

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

Agenda Item 6

Household Recycling Charter: Compliant Collection Service

Title: Household Recycling Charter: Compliant Collection Service
Meeting: Executive
Date: 25 September 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 14 August 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 but note that it is not affordable in the context of the Council's projected budget gap. Consequently it is recommended that the least expensive charter compliant solution presented to Members in November 2017 is taken forward**
- (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 containers to provide the agreed service**
- (3) instruct the Director of Development Services to report back to Members following the outcome of the funding application process**
- (4) instruct the Director of Development Services to report back to Members on the outcome of the Deposit Return Scheme consultation.**

3. Background

- 3.1 In August 2018, a report was presented to the Executive which provided an examination of a further option requested at the Executive of 15 May 2018 together with an overview of the Scottish Government's Deposit Return Scheme (DRS).
- 3.2 The Executive on 14 August 2018 noted the content of the report and instructed the Director of Development Services to undertake an analysis of a further option (Option 5) described pictorially in paragraph 4.8 of the report, and to report back to the Executive on the implications of this option.

- 3.3 This report sets out details of the further option having regard to both service implications and the financial consequences together with a comparison with the current collection service and the original option previously recommended by officers.
- 3.4 The Executive also requested an update on the proposals of a 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 Household Waste Recycling Charter (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 Charter requires the design of our household waste collection services to establish common collection systems, as appropriate, for paper, card, glass, plastics, metals, food and other commonly recycled materials deemed feasible (e.g. textiles, small electrical items, household batteries) across Scotland.
- 4.3 A Code of Practice (CoP) has been created alongside the Charter which aims to enshrine *“the current best practice to deliver cost effective and high-performing recycling services”*
- 4.4 Noted within the CoP document is the requirement for containers namely:
- “ a) *Separate containers shall be provided to each property for the following:*
I. Paper and card;
II. Metals, plastics and cartons
- b) *Collection of these containers shall take place from the kerbside or nearest safe point of collection close the property.*
- c) *At the point of collection, the contents of each container will either be sorted into constituent materials (i.e. kerbside sort) or placed into separate compartments of a single vehicle or into separate vehicles for primary sorting at a site (i.e. transfer station or Materials Recovery Facility – MRF).*
- d) *Separate containers for glass shall be provided to each property or alternatively within the community for communal use.*
- e) *Separate containers shall be provided for food waste collection in all areas where the Waste (Scotland) Regulations 2012 require a collection.*
I. Where food is collected in the same container as garden waste, the Council shall not be required to separate the materials.
- f) *The weekly volume of recycling to be provided to each property for each material where kerbside collection takes place should exceed the following:”*

Material	Weekly Volume
Paper/card	≥40 litres per week
Metals/plastics/cartons	≥70 litres per week
Glass	≥20 litres per week
Food waste	≥20 litres per week







- 4.5 There is no weekly volume requirement for garden waste as this is not a statutory service and requirements for its collection are not contained within the Charter or associated CoP.
- 4.6 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	Paper, Card, Plastics, Metals and Cartons	Glass, Textiles, Small Electricals, Household Batteries (& Nappies)	Non-Recyclable Waste	Garden Waste
				
Weekly	Every 2 weeks	Every 2 weeks	Every 4 weeks	Every 2 weeks Apr to Sep. Every 4 weeks Oct, Nov, Mar. Request By Ward (Every 4 weeks) Dec, Jan, Feb.






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

Option: Based on ZWS Funding Offer

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

- 4.8 The decision of the Executive on 14 August 2018 was to examine a further option (Option 5) which is described pictorially below:

Option 5: Presented at Executive Meeting on 14 August

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

- 4.9 Option 5 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 paper and card.
- The brown bin is used 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). The brown bin will be collected every two weeks all year round (and the caddy would be collected weekly to meet the capacity requirements of the CoP).
- 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 box is introduced for plastics, metals and cartons. Within the motion put forward, this is noted to be collected every four weeks. In order for the collection to meet the minimum capacity requirements of the Charter, each household would need up to 4 boxes at 70 litres each. Alternatively, the collection frequency could be changed to reduce the number of boxes e.g. collection every 2 weeks with two boxes of 70 litres capacity.

