

FALKIRK COUNCIL

Subject: THE HELIX
Meeting: FALKIRK COUNCIL
Date: 23 JANUARY 2012
Author: CHIEF EXECUTIVE

1. INTRODUCTION

1.1 At its meeting on 11 March 2008, the Policy and Resources Committee was formally advised of the successful outcome of the funding bid to the Big Lottery Fund Living Landmarks Programme. Authority was granted by Members, at that time, to inter alia

- accept the offer of award from the BIG Lottery Fund (BLF) and retain the council's status as lead applicant within the bidding partnership;
- agree in principle to the development of the formal partnership agreement between the partners and
- agree to the formation of the Helix Trust (HT).

1.2 At a subsequent meeting, on 10 March 2009, members of the Policy and Resources Committee agreed to the various general terms of the partnership agreement with British Waterways Scotland (BWS) and granted authority to enter into it. They also agreed to there being a joint working agreement with the HT, which by then had been incorporated. The project governance structure was also reported to members at that time and is attached to this report, for reference, as Appendix1

1.3 In April 2009, the Council agreed to appoint Councillors Mahoney and Craig R Martin to the board of the HT. The current (council Member) board members are Councillors Gow and Craig R Martin whilst there is also a board place for an officer representative.

2. PROGRESS TO DATE

2.1 The objectives of the Helix project were described in the bid documentation as:

- To transform the physical fabric of the Helix site from an urban fringe landscape that is poor in quality and social value into a central and vibrant place of fun and delight with diverse habitats managed sustainably;
- To build a long term future that supports thriving communities, a sustainable economy and businesses and environmental stewardship delivered through participatory system of governance; and
- To position learning, community engagement and participation at the centre of place making to improve life chances, inspire confidence and creativity.

These objectives have underpinned the work undertaken by the Helix project team, both by officers employed directly by the HT and those of the partner organisations providing in kind support. This work has been overseen by the HT board which has met regularly since the Trust's establishment.

2.2 There are three strands to the work being undertaken to deliver the project viz; Place, People and Enterprise. Each of these themes has progressed well since project inception.

2.3 The Place element largely describes the capital works to be commissioned to transform the project site as described above. There are three principal elements to the capital works:

- the creation of a sustainable parkland and visitor attraction - linked by a new network of accessible pathways - on 300 hectares of land between Falkirk and Grangemouth;
- the development of a new eastern entrance to the Forth & Clyde Canal, which will address a number of barriers to navigation; and
- the development of public artworks and two iconic structures at the canal entrance (the Kelpies) which will act as symbols of pride for the local community and attract significant numbers of visitors to the area.

These elements are, in turn, divided into a number of work packages.

2.4 The council, as lead agency in the partnership and the organisation with which the BLF has its formal contract for delivery of the project, also acts as the procurement authority. Reports have been presented to the Policy and Resources Committee from time to time in relation to procurement of the various work packages. The most recent report related to the contract for the canal related capital elements of the project, the council, in its capacity as Planning Authority, having supported the application for planning consent at the October meeting of the Planning Committee.

2.5 The Helix South paths contract is nearing completion and has delivered 10km of new and upgraded footpaths across the southern half of the Helix site. The contract for the access road, which will run from the existing Etna Road roundabout to the site of the Kelpies is also on site with a completion date of July 2012. Procurement of the remaining three major contracts, viz the Kelpies, Central Park and Helix North is progressing well and they are due for site starts by Spring 2012.

2.6 The capital phase of the project is scheduled for completion in 2013 and is on track to meet this timetable.

2.7 The People and Enterprise activities are currently being progressed via a number of theme groups:

- Heritage Group
- Marketing and Communications Group
- Specific Project Groups
- Fundraising and Sponsorship
- Sports & Fitness Group
- Education Group

These groups comprise officers from BWS, Central Scotland Forest Trust (CSFT) and Falkirk Council (FC), as well as Falkirk Community Trust (FCT).

