

The background of the slide features a large, light blue outline of the Seal of the City of Anchorage. The seal is a shield with a crown on top. The crown has four points, each with a flower. The shield is divided into four quadrants. The top-left quadrant shows a ship. The top-right quadrant shows a moose head. The bottom-left quadrant shows a ship. The bottom-right quadrant shows an eagle. A banner at the bottom of the shield contains the text "ANE FOR A".

Agenda Item 7

Household Recycling Charter: Compliant Collection Service

Title: Household Recycling Charter: Compliant Collection Service
Meeting: Executive
Date: 14 August 2018
Submitted By: Director of Development Services

1. Purpose of Report

- 1.1 The purpose of this report is to provide an update on the decision of the Executive of 15 May 2018 and the implications of the introduction of a Deposit Return Scheme on the collection service.

2. Recommendation(s)

2.1 The Executive is asked to:-

- (1) consider the content of the report and the analysis of the further option having regard to both service and financial consequences**
- (2) agree on a preferred Household Waste Recycling Charter compliant collection service and authorise the Director of Development Services to submit a funding application to Zero Waste Scotland for equipment to provide the agreed service**
- (3) instruct the Director of Development Services to report back to Members following the outcome of the application process for a final decision on the service to be adopted.**

3. Background

- 3.1 In May 2018, a report was presented to the Executive which provided an update on the current situation in relation to the processing of the Council's blue bin material as well as outlining the next steps to provide a Household Waste Recycling Charter (the Charter) compliant service.
- 3.2 The report set out details of three further options having regard to both service implications and the financial consequences together with a comparison with the original option previously recommended by officers.
- 3.3 The Executive noted the content of the report and instructed the Director of Development Services to undertake an analysis of a further option, described pictorially in paragraph 4.4, and to report back to the Executive on the implications of this option.

- 3.4 The Executive also requested an update on the proposals of a Deposit Return Scheme (DRS) and how this might affect kerbside collections moving forward.

4. Charter Compliant Collection Service







- 4.1 As previously advised, the Council aims to reduce the costs of processing recyclable material, due to issues of poor quality and also challenging market conditions, by aligning the bin collection service with the requirements of the Charter. The budget for treatment of the blue bin material is currently expected to be overspent in 2018/19 by c£1million.
- 4.2 The current collection service is non-compliant with the Charter because paper/card and plastics/metals/cartons are not collected separately. The current collection service is described pictorially below:

Current Collection Service

Food Waste	Glass, Textiles, Small Electricals, Household Batteries (& Nappies)	Paper, Card, Plastics, Metals and Cartons	Garden Waste	Non-Recyclable Waste
				
Weekly	Every 2 weeks	Every 2 weeks	Every 2 weeks Apr to Sep. Every 4 weeks Oct, Nov, Mar. Request By Ward (Every 4 weeks) Dec, Jan, Feb.	Every 4 weeks






- 4.3 The option below was originally presented to the Executive on 28 November 2017 and was the basis of the funding offer received from ZWS and offers a Charter compliant service.

Option: Based on Zero Waste Scotland funding offer

Non-Recyclable Waste	Paper and Card	Plastic, Metals and Cartons	Glass, Textiles, Small Electricals, Household Batteries (& Nappies)	Food Waste	Garden Waste
					
Every 4 weeks	Every 4 weeks	Every 4 weeks	Every 2 weeks	Weekly	Every 4 weeks

- 4.4 The decision of the Executive on 15 May 2018 was to examine a further option which is described pictorially below:

Further Option agreed at Executive meeting on 15 May – Option 4

Plastics, Metals and Cartons	Paper and Card	Glass, Textiles, Small Electricals, Household Batteries (& Nappies)	Non-Recyclable Waste	Garden Waste & Food Waste (Optional)*
				
4-Weekly	4-Weekly	Fortnightly	4-Weekly	Fortnightly
* Note: If the option for a Garden Waste & Food Waste Bin is not taken, residents must use a Grey Food Caddy. This includes properties without gardens.				