- 4.10 Initial analysis of this option is described below:

- The introduction of a new box for plastics, metals and cartons, would require a collection by a compartmentalised vehicle. This Council does not currently operate this type of vehicle. However, the Council's contractor (FCC Environment) who operates the current kerbside collection for food waste and the black box do have this type of vehicle and it is therefore assumed that they would conduct this service. If this is the case, there would be TUPE implications for a number of Council staff.

- Accordingly, there is additional payment to FCC Environment to conduct this service to operate alongside the black box service of approximately £788,000 per annum (to account for increased numbers of staff and vehicle running costs) subject to confirmation from FCC. This is based on a 4 weekly collection.
- The cost of the additional boxes for 73,000 households would be approximately £1.168 million which would be the subject of a further bid to Zero Waste Scotland (ZWS). This is based on up to 4 boxes per household if collected every four weeks. See Appendix 1 for breakdown.
- Residents would have to select between the use of the food caddy only or co-mingled food and garden waste only. It would not be feasible to offer both services to individual households.
- Additional resources (vehicles and staff) would be required to undertake a fortnightly co-mingled garden waste and food waste service throughout the year. This may reduce flexibility during the winter period when historically garden waste collection crews have been utilised to assist other collections.

4.12 As previously advised, at present, there are a number of disadvantages for the authority to collect garden waste and food waste.

5. Deposit Return Scheme

- 5.1 As previously advised, in September 2017, the Scottish Government announced that a Scottish deposit return system for single-use drinks containers, would be introduced as part of the Programme for Government.
- 5.2 The consultation document 'A Deposit Return Scheme for Scotland' was published in June 2018 with the end of the consultation period on 25 September 2018.
- 5.3 The Scottish Government will consider the consultation responses over the coming weeks. At present, it is unclear as to what the process for the introduction of a DRS will be and what material it will include.
- 5.4 Falkirk Council officers will continue to liaise with stakeholders involved in the implementation of the DRS and consider the impact of a deposit return on Council's waste collection service (and also cleansing services), and the range of opportunities that may exist for councils under the system.
- 5.5 Whatever scheme is finally adopted, there is likely to be a reduction in the material collected by Council services.

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 ZWS and report back at a future Executive meeting on the funding outcome. It is understood that the next ZWS funding panel is scheduled for January 2019.
- 6.2 Further information on the likely scope of a DRS may be known by January 2019, and if so, an update on the implications can be provided at the same Executive meeting.

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 recycle will continue to be under significant financial pressure.
- 8.2 A summary of the cost implications in relation to the Option 5 are presented below. All options previously considered are provided in Appendix 1 with regards to cost implications and pictorially in Appendix 2.

Summary	Budget	Current Service	Preferred Service	Option 5
Revenue Collection Costs (£)	3,873,000	3,936,000	3,801,000	4,109,000
Revenue Costs of Capital Expenditure (£)	0	0	181,000	206,000
Revenue Disposal Costs (£)	2,523,300	3,679,629	2,524,749	2,835,249
Total (£)	6,396,300	7,615,629	6,506,749	7,150,249
Overspend v Budget (£)		1,219,329	110,449	753,949

- 8.3 Any service change should be considered in the context of the Medium Term Financial Plan projected 5 year budget gap of circa £60 million. Option 5 is not affordable in the context of the budget gap, with additional costs in excess of £0.6m in comparison with the optimum service delivery model presented to Members in November 2017.
- 8.4 It is noted that capital costs related to containers may be offset by funding available from ZWS. Capital costs related to collection vehicles, a bulking facility and/ or glass recycling point expansion are not covered by ZWS funding.

Resources

- 8.4 There are implications for additional staff, vehicles and potential TUPE implications for Council employees dependent on which option is chosen.

Legal

- 8.5 None other than already included in the report.

