

WIRRAL COUNCIL

SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE

26 SEPTEMBER 2012

SUBJECT:	NOTICE OF MOTION “INCREASING RECYCLING” UPDATE
WARD/S AFFECTED:	ALL
REPORT OF:	INTERIM DIRECTOR OF TECHNICAL SERVICES
RESPONSIBLE PORTFOLIO HOLDER:	CLLR BRIAN KENNY, ENVIRONMENT
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

1.1 This report provides the first update to the Committee since the Increasing Recycling Motion was raised at Council on the 12th December 2011 (minute 90 refers). A previous Motion termed Bin Charging (minute 22 refers) very much related to this was raised at Council on 12th July 2010 with an update presented at this Committee on the 10th March 2011 (minute 128 refers). For the purposes of this report, the update provided will adequately cover the two related motions.

2.0 BACKGROUND AND KEY ISSUES

2.1 Legislative Context

Increasing the amount of household waste recycled is necessary for every country in Europe. The European Waste Framework Directive (WFD) commits Member States to contribute to achieving a European 50% recycling and composting rate by the year 2020.

The UK Government has committed local authorities of England and Wales to a statutory 50% recycling and composting target by 2020. In 2010, the UK Government passed the Localism Bill, enabling the Government to pass onto individual Councils any fines that may be incurred from Europe as a result of the UK potentially not meeting the target. It is important that Merseyside Waste Partnership (MWP) therefore meets a minimum of 50% recycling by 2020 to avoid any potential challenge and resulting fine should the UK Government not meet its 50% recycling rate.

2.2 Risks and Benefits of Partnership Working

2.2.1 Pooled Recycling Target

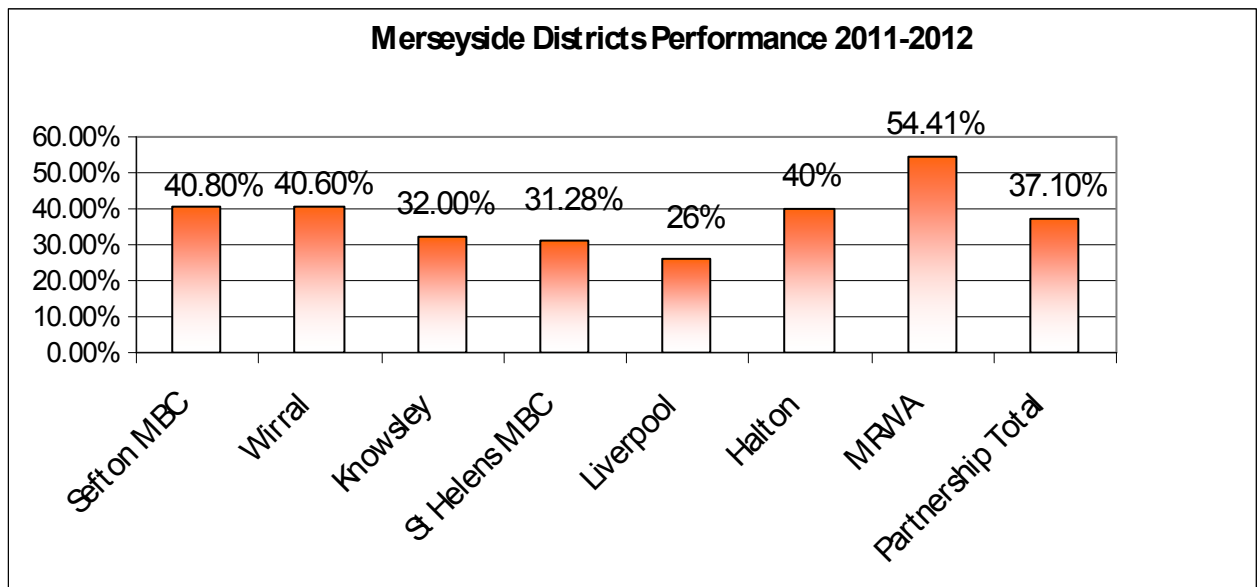
Merseyside districts, Halton Council and the Merseyside Recycling and Waste Authority are committed to meeting a pooled 50% recycling and composting target by 2020. The options for achieving this target are set out in the Merseyside Joint Recycling and

