



Agenda Item 5

Processing Blue Bin Material and Charter Compliant Service

Falkirk Council

Title: Processing Blue Bin Material and Charter Compliant Service
Meeting: Executive
Date: 13 June 2017
Submitted By: Director of Development Services

1. Purpose of Report

- 1.1 The purpose of this report is to provide an update on the current situation regarding the processing of the Council's blue bin material as well as present the next steps to provide a Household Recycling Charter compliant service.

2. Recommendation(s)

- 2.1 The Executive is asked to:-

- (1) authorise the Director of Development Services to submit a funding application to Zero Waste Scotland to allow the authority to provide a Household Recycling Charter compliant collection service
- (2) authorise the Director of Development Services to provide details of the funding application outcome and develop an implementation plan for approval at a future meeting

3. Background

- 3.1 In January 2016, the Executive considered a report on the issues surrounding the processing of blue bin material.
- 3.2 Two options were presented in relation to processing this material. One option was to remain with the external processor/ seek an alternative provider. The other option was to process the material at the Council's bulking facility at Roughmote. The Executive agreed the second option.
- 3.3 The Service was allocated a budget of £280,912 to process the material. In addition and in line with that report, officers took forward measures to procure additional sorting equipment along with employing additional staff to help process and handle the material. Processing operations commenced in August 2016.
- 3.4 Since then the market for recycled products has continued to be highly volatile and subject to huge fluctuations, particularly since the turn of the year when the market for paper especially has seen significant and worrying fluctuations. The market will only accept high quality paper for onward processing. As the authority currently operates a mixed comingled recycling system, the cost of

processing the materials into separate products continues to increase in line with the market's demand for improved quality. For example, the authority has to reduce the speed of processing to ensure that we can sort the individual elements of the blue bin to the appropriate quality thresholds. This slower processing results in more staff being required placing additional pressure on service budgets. If the authority does not change how it collects recycle the annual cost of processing will rise to approximately £500,000, an increase of £219,088 from the current budget position, while staffing resources will need to expand by a further 10 fte's, included in the above costs.

- 3.5 The annual cost of processing co-mingled dry recycle material externally ranges from £625,000 to £937,000 based on our current tonnages. The cost of processing (including the increase noted above) this material at our own bulking facility is now in the region of £500,000. It therefore remains more cost effective to continue to process the material at our own recycling facility, however, this exceeds the budget position.

4. Considerations

- 4.1 Given the foregoing, it is evident that the Council needs to mitigate against rising processing costs as well as reviewing how material is collected in line with the National Household Recycling Charter.
- 4.2 The Charter, and associated Code of Practice, were introduced in December 2015, with this local authority being the first signatory. The Charter is a fundamental commitment to improve our household waste and recycling services to maximise the capture of, and improve the quality of, resources from the waste stream. A detailed report was presented to the Executive on 7 June 2016.
- 4.3 At present the Council is not fully compliant with the charter. This is because this service does not provide one container for paper/card and another container for plastics/metals/cartons. Instead the current service utilises one container (blue bin) to collect this material. This non compliance makes the Council ineligible for any external funding, and is leading to higher sorting costs.
- 4.4 In order to be compliant with the charter, the Council must introduce separate containers for plastics/metals/and paper/card.
- 4.5 From an operational perspective, this will also optimise the processing of the material at the Council-operated facility enabling the Service to handle the input material as effectively as possible and place the Council in the strongest possible position to maximise the quality of input and output material that can be achieved for onward resale. This would also enable the service to be brought back in line with the budget.
- 4.6 The benefit of moving to a Charter compliant service cannot be underestimated, it would help reduce the pressure on the Service budget and ensure that the Council retains its position as one of the leading waste authorities in the UK. Accordingly, the Executive is asked to agree to the submission of a funding application to Zero Waste Scotland (ZWS). If agreed,

the funding application outcome would be presented at a future meeting together with an implementation plan to deliver charter compliance.

- 4.7 The next scheduled meeting of ZWS is in August/ September 2017.
- 4.8 Since Falkirk became the first Council to sign the Household Recycling Charter in February 2016, a further 24 Councils have committed to establishing a Charter compliant service. East Ayrshire Council has received funding in the region of £2.5 million to adapt its service to be compliant. As more and more Councils transition to such a service the costs of processing dirtier co-mingled material will continue to increase.

5. Consultation

None

6. Implications

Financial

- 6.1 If the Council continues to collect material as it does currently the annual budget will need to be increased by £219,088. In addition, the Council would be ineligible for any potential Charter compliant funding that is available.

Resources

- 6.2 A further 10 processing staff will be required should the authority continue with the current collection system.

Legal

- 6.3 None.

Risk

- 6.4 The funding available may be limited, therefore should there be a delay in the application, the authority could risk a reduced allocation as other Councils submit their own applications in coming months.

Equalities

- 6.5 None other than already mentioned within the report.

Sustainability/Environmental Impact

- 6.6 None.

7. Conclusions

- 7.1 Changes in the demands of the output quality required from a co-mingled dry recycle material have increased the costs of processing it. Whilst this cost remains lower when conducted at the Council-operated facility rather than processed externally, the Council would be in a better position if the input material was split into paper/card and metals/plastics/cartons creating a higher quality input material and thus reduce the processing costs.
- 7.2 In order to split the material in this way two containers for each household will be required. By doing so, the Council will become Charter compliant and have the ability to apply for funding from Zero Waste Scotland to cover the capital cost of the new containers. Failure to improve the quality of the dry recycle collected by this means would result in significant additional pressures on the council budget.

Director of Development Services

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Appendices

None

List of Background Papers:

None