Risk

- 8.6 Given that 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 containers.
- 8.7 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. However, the financial implications of failure to implement a Charter compliant scheme are significant and continuing whilst the shape of any DRS is unknown.
- 8.8 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

- 8.9 None

Sustainability/Environmental Impact

- 8.10 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 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 future due to the need for higher quality material required by the supply chain.
- 9.2 A further Charter compliant collection system has been presented in section 4 alongside a summary of these options in section 8 and those previously presented are in Appendices 1 and 2. Selection of a preferred system moving forward would enable the authority to apply to access the funding available.

Director of Development Services

Author: Ross Fenwick, Waste Manager – 01324 590434,
ross.fenwick@falkirk.gov.uk

Date: 11 September 2018

APPENDICES

Appendix 1: Collection Cost Summary

Appendix 2: Collection Service Options

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, 14 August 2018

Appendix 1: Cost Summary

Collection Cost	Material	Ledger Budget	Current	Preferred	PDP 2	PDP 3	PDP 4	Option 1	Option 1A	Option 2	Option 2A	Option 3	Option 4	Option 5
Green Bin (Falkirk)	Residual	605,000	605,000	605,000	605,000	605,000		605,000	605,000	605,000	605,000	605,000	605,000	605,000
Grey Bin (Falkirk)	Residual						1,008,000							
Blue Bin (Falkirk)	Co-mingled Dry Recyclate	1,210,000	1,210,000											
Food/Box (FCC)	Food Waste, Glass, Textiles, Small Electricals and AHP	1,137,000	1,200,000	1,200,000			1,200,000							
Brown Bin (Falkirk)	Garden Waste	604,000	604,000	469,000	469,000	469,000	469,000	604,000	604,000					
Flat Collection Service (Falkirk)		175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Rural Collection Service (Falkirk)		142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000
Trolleybox (FCC)	Plastics, Metals, Cartons, Glass, Textiles and Small Electricals					2,000,000								
Trolleybox (Falkirk)	Paper, Card, Plastics, Metals, Cartons, Glass, Textiles and Small Electricals							2,145,000		2,145,000				
AHP (Falkirk)	Nappies (Absorbent Hygiene Products)							142,000		142,000		142,000		
Food (FCC)	Food Waste				600,000	600,000			600,000					
Food (Falkirk)	Food Waste (no brown bin)							600,000				142,000		
Trolleybox (FCC)	Paper, Card, Plastics, Metals, Cartons, Glass, Textiles and Small Electricals				2,400,000				2,400,000		2,400,000			
AHP (FCC)	Nappies (Absorbent Hygiene Products)				142,000	142,000			142,000		142,000			
Brown Bin with Food (Falkirk)	Garden Waste and Food Waste									782,000	782,000	782,000		782,000
Blue Bin (Falkirk)	Plastics, Metals and Cartons			605,000								605,000	605,000	
Blue Bin (Falkirk)	Paper and Card only					605,000	605,000							605,000
Grey Bin (Falkirk)	Paper and Card only			605,000								605,000		
Green Bin (Falkirk)	Plastics, Metals and Cartons						605,000							
Glass - Bring Sites (Falkirk)	Glass											175,000		
Household Recycling Centre	Textiles and Small Electricals													
Brown Bin (Falkirk)	Paper and Card only												605,000	
Box (FCC)	Food Waste, Glass, Textiles, Small Electricals and AHP												1,012,000	1,012,000
Grey Bin (Falkirk)	Garden Waste and Food Waste												782,000	
Box (FCC)	Plastics, Metals and Cartons													788,000
Total		3,873,000	3,936,000	3,801,000	4,533,000	4,738,000	4,204,000	4,413,000	4,668,000	3,991,000	4,246,000	3,373,000	3,926,000	4,109,000
	Revenue Difference on Baseline (per annum)			-135,000	597,000	802,000	268,000	477,000	732,000	55,000	310,000	-563,000	-10,000	173,000