The People and Enterprise highlights to date include:

- The Helix arranged for over 400 trees to be planted at the Little Kerse football fields in Grangemouth – one of many Helix-related stories covered by the local media. The trees, sourced jointly by the Helix and Link Group Ltd, were planted by Braes High pupils as part of their volunteer day
- Members of ‘Safer Langlees and Bainsford’ renovated the Celtic Circle in October 2011 as part of the planned programme of improvements in Abbotshaugh Community Woodland. The project was directed by artist Jephson Robb, designer of the planned Abbotshaugh Sentinel
- The Helix Art Gallery in the Dawson Community Centre was officially opened
- 350 local people attended a ‘Helix Through the Looking Glass’ event in Abbotshaugh woodlands, resulting in the formation of a new stewardship group
- The Helix is actively involved in the Paths for All partnership through Stepforth and Braveheart focussing on health walks in line with GP referral schemes
- The Helix Intermediate Labour Market programme welcomed its first recruits. Three apprentices were employed on six-month contracts with Land Engineering in Helix South. A further 12 apprentices began a one-year contract on the Helix site in September 2011 and are employed by CSFT.
- Plans to establish a social enterprise around developing a brand of Helix Honey were progressed with Kelvin Valley Honey. The latter will provide equipment and training to enable the Helix to set up beekeeping colonies in 2012
- For the second successive year the Helix took part in the ‘Bringing Business Experience to Education’ programme organised by Mind Vision. Presentations were given to local S5/S6 pupils who were then set Helix-related marketing and events challenges and asked to present their proposals
- Plans for Helix walking tours are being developed with Polmont Ramblers with a view to starting in spring 2012.

In addition, the capital contracts include the usual council requirements for the creation of local employment and training opportunities.

- 2.8 The above workstreams will continue to be developed and will include increased involvement with local schools, CVS and community groups together with the development of an events programme for implementation on completion of the capital works.

3. GOVERNANCE REVIEW BY THE HELIX TRUST

- 3.1 The governance structure shown at Appendix 1 has served the project well to date. However, the HT board has recognised that the economic landscape continues to be challenging. There is an ever present need for those overseeing the spending of public funds to be mindful of the climate within which they operate. This means the board need to continue to challenge means of operation to ensure the effective and efficient delivery of the project on behalf of the partners, including BLF. As a consequence, the HT board has undertaken a review of the governance arrangements and recently wrote to the primary project partners, BWS and the Council, to propose changes. A copy of this letter is attached as Appendix 2 to this report
- 3.2 Members are asked to consider the terms of this letter and take a view on the proposals contained therein.

4. IMPLICATIONS

- 4.1 The proposals would appear to have merit. Falkirk Community Trust (FCT) could provide a natural "home" for the Helix Futures Trust (HFT) activities which are anticipated in the Helix project governance document to be:-
- Generating funds and revenue activity;
 - Promoting the continued success of the Helix;
 - Further developing effective community engagement;
 - Further developing a cultural and arts programme, educational, training and volunteer opportunities;
 - Sustainable management and maintenance of the Helix assets;
 - The appointment of staff.

Subject to a degree of amendment to the Articles of FCT, the activities sit well with the activities with which FCT is charged on behalf of the council.

FCT is already established and, by the time the bulk of the Helix project work required of it were to commence, it would have had a reasonable period of time to develop. Undertaking the Helix based work would give FCT an increased level of activity to support its operation and would remove the costs of establishing a similar body to oversee similar work within the Council area. The risk of HFT being unable to develop sufficient critical mass to be successful would also be eliminated.

- 4.2 Should Members be supportive of the proposals in principle, a potential future governance structure for the project is shown at Appendix 3 to this report.
- 4.3 In practical terms, this differs little from current operational arrangements.
- 4.4 The capital elements of the project plan are currently delivered with significant Council involvement. As described in para 2.4 above, all procurement is undertaken via the Council, which is the contract awarding body. In terms of the existing governance structure (Appendix1), the Director of Development Services and the Head of Roads and Design sit on the Capital sub committee which has a decision making, as well as a reporting and monitoring, role. The Helix Project Director has day to day contact with officers in Development Services on capital contract matters and the programme is being delivered, thus far, successfully in accordance with the current timescale and budget.
- 4.5 The proposed governance structure would not undermine these arrangements but be formally reflected in the new structure
- 4.6 The proposed structure at Appendix 3, retains at its heart the existing contractual safeguards that the funding partners require to fulfil their own respective obligations in relation to managing public funds. The new partnership agreement between BWS and FC would mirror the terms of that which exists at present whilst, as previously stated, BLF's contract is with the council and this would also be largely replicated in any new arrangement.
- 4.7 The work to be undertaken by FCT would be on terms to be agreed by all parties and, it is anticipated, could readily accommodate respective requirements of stakeholders including the absolute need to recognise the unique nature of the Helix project as a BLF Living Landmark and the clarity of identity that particular status demands.
- 4.8 As previously stated, there is broadly compatibility between the objectives and activities of FCT and the previously anticipated role of HFT. The fundamental principle of the living landmark that will be the Helix, being a community resource, underpins the entire project and must be absolutely guaranteed in any new arrangements. This ethos fits well within the FCT setting and can be embedded via a specification of services to be carried out by FCT.
- 4.9 In terms of financial implications, FC has a Joint Working and Funding Agreement with the HT to provide services required to successfully deliver the project. The overall budget for providing these services is circa £2.9m over a five year period. This is principally funded through the grant received from Big Lottery (circa £2m) and contributions from both the Council (£120k per annum) and BWS.