4.5 This service is Charter compliant as paper/card and plastics/metals/cartons are collected separately.

4.6 Option 4 as proposed, is as follows:

- Instead of a blue bin collection every 2 weeks for paper, card, plastics, metals and cartons, the blue bin is collected every 4 weeks and is only used for plastics, metals and cartons.
- The brown bin, historically used for garden waste, is used for paper and card only, collected every 4 weeks.
- The green bin is retained for non-recyclable waste collected every four weeks and the black box service is retained for glass, textiles, small electricals, household batteries (& nappies) collected every two weeks.
- A new bin is introduced for co-mingled garden waste and food waste (with an option for households who do not wish to have a garden waste collection to use a food caddy). This will be collected every two weeks all year round.

4.7 Initial analysis of this further option is described below:

- The use of the brown bin for paper and card will reduce the quality of the material as the current brown bin will contain remnants of garden waste thereby contaminating the paper/card mix.
- The option includes the introduction of a new bin as an optional bin for co-mingled garden waste and food waste. If residents do not opt for this service, they must use a grey food caddy. This includes properties without gardens. The food caddy will require to be collected weekly for the service to be charter compliant.
- The introduction of a new bin and the change of use for an existing bin could cause confusion amongst residents. Residents would also have to select between the use of the food caddy only or comingled food and garden waste only. It would not be feasible to offer both services to individual households.

- The cost of an additional bin for 73,000 households would be approximately £1.47 million which would be the subject of a further bid to Zero Waste Scotland. See paragraph 8.2 for detailed breakdown.
- Additional resources (vehicles and staff) would be required to undertake a fortnightly co-mingled garden waste and food waste service. This may reduce flexibility during the winter period when historically garden waste collection crews have been utilised to assist other collections.

4.8 It is noted that some other authorities in Scotland collect garden waste and food waste together. As previously advised, there are a number of disadvantages for this authority to pursue this at present namely;

- As there is no current treatment facility in the Falkirk area to directly drop the material, we would require to build our own bulking facility in Falkirk (unless a contractor provided a facility) at a capital cost of approximately £500,000 (with revenue cost based on borrowing) to ensure that it is compliant with Animal By-Products Regulations (in relation to handling food waste material). The material would then be transported for treatment outwith the district by an external contractor.
- We currently handle c8000 tonnes of garden waste and c5000 tonnes of food waste. The cost per tonne of treating the garden waste mixed with food waste is higher than treating the garden waste separately. The current treatment costs (utilising Anaerobic Digestion (AD)) for the separate food waste collections and composting of garden waste are approximately £349,000 per annum. The co-mingled material c12500 tonnes would be required to be treated by In-Vessel Composting (IVC) at a cost per annum of approximately £625,000 and approximately 500 tonnes of food waste still collected separately would cost c£15,000 using AD. Therefore there would be an increase in treatment costs overall of £291,000 per annum.
- Scotland Excel, the procurement body for local government sector, has a framework in place for the Treatment of Organic Waste. Under Lot 3 of this framework (for treatment of co-mingled food waste and garden waste), there are four service providers available to deal with the authorities material. These are based in Blantyre, Forth, Perth and Linwood.
- Since a number of other local authorities have recently decided to co-mingle garden waste and food waste, officers have significant concerns regarding the available capacity in the marketplace to be able to treat c13,000 tonnes of this material. Whilst the four service providers indicate that there is 'licenced capacity', there is a risk that this capacity is not available due to other commercial contracts, requirements for investment in the facility to reach licenced capacity set against a backdrop of a drive for improvements in quality by the regulator which may further impact negatively on costs and therefore a desire for facility expansion.
- DEFRA's guidance on the waste hierarchy shows that, for food waste, anaerobic digestion is environmentally better than composting and

other recovery options. There are indications from industry that lower yields for food waste are possible in a co-mingled bin compared to food waste collected as a separate fraction with the balance being placed in the landfill bin at a higher disposal cost.