Waste Management Strategy, which Wirral Council approved on the 13th February 2012. The pooled target enables the 6 Local Authorities to benefit from the "recycling performance" achieved at the 14 Household Waste Recycling Centres (HWRC's) including 3 on the Wirral at Bidston, Clatterbridge and West Kirby. The recycling rate at all of these sites for 2011/12 was 54.41%.

Table 1 illustrates the performance of individual districts and the MRWA resulting in a combined Merseyside pooled recycling performance of 37.1% for 2011/12. Members will note that Wirral, Sefton and Halton districts recycled at least 40% of household waste (data obtained from MHWP Annual Report 2011-12, Appendix 2). These three districts now collect residual waste every two weeks.

If all districts were performing at similar high levels, the partnership would be achieving around 42% performance as opposed to the current 37.1%. With a target of 50% recycling by 2020, substantial progress is needed by all districts, especially Liverpool, given the size of its conurbation and large proportion of waste it produces.

Table 1 Merseyside recycling and composting performance



It is also important to note that large urban populations will always struggle to recycle as much as other local authorities due to their demographic make up and difference in waste composition (for example less garden waste). The waste tonnage profile of each district is captured in 'district council action plans' that support the joint strategy and takes into account that important challenge. It means that some districts may be required to exceed a 50% recycling target to ensure the pooled target is achieved.

Notwithstanding this, Wirral officers believe that underachievement by individual districts should be rigorously scrutinised in order to hold low performing districts to account and drive performance across the partnership. There is currently no formal mechanism for this important scrutiny to take place, however officers believe that such scrutiny could be conducted through the MRWA Board (as exemplified in the Greater Manchester model). As all Councils strive to manage challenging budget reductions, it is likely to mean that investment in waste infrastructure by individual districts may be delayed, putting the Partnership at higher risk of failing to meet the pooled recycling target.

It is therefore more important than ever to ensure that the potential of districts to increase recycling performance is not stifled by a 'silo mentality' which inhibits effective targeting of district or partnership investment to areas that would yield the greatest uplift in recycling performance.

'Minimise waste by encouraging waste reduction and recycling' is a corporate priority for Wirral Council and as such a detailed annual delivery plan is available on the document database on the Council's intranet pages. This plan directly relates to the motion 'Increasing Recycling'. Regular status reports are provided to the Environment Portfolio holder and progress is reported to members of this Committee annually in January.

2.2.2 Waste Levy Mechanism (Response to item 64:6 'Increasing Recycling' Notice of Motion)

In aforementioned reports to this Committee, officers have highlighted that the current waste levy mechanism is outdated and does not seek to incentivise districts to recycle more, as districts do not benefit proportionally (financially) from any investment they make in improving recycling infrastructure. It is therefore recognised that the MWP would need to either change the current mechanism or develop a subsidiary mechanism to ensure that districts can demonstrate a business case that relates directly to any investment they propose. This mechanism should seek to ensure that the investment of each district is fair and in proportion to the levels of performance they are required to meet to achieve the pooled target and the size of their population.

Several meetings involving all MWP members have taken place and the levy review is discussed at monthly Senior Officer meetings. Finance and Waste Officers from Wirral have also had briefings with the MRWA treasurer so that the current waste levy distribution is fully understood. Two major barriers exist that could prevent any changes to the current waste levy mechanism from being changed. Firstly, all districts must agree to changes and it is likely that any changes would result in some districts having to pay more than they do now, with other districts gaining. Secondly, any significant changes to the waste levy will affect the Council Tax base, meaning that levy reductions would also result in a proportionate reduction in the revenue support grant received by the Government.

The MRWA treasurer has to increase the waste levy by 2% in 2013/14 to cover costs such as rising Landfill Tax. This is despite an overall reduction in tonnage being sent to landfill.