The proposal to wind up the HT and transfer responsibilities to FCT will incur additional expenditure, such as legal fees and employee costs as a result of a potential TUPE transfer. However it is anticipated at this stage that these costs can be accommodated by expected savings generated by the proposal, including reduced administration and overhead costs.

Overall the HT is currently operating within its budget and subject to any legal considerations it would be anticipated that the remaining budget to deliver the People and Enterprise aspects of the project can be directed towards FCT.

- 4.10 From a legal perspective, there are a number of matters to be considered and a good deal of work would be required in terms of stakeholder management, dialogue and successful completion of consent/approval processes with BLF, BWS, the boards of each trust and the Office of the Scottish Charities Regulator (OSCR), accompanied by appropriate amendment to key documentation, in order to achieve the proposed outcome.
- 4.11 In terms of the original bid document and the BLF terms and conditions, the governance strategy approved by BLF has, at its core, the HT and HFT. Any proposal to amend this governance strategy would require BLF approval and input into amending the grant terms and conditions to which the Council is the signatory.
- 4.12 The partnership agreement between FC and BWS would require to be amended to reflect the fact that HT and HFT would no longer be carrying out their roles in terms of the approved governance strategy. In particular, changes would be required to reflect the new governance arrangements, ongoing responsibility for capital phase delivery and future asset management including the canal hub, Kelpies, Central Park and the wider Helix environment. Issues such as intellectual property and the future development of the project area would potentially be covered in this work.
- 4.13 The HT would be dissolved and the board would need to formally take that process forward to a conclusion. The joint working and funding agreement between FC and HT would require to be terminated. Assignations or novations of any contracts or leases held by HT that would need to be taken on by the Council or FCT would require to be agreed with the relevant contractor or landlord. Although HFT is a registered company, it was not intended to be fully operational until 2013 when the capital aspect of the project would be anticipated to be completed. As a result, the dissolution of this company would be a relatively straightforward process.
- 4.14 The HT has a number of employees that would transfer to either the Council or FCT, as appropriate. That process will necessitate consultation and careful consideration of TUPE, structure and pension issues on the part of both the Council and FCT.
- 4.15 The FCT board would need to agree to the proposals and how they would be implemented including amendment to its Articles of Association and the agreements with the Council. Budget and staff requirements would need to be carefully worked through with any practical and risk issues understood and addressed.
- 4.16 OSCR would require to approve the winding up of HT and would also require to be satisfied that FCT would still meet all the charities tests following the assumption of the HT and HFT elements. It would be likely that the Articles of Association of the FCT would require amendment and approval of OSCR along with the amended FCT business plan.

- 4.17 Initial consideration has not uncovered any specific procurement issues but it is an area that would be monitored carefully throughout the process.
- 4.18 It would be anticipated that while the HT and HFT would be brought to an end, the structure and composition of the FCT board would not be amended. The non Falkirk Council HT members would require to be comfortable with that position at the time of the dissolution of HT and HFT.

5. THE WAY FORWARD

- 5.1 Should Members be inclined to support in principle the proposals coming from the HT board, a fair amount of work will have to be done to complete their implementation. Any such alterations would be subject to consultation with and /or the consent and agreement of our main project partner BWS, BLF and the boards of FCT and HT. Additionally OSCR will have requirements to be met in relation to both HT and FCT. There do however, seem to be advantages to the Council, without detriment to project delivery, in pursuing the proposals

6. RECOMMENDATIONS

6.1 It is recommended that Members:

- (a) confirm their agreement in principle to the proposals contained in Appendix 2 to this report, as supplemented by the terms of section 4 and Appendix 3 which include the dissolution of HT and the assumption by FC and FCT of the services to be delivered by HT and HFT;
- (b) subject to all necessary approvals and consents being agreed by the various stakeholders detailed at paragraph 5.1 above, authorise the Chief Executive or her nominee to take forward work required to implement these proposals and
- (c) instruct the Chief Executive to report back to the Full Council meeting in March for final approval of the detailed proposal for transition noting that, in the event that the work referred to at recommendation (b) above result in any significant changes being made to the proposals, such changes will be specifically drawn to the attention of Members.