Capital Cost and Resultant Revenue Cost															
	Item			Current	Preferred	PDP 2	PDP 3	PDP 4	Option 1	Option 1A	Option 2	Option 2A	Option 3	Option 4	Option 5
	Wheeled Bin (Based on 73,000 Households) : £1.473 Million				181,000			181,000					181,000	181,000	
	Trolleyboxes (Based on 73,000 Households) : £2.5 Million					308,000	308,000		308,000	308,000	308,000	308,000			
	Collection Vehicles : £3.2 Million								533,000		533,000				
	Bulking Facility : £500,000										62,000	62,000	62,000	62,000	62,000
	Collection Vehicles : £350,000												58,000		
	Glass Recycling Points Expansion : £225,000												28,000		
	70 Litre Box (Based on 73,000 Households at max 4 per Household : £1.168 Million														144,000
Total				0	181,000	308,000	308,000	181,000	841,000	308,000	903,000	370,000	329,000	243,000	206,000
	Revenue Difference on Baseline (per annum)				181,000	308,000	308,000	181,000	841,000	308,000	903,000	370,000	329,000	243,000	206,000

Summary Position															
	Summary	Budget	Current	Preferred	PDP 2	PDP 3	PDP 4	Option 1	Option 1A	Option 2	Option 2A	Option 3	Option 4	Option 5	
	Revenue Collection Costs	3,873,000	3,936,000	3,801,000	4,533,000	4,738,000	4,204,000	4,413,000	4,668,000	3,991,000	4,246,000	3,373,000	3,926,000	4,109,000	
	Revenue Costs of Capital Expenditure	0	0	181,000	308,000	308,000	181,000	841,000	308,000	903,000	370,000	329,000	243,000	206,000	
	Revenue Disposal Costs	2,523,300	3,679,629	2,524,749	2,524,749	2,524,749	2,524,749	2,524,749	2,524,749	2,835,249	2,835,249	3,026,423	2,835,249	2,835,249	
Total		6,396,300	7,615,629	6,506,749	7,365,749	7,570,749	6,909,749	7,778,749	7,500,749	7,729,249	7,451,249	6,728,423	7,004,249	7,150,249	
	Over/(Under)spend v Budget		1,219,329	110,449	969,449	1,174,449	513,449	1,382,449	1,104,449	1,332,949	1,054,949	332,123	607,949	753,949	







Service Change Costs Applicable to All	£135,000
--	----------

Appendix 2: Collection Service Options


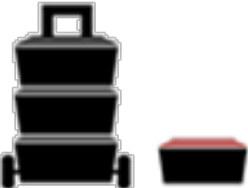


Current Collection Service

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


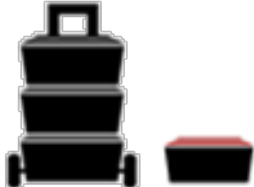



From November 2017 – Preferred Option

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







Scenario 2 from PDP

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


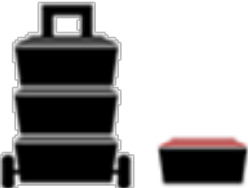


Scenario 3 from PDP

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

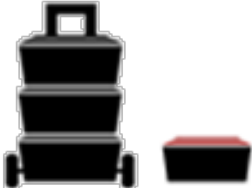


Scenario 4 from PDP

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





From May 2018 – Option 1 (In-House Collection) and Option 1A (Externally Provided)

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






From May 2018 – Option 2 (In-House Collection) and Option 2A (Externally Provided)

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






From May 2018 – Option 3

Paper and Card	Plastic, Metals and Cartons	Non-Recyclable Waste	Garden Waste & Food Waste
			
Every 4 weeks	Every 4 weeks	Every 4 weeks	Every 4 weeks
<p>* Note: This option stops the black box collection. Residents would need to take glass, textiles, small electricals and household batteries to the nearest recycling point/recycling centre. In addition, the Council would need to undertake the nappy/AHP collection and food waste collection from properties without a brown bin.</p>			

From August 2018 – Option 4

Paper and Card	Plastic, Metals and Cartons	Glass, Textiles, Small Electricals, Household Batteries (& Nappies)	Non-Recyclable Waste	Garden Waste & Food Waste (Optional)
				
Every 4 weeks	Every 4 weeks	Every 2 weeks	Every 4 weeks	Every 2 weeks
<p>* 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</p>				

For September 2018 – Option 5

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