Unfortunately, this means that Wirral Waste Officers are unable to apply internally for the "Efficiency fund" or "Invest to Save fund" as any financial benefits from reductions in waste being sent to landfill cannot be "drawn down" and therefore bids for improving our recycling infrastructure do not meet the funding criteria, even though tonnage diversion from landfill can be proven.

Therefore planned projects, such as the introduction of kerbside recycling of batteries and small household electrical items will have to be put on hold. Such projects would "pay back" investment within four years, should the direct financial benefit of diverting waste from landfill (and subsequently from the Refuse Recovery Facility) be included in the business case.

Equally, funding for waste prevention projects is also problematic, not only because of this issue, but also because it is difficult to prove that waste minimisation is a direct result of a project unless high costs were incurred to monitor changes in waste composition.

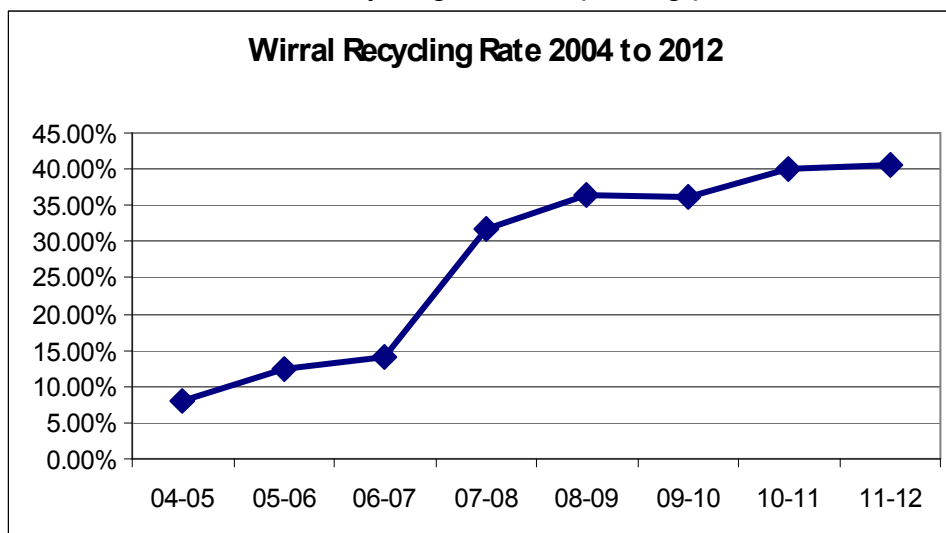
Officers believe that it could be possible to set up a similar "invest to save" process via the MRWA where funds from a sinking fund could be drawn down if there are direct benefits such as waste diversion and increasing the pooled recycling target. Such a process would need approval by all district treasurers and the MRWA board. Officers in Technical Services believe that without such a mechanism, individual district progress towards the 2020 50% recycling target will be significantly impaired.

2.3 Performance to date

2.3.1 Increasing recycling

Table 2 indicates the rapid increase in recycling that the Council experienced after the introduction of the new recycling system in 2005/6. Due to a number of subsequent changes in operations since 2007/8 there have been significant stepped increases in recycling, ultimately reaching a plateau in 2010/11 of 40%.