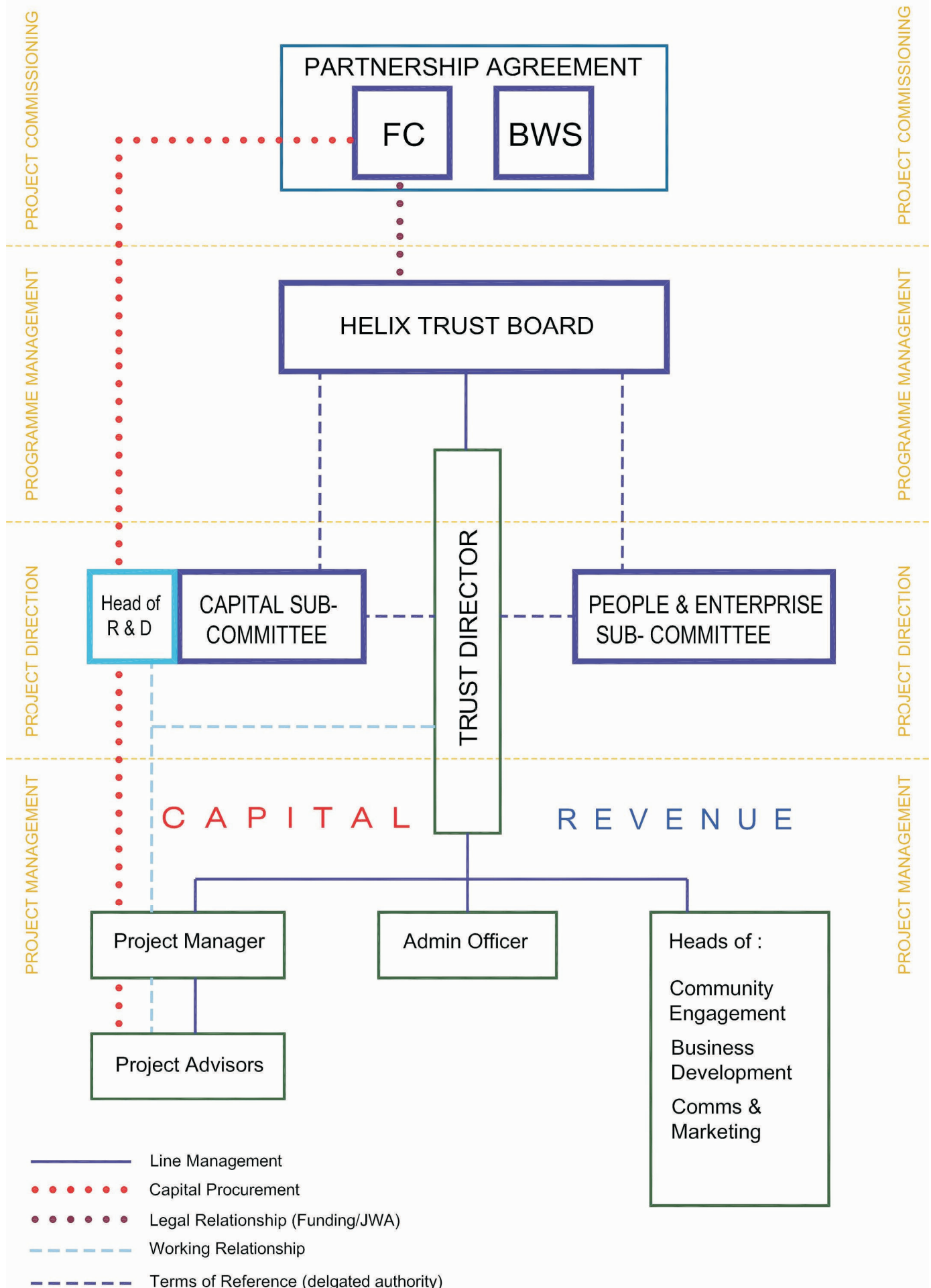
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CHIEF EXECUTIVE

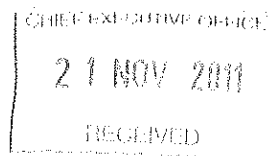
Date: 16 January 2012

Contact Officers: Rhona Geisler, Ext. 4949

LIST OF BACKGROUND PAPERS

PROJECT GOVERNANCE STRUCTURE





Mary Pitcaithly, Chief Executive
Falkirk Council, Room CE01
Municipal Buildings
West Bridge Street
Falkirk, FK1 5RS

Our Ref. : DL/ABP HTB
Your Ref. :
Date : 17th Nov 2011

Dear Mary,

Recommendation From Helix Board

As you are aware the Helix Project is beginning to make good progress. The Helix Board have been looking forward to the completion of the capital phase and the proposed organisational arrangements for subsequently taking the Helix Project forward. Since the inception of this project a number of changes have taken place both politically and economically. The financial climate has changed for both local government and the private sector, along with the emergence of the Falkirk Community Trust (FCT) which has a role in the management of Falkirk Council's strategic parks and other community assets. Both of these issues impact on the originally envisaged Helix Futures (HF) body. The first presents a risk for the sustainability of HF in the current financial climate and the second potentially presents a duplication of effort and resources between HF & FCT.