- Also, in terms of energy and greenhouse gas emissions, the treatment of food waste by IVC uses energy (between 30-35 kWh of energy per tonne of waste processed) compared with food waste treated by AD which creates energy (approximately 400 kWh of energy per tonne of waste processed).
- The garden waste collection is non-statutory and could be a chargeable service (as per Controlled Waste Regulations). Co-mingling with food waste adds complexity with charging for this service as a food waste collection is statutory (as per Waste (Scotland) Regulations) and non-chargeable to residents.
- Food waste is currently collected weekly by a contractor. If food waste is placed in the garden waste bin, the proposal is to collect the co-mingled material on a fortnightly basis all year round and be collected using in-house resources. This would require additional budget of around £254,500 to cover the service during the period between October and March (this period currently has a reduced service provision) and additional presentation.
- Following discussions with FCC Environment, the Council's food and box collections contractor, they have estimated the saving to the Council for them not collecting the food caddies apart from those who do not have gardens to be around £188k pa. This does not include any redundancy costs in the region of £25k.

5. Deposit Return Scheme

- 5.1 In September 2017, the Scottish Government announced the introduction of a Scottish deposit return system for single-use drinks containers, as part of the Programme for Government.
- 5.2 The consultation document 'A Deposit Return Scheme for Scotland' has been published. The public consultation period runs from 27 June 2018 to 25 September 2018.

- 5.3 At present, the possible single-use drinks containers in scope within the scheme are:
- Plastic bottles
 - Drinks cans
 - Glass bottles
 - Tetra Pak ® (carton style container)
 - Pouches (foil style container)
 - Milk bottles
- 5.4 There are also discussions around collecting material out of scope of the deposit scheme. For example, when returning glass bottles as part of the scheme, glass jars could be taken but with no deposit returned.
- 5.5 There are a number of considerations (or ‘components’) that have been reviewed in recent weeks through a series of workshops between Zero Waste Scotland and affected stakeholders of a DRS namely;
- Materials in scope
 - Products in scope
 - System performance
 - Return locations
 - Financing model
 - Consumer information
 - Fraud prevention
 - Deposit level
 - Infrastructure & logistics
 - System ownership
 - System regulation
- 5.6 Falkirk Council officers are working alongside those from CoSLA, Zero Waste Scotland and the Scottish Government to develop a more detailed understanding of the potential impact of a deposit return on Councils’ waste collection service (and also cleansing services), and the range of opportunities that exist for councils under the system.
- 5.7 Whatever scheme is finally adopted, there is likely to be a reduction in the material collected by Council services.
- 5.8 Early indications are that a DRS may be introduced within the next two years.

6. Next Steps

- 6.1 Upon selection by the Executive of the Charter compliant collection system Members wish to pursue, officers will submit a funding bid to Zero Waste Scotland and report back at a future Executive meeting on the funding outcome and settled implications of the changes.

7. Consultation

7.1 None

8. Implications

Financial

8.1 Until the charter compliant collection service is introduced, the budget for processing co-mingled dry recyclate will continue to be under significant financial pressure.

8.2 A summary of the original option presented to Executive on 28 November 2017 based on funding offer:

Option based on ZWS funding offer: Introduce new bin for paper and card		
Item	Capital	Revenue (per annum)
Collection Cost		
Treatment cost		
Wheeled bin (Based on 10 year lifespan) (ZWS funding could reduce this cost)	+£1.47 million (Based on 73,000 households:	+£181,000 (See paragraph 4.7)

8.3 A summary of the financial implications of the option from the Executive decision on 15 May 2018 is presented below:

Option 4: Use the brown bin for paper and card only (with the current blue bin for plastics, metals, cartons only) together with moving to co-mingled garden & food waste service		
Item	Capital	Revenue (per annum)
Collection Cost		+£66,500 (see Appendix 1)
Treatment cost		+£291,000 (see paragraph 4.8)
Wheeled bin	+£1.47 million	+£181,000