Table 2 Wirral Council recycling and composting performance



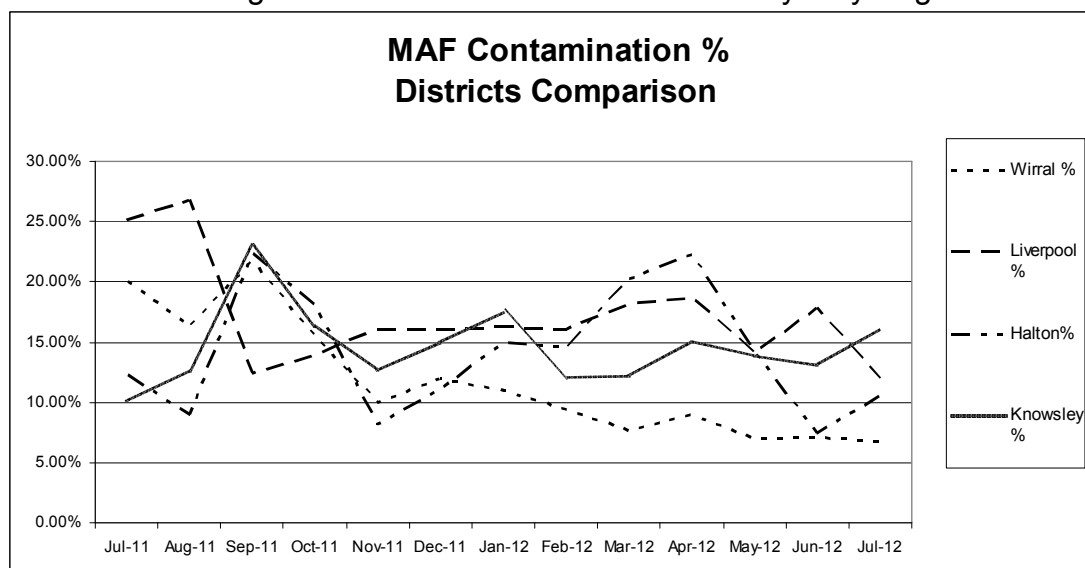
The Council recycled 40.6% of household waste in 2011/12 and expects a similar figure in 2012/13.

2.3.2 Reducing Contamination

One of the most cost effective ways of "increasing recycling" is to reduce the amount of "contamination" in the grey bins and encourage people to maximise the use of this service. The MRWA regularly sample the waste delivered to the Materials Recovery Facilities at Bidston and Gilmoor. Table 3 details the excellent progress made by Wirral Council in the last 12 months, reducing contamination from 20% to around 7% and as such Wirral are now "performing" to the contractual requirements held between the MRWA and MRF operator, Veolia. It is important to note that these significant improvements can be directly related to the tireless work of five Assistant Recycling

Project Officers recruited recently, whose main role is to visit and educate households that are putting incorrect items in their recycling bin. Members will note that the other three districts that use the MRF currently have higher contamination rates and this remains a challenge for those authorities to overcome for the benefit of the partnership.

Table 3 Percentage of contamination in the kerbside dry recycling waste



3.0 IMPROVING RECYCLING PERFORMANCE (RESPONSE TO 64:4 'INCREASE RECYCLING' NOTICE OF MOTION)

3.1 Improving performance: increasing the range of materials collected through the grey bin scheme

3.1.1 In 2011, MRWA and Veolia were charged by the MWP's Operations sub-group with looking at the business case to recycle rigid plastic containers through the MRF. The sub group receive verbal updates over progress on this matter but Wirral Officers feel that the full findings of this project should be reported back to districts so a partnership decision can be made as to whether the recycling of this waste stream is deemed beneficial both in terms of environmental benefits and public satisfaction.

3.1.2 The Operations Sub-Group has recently been informed that a Tetrapak recycling trial has been undertaken at both Gilmoos and Bidston MRF's. While Tetrapak is not currently recycled at the MRF, such a trial enables that partnership to test the viability of recycling this material. Similarly to the above, it is felt that there needs to be a formal update regarding this important trial.

3.1.3 A textile recycling trial on behalf of the MWP is due to commence in Knowsley at the beginning of October 2012. Textiles are collected using survival bags that can be placed inside the recycling bin. The six month trial will be reported back to the partnership through the Operations Group. If successful, all Councils operating a comingled recycling service could easily replicate this at very low cost. Around 5% of Wirral's green bin waste is textiles.

