

DERBYSHIRE COUNTY COUNCIL

IMPROVEMENT & SCRUTINY COMMITTEE - RESOURCES

9 DECEMBER 2015

Report of the Strategic Director – Economy, Transport & Environment

WASTE MANAGEMENT SERVICES UPDATE

(1) **Purpose of Report** To brief the committee on current waste management services in Derbyshire.

(2) **Information and Analysis**

Derbyshire County Council is designated as the Waste Disposal Authority (WDA) for the county with the districts/boroughs councils acting as Waste Collection Authorities (WCAs). As a WDA, the County Council has a duty to provide services for the treatment and disposal of municipal waste and the provision of Household Waste Recycling Centres (HWRCs) across the County of which there are currently nine.

The district/borough councils, as WCAs, have a different duty and are responsible for the collection of residual waste (black bin waste) from households and the provision of recycling and composting services. The decision on the development of these services i.e. method of collection and materials is for the individual WCA and is driven by their own authority's aims and objectives, as a WDA the County Council has no powers to direct the authorities.

The County Council, as WDA, has responsibility for sourcing the outlet for any waste and recyclables that the WCAs collect and paying recycling credits for any material they compost or recycle directly themselves.

Drivers

The task of finding more sustainable ways of managing waste by minimising waste arisings, viewing waste as a useable resource and maximising recycling and composting remains ever more important. Substantial EU and UK legislation together with national policy has driven a fundamental change in the way waste is dealt with in the UK over the last few years.

Historically, the EU Landfill Directive was the key driver that brought about change in the way we dispose of waste in the UK and in driving waste up the waste hierarchy through waste minimisation and increased levels of re-use, recycling and energy recovery. The Directive set challenging targets for Member States to reduce the amount of biodegradable waste being landfilled.

The obligations of the Directive were implemented in the UK by the Waste and Emissions Trading Act 2003 which saw the Landfill Allowance Trading Scheme ("LATS") for England introduced to ensure that the UK met its landfill diversion targets in 2010, 2013 and 2020.

The UK after successfully meeting its EU Directives targets in 2010 and 2013 abolished LATS in 2013. Achieving the forthcoming targets in 2020 is however now looking more challenging for the UK. The Government had anticipated that recycling and composting would continue to increase along with development of additional waste treatment facilities for residual waste. This may see the UK facing a fine from the EU if the 2020 targets are not met.

Landfill tax has since taken over as being the key driver in diverting waste from landfill. Landfill costs have steadily increased over the last few years. The rate of landfill tax alone reached £80 per tonne in 2014/15 with future increases set to be in line with inflation. The current rate for 2015/16 is £82.60 per tonne. Landfill tax is paid in addition to a gate fee per tonne. Continuing to landfill is therefore neither environmentally nor financially sustainable and would be contrary to key legislation, policies and strategies.

Derbyshire Waste Strategy

'Dealing with Derbyshire's Waste', the revised Derbyshire and Derby Joint Municipal Waste Management Strategy (DJMWMS), was formally adopted by all Derbyshire councils in 2014. The strategy sets out a vision and a framework which will enable Derbyshire councils, recognising and building upon the considerable progress made in recent years, to continue to work in partnership to deliver a sustainable waste management service for Derbyshire and Derby City. A recycling and composting target of 55% or greater by 2020 has been retained. This target remains challenging and exceeds the Government's target of 50% by 2020.

The role of district and borough councils, the Waste Collection Authorities (WCAs), is fundamental to delivery of the strategy and therefore, to support the revised strategy, ten individual council Waste Action Plans have been developed. The plans detail activities over the next five years, for each council, which will help local communities and the councils themselves to prevent waste, increase reuse and to recycle and compost more. The plans will be subject to an annual review to monitor progress.

Waste Framework Directive

The EU Waste Framework Directive (WFD) sets out the ground rules for dealing with waste across Europe. The WFD is implemented in England and Wales through the Waste (England and Wales) Regulations 2011 which were later amended in 2012.

From January 2015 the WFD requires councils to provide separate collection of paper, plastics, metal and glass. In England, separate collections are required where they are technically, environmentally and economically practicable (TEEP) and appropriate to meet the necessary quality standards

for the relevant recycling sectors. In turn this should help to achieve the national recycling target of 50% of waste by 2020, as well as improving the environment, making better use of natural resources and helping the economy. Local Authorities are required to conduct an assessment to determine the route they take and to justify comingled collection where it is in place.

Earlier in 2015 the County Council completed an assessment for the wastes collected at the HWRCs to ensure compliance with the regulations. The assessment showed that by introducing recycling of hard plastic at Waterswallows HWRC (hard plastic is already collected at the other HWRCs) and 'other glass' (flat and plate glass) at all HWRCs the Authority's carbon footprint would be reduced and therefore was arguably "environmentally practicable". A trial collection of these materials was completed to demonstrate that it was "technically practicable" to recycle these wastes. The trial showed collecting hard plastics at Waterswallows HWRC was practicable and will continue as a result. However, collections of 'other glass' was not practicable owing to high levels of contamination and difficulties with reprocessors and markets.