Given such significant issues, the board felt that it was right to examine whether Helix Futures was still the best option as a successor to the Helix Trust. Following a number of review workshops, at our Board meeting on Wednesday 9th November 2011, the board recommended that the Falkirk Community Trust be the successor organisation to the Helix Trust. This recommendation would be subject to an agreed robust transition plan being in place and all associated risks being managed through a visible risk management matrix. With these two measures in place the board would have the right level of assurance that all of the issues concerning such a change would be appropriately resolved and that there would be no residual liabilities on completion.

During the project phase it would be intended that FC and BWS would continue to manage the capital project as is the case at the moment. During this period FCT would deliver the People and Enterprise activity; once the capital project has been delivered FCT would take on responsibility for the day to day running of the Helix in keeping with its vision and values.

We would therefore seek your views and agreement that Helix Futures would be replaced by Falkirk Community Trust, subject to the conditions above, and that transition work should commence from January 2012.

Enquiries to: David Lamont, The Helix Trust Interim Chief Executive
Phone: 0141 354 7515 E-mail: david.lamont@britishwaterways.co.uk

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REGISTERED IN SCOTLAND No. 342680. REGISTERED CHARITY No. SC040959.
VAT Reg. No. 979 4426 62

Registered Office: The Helix Trust, 2nd Floor, The Falkirk Stadium, Westfield, Falkirk FK2 9EE

www.thehelix.co.uk

If this proposal is acceptable to you can you confirm your agreement in principle and provide an undertaking that you will authorise all the necessary work to be done to effect the change.

I should point out that as well as consulting with the partners, it will be necessary to agree this proposal with BIG Lottery and the FCT Board and if the proposal is accepted, discussions on the ultimate winding up of the Helix Trust will need to take place with OSCR.

Yours

A handwritten signature in black ink, appearing to read "David Lamont".

David Lamont
The Helix Trust Interim Chief Executive

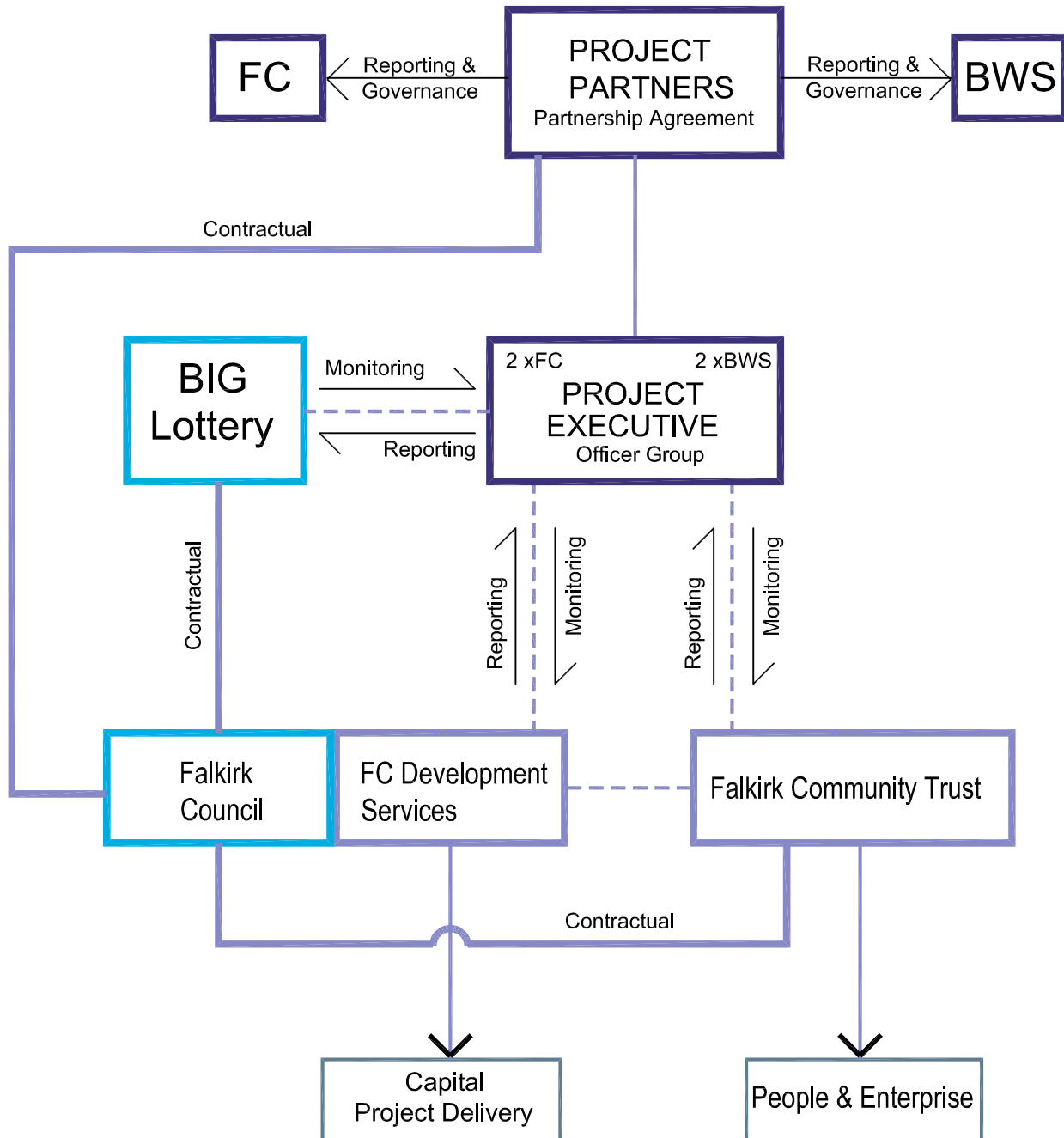
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HELIX PROJECT GOVERNANCE STRUCTURE