3.1.4 The recycling of litter bin waste has been reported to Members over the past two years. The Council have the opportunity to increase the number of on street recycling bins

throughout the Borough due to technical changes at the MRFs. Officers are attempting to develop an approach to deliver this on a trial basis in a bagged format. Street cleansing waste accounts for up to 5000 tonnes per annum and is made up of waste swept by hand from the streets as well as waste collected through litter bins and waste collected from cleaning entries. The annual budget for litter bin installation is £42,700, which is only enough to maintain and service the current stock of bins. Should this trial be successful, then the Council should seek to only install dual bins in the future.

3.2 Medium to longer term strategy (Response to Increasing Recycling Notice of Motion 64:3 and 64:4)

During the next four years there will be a number of strategic and operational issues, highlighted below that will impact on Wirral's recycling rate.

3.2.1 Impact of Resource Recovery Contract (RRC)

The RRC contract will result in Wirral's residual green bin waste being sent to an Energy from Waste (EfW) recovery facility. The MRWA are currently in the final stages of a tender exercise for the contract which is due to commence in 2015. Once the tender process is complete, Wirral officers will be able to assess the financial and environmental costs and benefits for recycling kitchen waste and other major waste streams such as nappies. This process will generate incinerator bottom ash and also metals, left over from the burning process. This material will ultimately be recycled and contribute to a pooled recycling rate. Wirral officers will be in a better position to produce a medium term delivery plan for achieving the 2020 target in the most effective and cost effective way.

3.2.2 Options report exploring the costs and benefits of removing the free garden waste collection service.

Officers are preparing a report scheduled for October's Cabinet meeting, highlighting risks and benefits of introducing a charge for the collection of this non statutory, currently free collection service. The report will model Wirral's data based on the experiences from other similar local authorities. This will enable Members to understand how such a scheme may impact on Wirral's recycling rate, it is anticipated that although Wirral will see a initial decrease in recycling performance (estimated at around 6%), the 2020 pooled target for Merseyside will be less affected due to residents delivering garden waste to HWRCs and reverting home composting.

3.2.3 Environmental Streetscene Services Contract Review.

At the 19th July Cabinet, the Council elected to delay the break clause decision with regards to the Environmental Streetscene Services Contract until March 2016 (minute 59 refers). This strategic move enables the Council to decide, at an appropriate time, whether (and to what degree) we need to collect food waste from households in order to meet the 2020 target of 50% recycling. The existing fleet life has been extended to enable such a large scale change to be made to our waste collection infrastructure in the most cost effective way, whether that be by retendering the services or retaining the existing contractor.

3.2.4 Small WEEE and Battery Recycling

The Council has the opportunity to collect Small Waste Electrical and Electronic Equipment (WEEE) and batteries from the kerbside. Officers have been planning for the collection of these waste streams and estimate that a minimum of 150 tonnes per annum could be diverted from landfill. Such a collection would involve special cages being fitted to the underside of Biffa vehicles. Biffa would arrange for the recycling of the waste through their established electrical compliance scheme which they run nationally.

It is anticipated that the scheme would be popular with residents as Biffa are running similar collections with other contracts they hold with local authorities.

This type of waste is important to divert from landfill as waste composition studies have shown that because of its size, it is being placed into Wirral's green bins. The waste also has a high carbon content and under the Joint Recycling and Waste Management Strategy for Merseyside, it is important that high carbon wastes are diverted from landfill.

For Wirral to launch such a scheme, it would require a capital investment of around £43k to purchase underside vehicle cages for Biffa vehicles and initial one use plastic bags for residents to place the materials in for collection. It would also require around £10k of initial revenue to fund communications materials such as leaflets for residents and signage for Biffa vehicles.

3.2.5 Trade Waste Recycling

Officers previously presented (as part of the March 2011 response to the Bin Charging Motion) an update on a feasibility study undertaken on the collection of trade waste recycling, recommending that the Council acts as an enabler to commercial enterprises rather than directly collecting trade waste.