The WCAs have been responsible for the completion of their own assessments to ensure compliance. None to date have implemented any changes to their current collection regimes as a result.

Development of Waste Infrastructure

The councils in Derbyshire have invested heavily to improve arrangements for the collection and recycling/composting of waste thus diverting valuable resources from landfill, with the aim of increasing recycling/composting to meet or exceed the Derbyshire Waste Strategy 55% target in 2020.

Under the County Council's contract with Suez Environment (Sita) a second in-vessel composting (IVC) facility (in addition to the one at Waterswallows, Buxton), has been constructed at Arkwright in the north east of Derbyshire following a protracted planning process. The IVC opened in May 2014 and is processing garden and food waste collected by North East Derbyshire, Chesterfield, and Bolsover Councils. The IVC has allowed food waste to be added to the councils' garden waste collection service.

In December 2009, the Cabinets of both Derbyshire County Council and Derby City Council approved the award of a long term contract to Resource Recovery Solutions (Derbyshire) Ltd (RRS). The contract with RRS to manage residual (black bin) waste and HWRCs in Derbyshire and Derby commenced in 2010 and is performing well. Waste is being transported, waste transfer stations and HWRCs operated (with waste being diverted for reuse and recycling/composting at the HWRCs). The contract includes a requirement for RRS to achieve a recycling/composting rate of 60% at the HWRCs. A rate of over 60% recycling/composting is currently being achieved. RRS has also provided early diversion of waste from landfill through

arrangements with waste treatment facilities with spare capacity. Waste minimisation and education activities are also under way.

As a part of this contract a waste treatment centre was proposed in Sinfen, Derby City. The waste treatment centre comprises three elements, materials recycling, mechanical biological treatment and gasification with energy recovery (electricity will be produced enough to power 14,000 homes per year). The facility will divert waste from landfill which is neither environmentally nor financially sustainable in the long term.

After a protracted planning process, financial close on this £1.7 billion, 25 year contract, was finally achieved in August 2014 which secured funding and enabled the development of the waste treatment centre at Sinfen to commence. The construction of the centre is well underway and is scheduled to be fully operational by 1 April 2017. Ideas and concepts for the education centre which will be located at the treatment centre are currently under development.

The Derbyshire WCAs have over the last few years made significant changes to the services that they provide to make it easier for householders to recycle and compost and to send less waste to landfill. Collection systems are now broadly similar across all councils with a wide range of materials being collected for recycling including paper, cardboard, glass, cans, plastic and garden waste. All WCAs provide the collection of recycling from the kerbside in a wheeled bin where physical constraints allow (the exception being Erewash where bags for recycling are provided with the option for residents to purchase wheeled bins).

Performance Update

Total waste collected in Derbyshire (by the WCAs and at the HWRCs) reduced from 2010/11 to 2012/13. However, since 2013/14 total waste collected has gradually increased.

Tonnage of Municipal Waste Collected				
2010/11	2011/12	2012/13	2013/14	2014/15
389,030	379,668	373,013	386,286	387,996

The recycling and composting rate for Derbyshire has increased from 42.1% in 2010/11 to 47% in 2013/14. However, in 2014/15 the rate increased only marginally to 47.1%.

Derbyshire Recycling and Composting Rate				
2010/11	2011/12	2012/13	2013/14	2014/15
42.1%	43.3%	45.5%	47.0%	47.1%

The change in waste arisings and the recycling/composting rate are influenced by a range of complex factors. These include economic climate,

changes in consumer habits and changes such as light weighting of packaging which has seen the weight of some recyclables reduce.

All WCAs have rolled out kerbside recycling schemes with the majority allowing materials to be mixed together for collection. Over previous years as recycling and composting schemes were developed and rolled out the recycling rate and tonnage of recyclables increased significantly but this increase has recently slowed. The DJMWMS recycling and composting target of 55% or greater by 2020 remains challenging.

Survey work completed has shown that waste thrown away from households in Derbyshire is primarily made up of material such as food, paper, cardboard and garden waste. Around 47% of waste (89,000 tonnes) still thrown away in Derbyshire could have been recycled or composted. As the WDA the County Council is responsible for dealing with the disposal of residual waste and the associated high costs of landfill or waste treatment. Reducing waste that is thrown away and increasing recycling and composting, which ensures that resources are recovered and not lost, remains ever more important both environmentally and financially.

Campaign Updates

Reducing the amount of waste produced, maximising the amount which is reused, recycled and composted and therefore diverted from disposal requires engagement with residents to help and encourage them to think about the waste they produce and to take action.

A range of waste awareness campaigns have been completed and are planned to help residents to reduce the waste they produce or to increase what they recycle and compost. These include the following:

Promotion of the national Love Food Hate Waste Campaign which raises awareness of the amount and cost of food waste thrown away, accompanied with practical tips to help people address the food waste problem. A Derbyshire focused 'Wasting food – it's bananas!' campaign has also been delivered. This campaign included cooking demonstrations and promotions. Monitoring was completed through a questionnaire and showed that the campaign was very well received. 90% of respondents confirmed that the campaign had raised their awareness of food waste and 85% said they would take action to reduce food waste as a result. The campaign won a national PR award.