Note : It is anticipated that there will be a direct link between BWS and BIG Lottery e.g. by way of a standard security

FALKIRK COUNCIL

Subject: FOOD WASTE COLLECTION
Meeting: FALKIRK COUNCIL
Date: 23 JANUARY 2012
Author: DIRECTOR OF DEVELOPMENT SERVICES & DIRECTOR OF CORPORATE & NEIGHBOURHOOD

1. INTRODUCTION

- 1.1 The purpose of this paper is to further brief members as to the latest position in relation to Zero Waste Regulations and the Council's work in relation to the completion of the business case for the introduction of a separate collection of food waste.
- 1.2 Previous reports brought before members highlighted that the Scottish Government (SG) were due to release guidance regarding the introduction of regulations to support the Zero Waste Plan issued in 2010. In late October the Scottish Government (SG) issued its policy statement relating to the proposed Zero Waste Regulations. A public consultation on the proposed regulations has already been conducted, with the Council responding in February 2011. The Policy Statement; sets out the key aspects of the regulations when they are introduced. These regulations will implement proposals for landfill bans and recycle/food waste separate collection requirements proposed in the Zero Waste Plan and introduce:
- guidance on the application of the waste hierarchy for collections to ensure the quality of recycle material is maintained (including how comingled recycle collections should comply);
 - the provision for the government to develop further quality standards or codes of practice for recycling if required;
 - the requirement for local authorities to offer separate collection of glass, metals, plastics, paper, card, and food waste to householders and businesses in their area;
 - a voluntary biennial report for local authorities, developed in partnership with CoSLA, to build understanding and trust with the public on waste management within their area.

The timeline for the proposed bans and separation requirements is set out in Appendix 1.

- 1.3 The policy statement reaffirms that the Council will be obliged to commence implementation of a separate food waste collection by 2013 which must be completed by 2015. The Council already has one of the most comprehensive kerbside recycling systems in Scotland but currently does not have the provision to collect food waste separately. Therefore, the authority will have to introduce a separate food waste collection to comply with the new regulations and must prepare for its introduction during this year. Full details of available funding and options for collection are contained within this report, but in essence the Council must decide to either;
- a) Introduce a separate food waste collection delivering containers to all suitable households, or

- b) Introduce an 'opt out' separate food waste collection on a phased basis, which allows households to decide if they wish to receive the collection.

- 1.4 Previous reports to members highlighted that our residual waste treatment contract with Avondale Environmental Ltd would treat all residual waste (including food waste) through the facility currently under construction in Polmont. The arrangement with Avondale runs till August 2015 and the authority will shortly have to commence the procurement process to further test the market.

