term over the next decade.

3.2 Contract extension and resource implications

Officers have reviewed the collection and treatment contracts currently in place to identify where opportunities exist to achieve further budget savings. Currently, all the recycling and waste contracts have a built-in annual Retail Price Index (RPI) escalator. Initial discussions our contractors indicate that they would agree to suspend the RPI increase, to up to 5% for the next two years (2012/13 and 2013/14), if the current contract are extended for two additional years until June 2016. Details of the potential savings can be found in the Financial and Resource Implications section below.

A request that has come from all the contractors is that the council continues to promote and develop the recycling service, to ensure that the material tonnages that are collected or treated by them do not reduce. It is proposed that to ensure that our recycling tonnages remain at least at the current level or wherever possible increase, that the current staffing resources in the Recycling Strategy Team are also brought into line with the proposed extension of the Strategy and associated contracts. This is particularly relevant to one temporary post of Recycling Officer that is due to come to the end of its fixed term period on 31 July 2012.

The post is considered essential to be able to support the workload of the team and performs a key role in the delivery of education, awareness raising, support and development of recycling initiatives that deliver the Councils Strategy. The current post holder is a highly proactive member of the recycling team, currently leading on the Schools Recycling Programme. It is proposed to extend this post until 30th June 2016 and to meet the ongoing cost of the proposed extension of the temporary period of employment from the efficiencies driven out of the collection and treatment contracts referred to above.

3.3 The benefits of the proposal

The benefits for undertaking this proposal for the service and residents include:

- Provision of a better service for residents using this service, via continued education and support from officers.
- Increase recycling rate, by being able to build from the current rates.
- Opportunity for cost saving by fixing the service costs for two years and reducing costs in years three and four.
- Opportunity to provide a stable service to resident which will not change greatly during the contract period.
- Enable Officers and Member to provide clear direction to Staffordshire Joint Waste Strategy.
- Enable Officers to focus on developing other areas of the recycling and waste service.

4. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities

4.1 The proposals relate to the effective delivery of the improved collection arrangements for bulky waste items, which would contribute to the following:

- Creating a Cleaner, Greener Safer Borough
 - Action to ensure waste is minimised, recycled and reused.
- Transforming our Council to Achieve Excellence
 - Action - manages its finances so that it has enough resources to deliver its

- priorities
- Action - ensures that resources follow priorities

5. **Legal and Statutory Implications**

- 5.1 The procurement process was conducted to meet the requirements of the Public Contracts Regulations 2006. A Contract Notice (and subsequent award notice) was advertised in the Official Journal of the European Union (OJEU) naming Newcastle under Lyme Borough Council as a potential named participant. The contract extension was included in the original procurement.
- 5.2 The contract document pertaining to these contracts have been reviewed by Legal Services and Procurement Officer.
- 5.3 The Landfill Directive (99/31/EC) requires a reduction in biodegradable waste to be landfilled by 75% in 2010, when compared against the 1995 level.
- 5.4 The waste strategy is designed to increase recycling and therefore meet the legislative requirements without incurring financial penalties. The Government's Waste Strategy requires 40% of domestic waste by weight to be recycled by 2010 and 50% by 2020.
- 5.5 The Environmental Protection Act 1990 empowers the Council as a Waste Collection Authority to direct householders how to present waste.

6. **Equality Impact Assessment**

- 6.1 As the service to residents will not change there are no additional Equality Impact issues that were identified and resolved with the original assessment at the time of procuring the contracts.

7. **Financial and Resource Implications**

- 7.1 The resource implication would be to retain current staffing levels including Recycling Officer CH on a fixed term contract for the period of these contracts. All cost to be covered within savings.
- 7.2 The budget contract values of the collection and treatment contracts for the current year 2011/12 are as follows:

	2011/12 (Budget)
Recycling Contract with Acumen Distribution	£1,202,710
Green Waste Treatment contract with TEG (Simpro)	£301,820
Food Waste Treatment Contract with Lower Reule Bioenergy	£484,900
Total	£1,989,430.00

- 7.3 In the following table the impact of an annual contractual uplift, linked to RPI of 5% is factored in to the current costs to illustrate the cost profile over the proposed contracts extension period. Calculations in table assumes a 5% RPI increase on all years
- 7.4 Calculation in the table below assume a 0% increase on years 2012/13 to 2013/14 and 5% RPI increase on other years plus additional cost of extending Recycling Officer post in each year.

	2012/13	2013/14	2014/15	2015/16
Total Contract value (assuming 5% annual uplifts)*	£2,088,902	£2,193,347	£2,303,014	£2,418,165
Total Contract value assuming no annual uplift in 12/13 and 13/14 and 5% for 2014/15 – 2015/16	£2,014,430	£2,014,430	£2,115,152	£2,220,909
Annual efficiency compared to the base year 2011/12#	£74,472	£178,917	£187,862	£197,256

* An assumption of 5% liability for contractual inflationary contract value uplift has been used. The actual inflation figure for the relevant year will be the one applied and therefore the estimated savings will vary from the figure in the table.

Net of employee costs of supporting the extension of the Strategy of £25,000 per year.

The estimated global accumulative efficiency effect to the Council by extending the contracts with two year pay increase freeze and keeping the current resource of recycling officers will be £638,506 over the four year period.

8. **Major Risks**

8.1 The major risks associated with the decision to extend the Council recycling & waste Strategy and to extend collection and treatment contracts are considered to be:

- Change in European and National Waste Strategy.
- Failure to continue to provide value for money from contractors.
- Failure to high quality service from contractor.
- Contractor failure through financial difficulties.
- Major changes in the recycling markets in terms gate fees and material value.
- Desire to change collection methodology and the associated costs and impact on recycling collections rates.

9. **Key Decision Information**

9.1 The decision is one that affects all wards and has a significant budgetary implication for the Council. It has therefore been included on the Forward Plan.

10. **Background Papers**

Current Integrate Recycling and Waste Strategy for Newcastle Borough Council.
Briefing Note on Waste Strategy for England 2011.