A 'Recycling around the Home' campaign complemented the national campaign coordinated by Waste Resource Action Programme (WRAP), WRAP is a registered charity which works with the UK Government to help deliver waste prevention and resource efficiency, which raises awareness of items from rooms, such as the bathroom, which don't generally get recycled. The campaign was promoted through events, media promotions with a competition to help measure engagement were completed.

‘What Happens to Recycling?’ a recent campaign launched at the end of November provides an online recycling checker to enable Derbyshire residents to see what happens to their recycling. The aim of the campaign is to help address doubts that residents have expressed that their recyclables are not actually recycled. Research by WRAP has identified that this helps those people who are recycling to do even more.

Targeted communications campaigns in partnership with the local WCA have been run in communities such as Cotmanhay and Shirebrook to help local residents know how and what to recycle. Monitoring of participation and recycling tonnage have shown increases in recycling and composting performance as a result of the campaigns. Currently funding provided through the contract with RRS is supporting a number of WCAs to deliver waste doorstepping campaigns.

Waste education in schools continues to be delivered through the Eco Schools programme, secondary schools’ Waste Watchers theatre project and through waste sessions delivered in schools on topics including ‘Reduce, Reuse and Recycle’ (3Rs) and home composting.

Forthcoming Challenges

Each WCA decides the method and materials to collect for recycling and composting. Whilst the County Council works in partnership in the development of these schemes ultimately the decision on the method of collection and materials is for the individual WCA. Consequently each WCA provides its own services taking into account competing priorities and available resources.

The current recycling credit system offers some reward to help offset costs of recycling by the WCAs and to help encourage recycling. Most WCAs have now implemented kerbside recycling and composting services across their authorities making further significant improvements to recycling performance difficult for many.

It should be noted that WCAs have no statutory requirement to increase their current recycling rates and in the current financial climate local authorities in some parts of the UK have actually taken the decision to reduce services e.g. withdrawal of free green waste collections or replacing them with a chargeable service as this can provide significant financial savings in collection costs. Although none of the Derbyshire WCAs are currently understood to be considering this, if services were withdrawn the recycling and composting rate and residual waste tonnage would be affected. This is a major concern as the size of the recycling gap that exists for the majority of the WCAs to reach the 55% recycling target remains significant.

In addition to this the markets for recyclables are subject to national and international markets which can be volatile, seeing prices both increase and fall. Contracts can assist in giving some protection against the volatility of markets and to ensure service delivery, however, changes in markets and

resulting income can influence contractors when tendering for recycling collection contracts. A number of councils recently going out to tender for recycling contracts in the UK have experienced a lack of interest from the market, where interest is shown the duration of contracts requested are shorter with break clauses at certain points and significant increases in the contract cost. This is a major concern going forward as the WCA operations have a fundamental impact on the amount of residual waste which the County Council has to manage for disposal or treatment.

A number of councils in the UK have also recently introduced collections of residual waste every third week rather than fortnightly. In doing so this has helped them to reduce residual waste and to increase their recycling and composting rates. Reducing the frequency of collection for residual waste may require additional collections of food and sanitary waste.

The challenge will be how the Derbyshire authorities can work together to reduce waste and to achieve the challenging recycling and composting target set in the DJMWMS. Exploring options for new ways of working which could potentially generate savings, in particular from changes in WCA contractual arrangements and identifying opportunities for reinvestment will need to be considered further. Between now and 2020 most of the Derbyshire WCAs will be renewing their waste collection contracts. The County Council will be assisting the WCAs to see if there is scope for joint arrangements or procurement of contracts.

(3) Financial Considerations The Waste Management Service Revenue budget in 2015/16 is £36,600,978. An estimated £4.48m will be spent on recycling credit payments and in accordance with legislation the cost of recycling credit payments will increase in future years by 3% per annum. An estimated £16,982,543 will be spent on landfill tax in 2015/16, approximately £1.41m per month.

The provision of the waste treatment centre in Derby under the RRS contract will save a combined £2 million a year for Derby City and Derbyshire County Council for 25 years compared to the alternative cost of sending waste to landfill. Even with a long term treatment solution however the costs of waste disposal will increase although they will not increase as much as they would do if the Council continued to landfill.

The figures demonstrate the importance of delivering a long term, financially sustainable waste management solution for Derbyshire to ensure the costs of waste disposal are effectively managed and financial risk minimised.

(4) Environmental and Health Considerations Through the Derbyshire and Derby City Joint Municipal Waste Management Strategy the partner authorities are committed to increasing sustainable waste management solutions across the whole county.

(5) **Other Considerations** In preparing this report the relevance of the following factors has been considered:- Legal and Human Rights, human resources, equality of opportunity, transport, property and crime and disorder considerations.

(6) **Background Papers** None.
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(7) **Officer's Recommendation** That the Committee notes the challenges faced and the work being carried out to deliver a long term, sustainable waste management strategy to minimise both the environmental and financial risk to Derbyshire County Council.

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