2. FOOD WASTE COLLECTIONS

- 2.1 As highlighted in previous reports to Committee, officers had commenced work on a business case in partnership with Zero Waste Scotland (ZWS) to review the options for separately collecting food waste. The business case modelled 4 collection options that were reviewed in detail, mainly;

- **Option 1** – Fortnightly collection of food waste using existing kerbside box vehicle, allowing food waste to be collected at same time as black box.
- **Option 2** – Weekly collection of food waste using the existing kerbside box vehicles every fortnight then using small 7.5t RCV to collect the other week.
- **Option 3** – Weekly collection of food waste using completely separate vehicles.
- **Option 4** - Fortnightly collection of food waste using the existing brown bin collection.

All of the above options will require householders to receive another container for options 1 to 3 this would involve a small kitchen caddie and an external caddie (25ltr) being provided. Option 4 would require only the provision of the small internal caddie.

- 2.2 In addition, a 'do nothing scenario' was modelled to compare costs. This option is not really a valid alternative due to the impending regulatory requirement to introduce a collection but was important to use as a baseline in comparison to the collection options discussed above.

- 2.3 A proposed business case has subsequently been submitted and the Council received an initial offer of funding in principle from our colleagues at ZWS. The business case and subsequent offer of funding are attached for further detail but the key findings can be summarised as follows;

- Collecting food waste weekly will increase capture of material, and as such will be the only option open to funding from ZWS, resulting in no funding being offered for options 1 & 4
- The funding offered varies by option but the most cost effective option for the Council to explore is option 2 and as such total funding offered by ZWS totals £994,740 (subject to weekly collection of food waste)

- 2.4 The original funding offer by ZWS is for the next 4 years with the majority of the money (up to £487,336) coming in this financial year, as such any delay in accepting the offer could result in the authority receiving reduced funding over the coming years. The initial funding offer and cost implications by option can be seen in Appendix 2.

3. NEXT STEPS

- 3.1 It is of little doubt that the costs of introducing a separate food waste collection will be prohibitive if merely looking at adding the collection onto existing schemes. As such it is suggested that we have to review our current collection systems holistically to ensure that all collections remain fully compliant moving forward. Officers will therefore require to review all the Council's collection arrangements (with the inclusion of food waste) to identify the requirements moving forward, this will include;
- Review collection frequencies and bin capacity
 - Account for changes in statutory requirements
 - Overall cost of service.
- 3.2 Since the submission of the original business case officers have continued to discuss with ZWS options regarding food waste. As part of those discussions, officers asked if they would consider offering funding if the Council offered a collection on an 'opt out' basis. This would see any householders not willing to participate in the scheme having the opportunity to reject the opportunity to participate.
- 3.3 ZWS have subsequently confirmed that they would still offer funding based on this proposal at similar levels as detailed previously. This would be on a per household basis and would equate to c£7.25 per household this year. On the back of those discussions officers would recommend consideration of the following approach to an opt-out scheme;
- Rollout an 'opt out' collection to 30,000 households before end of April 2012 (total funding this year c£217,500)
 - Review the success of initial rollout with intention of adding another 30,000+ by end of October next year, subject to full review of costs and participation.
- 3.4 The original offer of funding would have seen 64,000 households receive a container and collection which could have resulted in some receiving the collection who did not wish to participate. By moving to the opt out option we can make it clear that only people wishing to take part will receive the collection, but at the same time we will remain fully compliant with the upcoming regulations. This will also ensure a more efficient collection as it will only be delivered to households that show an interest in participating. An example timeline for the rollout of this collection is available in Appendix 3.
- 3.5 Alternatively the authority can accept the offer of funding as it stands and commence complete rollout of the scheme immediately. While this would allow immediate access to funding there would be a potential cost implication (£669,651), and potentially may not be well received by the public. As a consequence it is considered that a phased approach to the opt-out scheme is more appropriate and most likely to enable success in meeting the regulatory requirements.

4. KEY RISKS

- 4.1 By accepting the original offer of funding without changing or reviewing existing schemes the authority would be fully compliant with the proposed regulations but would require an additional £669,651 over the next 4 financial years. This would be reduced through the implementation of the 'opt out' scheme but would still require careful monitoring, and be subject to a further report to members in due course.
- 4.2 If the Council rejects the funding offer by ZWS for this year the authority would have to reapply for funding at a time closer to the introduction of the regulation and as such is most likely to have access to reduced funding opportunities, the introduction of an 'opt out' scheme would see the Council continue to work in partnership with ZWS receive funding this year and remain compliant moving forward.
- 4.3 By reviewing collection frequencies the results while offering a clear path moving forward could require significant changes to the existing collection arrangements.
- 4.4 It is important to stress that 'do nothing' is not an option as failure to rollout a food waste collection by 2015 could result in the authority being in breach of a statutory obligation and subject to potential action.