(Based on 10 year lifespan) (ZWS funding could reduce this cost)	(Based on 73,000 households: 5,000 brown bins and up to 68,000 grey bins if all current users of the garden waste service still require a service)	(see paragraph 4.7)
Bulking facility	+£500,000	+£62,000 (see paragraph 4.8)
Totals	+£1.97 million	+£600,500

8.4 An overall summary of the costs associated with each option is below:

Option	Capital	Revenue (per annum)
Option based on ZWS funding offer	+£1.47 million	+£181,000 (see paragraph 8.2)
Option 4	+£1.97 million	+£600,500 (see paragraph 8.3)
Notes: 1. All capital sums are subject to potential reduction based on availability of ZWS funding. However, this source is much reduced.		

A charter compliant collection system was previously presented to the Executive in November 2017 with the additional capital costs related to the purchase of a standard sized bin to households of £1.47 million (which was covered by the funding allocation available at the time).

8.5 Any service change should be considered in the context of the Medium Term Financial Plan projected 5 year budget gap of c£60m.

Resources

8.6 There are implications for additional staff as for the combined garden and food waste collection service and some redundancies from FCC in reducing their contractual obligations.

Legal

8.7 None other than already included in the report.

Risk

- 8.8 The funding available from ZWS is limited as other Councils submit their own applications to become compliant, the offer of funding may not cover the full cost for the equipment.
- 8.9 The Charter and associated Code of Practice is subject to review and may require to be updated in light of the introduction of a DRS. It could be argued that by changing the collection service before the implications of the DRS are fully known and a scheme is implemented this may undermine any service change. However, the financial implications of failure to implement a Charter compliant scheme are significant and continuing whilst the final shape of and timetable for implementation of any DRS are unknown.
- 8.10 There is a potential that the requirement to change the collection system in line with the Charter becomes mandatory and, as a signatory of the charter, the authority's current co-mingled dry recycle collection would be contrary to this.

Equalities

- 8.11 None

Sustainability/Environmental Impact

- 8.12 None other than already mentioned within the report.

9. Conclusions

- 9.1 Until a charter compliant service is introduced, the Council will continue to incur higher costs than may be necessary for processing co-mingled dry recycle at its Council operated facility, with further additional budgetary and processing pressures being experienced from the marketplace in the coming months due to the need for higher quality material required by the supply chain.
- 9.2 A further charter compliant collection system have been presented in section 4. Selection of a preferred system moving forward would enable the authority to apply to access the funding available and determine all the implications of a service change, including the impact of a Deposit Return Scheme.

pp Director of Development Services

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APPENDICES

Appendix 1- Collection Cost Summary

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- Executive – 15 May 2018, 13 February 2018, 28 November 2017, 13 June 2017.

Appendix 1 - Collection Cost Summary

	Material	Baseline	Option 4	ZWS funding Option
Green Bin (Falkirk)	Residual	496,500	496,500	496,500
Blue Bin (Falkirk)	Co-mingled Dry Recyclate	993,000		
Food/Box (FCC)	Food Waste, Glass, Textiles, Small Electricals and AHP	1,200,000	1,012,000	1,200,000
Brown Bin (Falkirk)	Garden Waste	460,500		460,500
Flat Collection Service (Falkirk)		143,000	143,000	143,000
Rural Collection Service (Falkirk)		117,000	117,000	117,000
Blue Bin (Falkirk)	Plastics, Metals and Cartons		496,500	496,500
Grey Bin (Falkirk)	Paper and Card only			496,500
Brown Bin (Falkirk)	Paper and Card only		496,500	
Grey Bin with Food (Falkirk)	Garden Waste and Food Waste		715,000	
Total		3,410,000	3,476,500	3,410,000
	Revenue Difference on Baseline (per annum)		66,500	0