4.0 RELEVANT RISKS

4.1 There are a number of issues presented in this report that present a risk to MWP in reaching its pooled recycling target of 50% by 2020:

- There is currently no formal mechanism to scrutinise performance of all districts
- The current levy mechanism does not seek to incentivise districts to recycle more
- For important reasons detailed in section 2.2.2 unfortunately any savings in the levy will not be passed back to districts- this has already resulted in Wirral putting a small electrical appliance and battery recycling scheme on hold
- There is a feeling of a lack of formality regarding updates to the partnership around increasing the range of materials accepted at the MRF's
- The important and critical work carried out by the MRWA and their MRF contractor around investigating the feasibility of recycling more waste streams needs to be more formally reported to all partners

Substantial progress is needed by all districts to increase recycling and ensure that the 50% pooled target is achieved by 2020.

5.0 CONCLUSION

5.1. Wirral Council recognises the importance of diverting waste from landfill from both a financial and environmental standpoint. This report has highlighted the need for the

MWP to manage key risks around the delivery of its formalised pooled recycling target of 50% recycling by 2020. The report also makes three key recommendations that seek to manage those risks. Considerable investment by the MWP will be necessary to raise performance. However, the timing and nature of any investment should take into account the affordability of such funding, especially in light of the financial pressures that face all public sector bodies in current times. The partnership needs to work towards a position where any further significant investment in recycling or waste prevention initiatives can be implemented at proportionate cost to each district, in return for proportionate benefits. Once the costs and benefits of the Refuse Recovery Contract become clear later this year, the Partnership will be in a much stronger position to determine and justify how and when any future resources are implemented. It is also important to note that for the Partnership to succeed and invest in the most efficient way possible, all districts need to prioritise the pooled recycling target over its own individual performance and be more accountable to it.

6.0 OTHER OPTIONS CONSIDERED

6.1 This report details the strategy employed to date to increase recycling and also updates members on key options to be taken in the future for which detailed timely reports will be presented.

7.0 CONSULTATION

7.1 Extensive public consultation exercise carried out by the MRWA on the joint waste strategy (Public Consultation on the Draft Joint Municipal Waste Management Strategy for Merseyside, November 2011).

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 Some actions being undertaken to increase recycling involve community, voluntary and faith group partners.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

9.1 There are no resource implications arising from this report

10.0 LEGAL IMPLICATIONS

10.1 There are no legal implications arising from this report.

11.0 EQUALITIES IMPLICATIONS

11.1 Services changes mentioned within this report will be equality impact assessed as part of the planning process.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 The actions currently being undertaken to increase recycling and minimise landfill all have significant impacts on Carbon Reduction. .

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are no planning and community safety implications.

14.0 RECOMMENDATION/S

Members are requested to:

- 14.1 Instruct the Director of Technical Services to formally write to the Chair of the MRWA Board, the Director of the MRWA and the relevant directors of all Merseyside Councils to request that the partnership develop a suitable mechanism for scrutinising the individual performance of districts.
- 14.2 Instruct the Director of Technical Services to invite the MRWA to present a progress update around increasing the range of materials accepted at the MRF to include a presentation of findings around the viability of rigid plastic recycling, Tetra Pak recycling, metal recycling such as foil and textile recycling.
- 14.3 Instruct the Director of Finance to seek to establish a mechanism either internally or within the Merseyside Waste Partnership that Wirral Council (and district partners where applicable) have access to essential funding, along an 'invest to save' principle in order to improve recycling performance and reduce waste being sent to landfill.

15.0 REASON/S FOR RECOMMENDATION/S

15.1 The recommendations above will help to ensure that the risks around achieving the pooled recycling target are managed and that future investment in waste infrastructure can be based around sound business cases that reflect the benefits achieved by the partnership.

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APPENDICES

MRWA Annual Partnership Report
Motion: Increasing Recycling

REFERENCE MATERIAL

Cabinet 2nd February 2012 Joint Recycling and Waste Management Strategy Report.

Cabinet 19th July 2012 Environmental Streetscene Contract Break Clause Review.

Public Consultation on the Draft Joint Municipal Waste Management Strategy for Merseyside, November 2011.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Council	12th July 2010
Sustainable Communities Overview and Scrutiny Committee	10th March 2011
Council	12th December 2011