5. IMPLICATIONS

Financial

- 5.1 As detailed above funding is being made available through Zero Waste Scotland, but the Council could be subject to additional financial burdens dependent on the outcome of the proposed trial.

Legal

- 5.2 The requirements laid down in the proposed Zero Waste Regulations will require the Council to implement this collection.

Policy

- 5.3 None

Personnel

- 5.4 None

6. RECOMMENDATIONS

It is recommended that Members:-

- 6.1**
- i) approve the introduction of phase one of the separate food waste collection on a ‘opt out’ basis covering c30,000 households and;**
 - ii) officers are to bring back a report to the Policy & Resources Committee in due course highlighting the findings of the collection and appropriate steps required moving forward.**

.....
DIRECTOR OF DEVELOPMENT SERVICES
16th JANUARY 2012

.....
DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES
16th JANUARY 2012

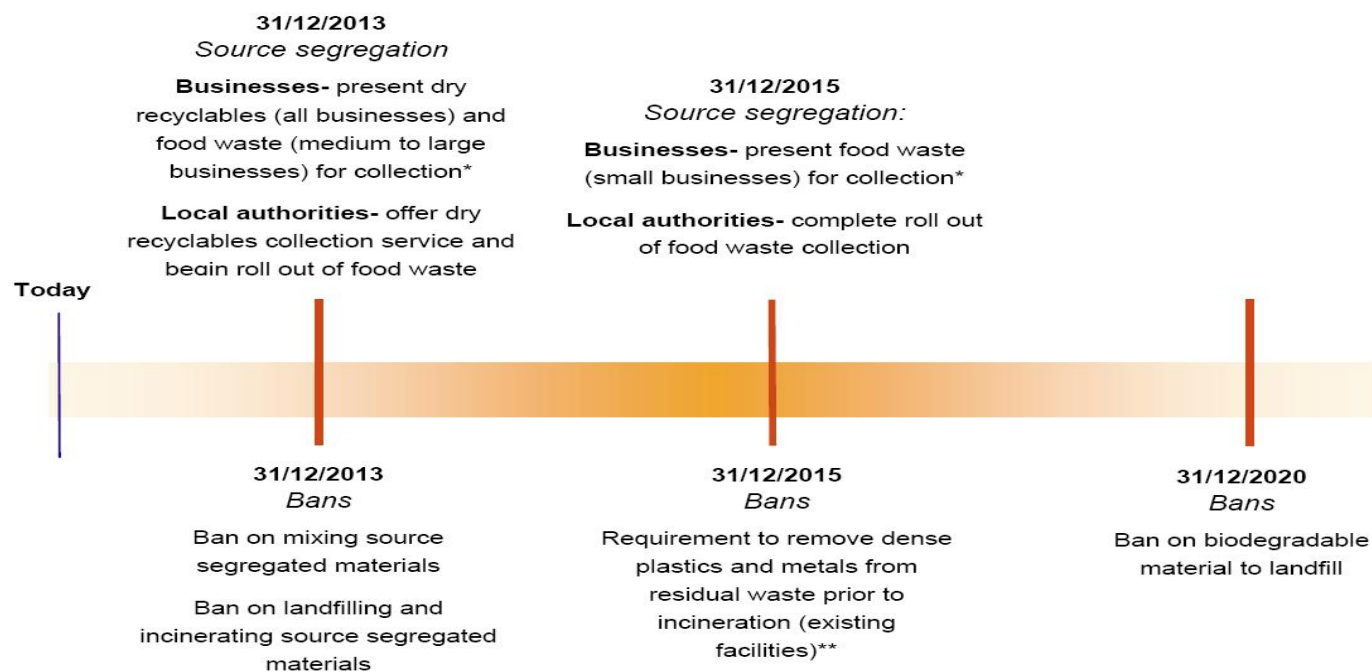
Ref: DSWS1-4

Contact Name(s): Robin Baird ext 0437
Carl Bullough ext 0420

LIST OF BACKGROUND PAPERS

- 1 Food Waste Collection & Treatment Business Case Document**
- 2 Environment & Community Safety Report 15 March 2011**
- 3 Policy Statement – Zero Waste Regulations October 2011**
- 4 Environment & Community Safety Report 25th October 2011**

APPENDIX 1 – TIMELINE FOR SEPARATE COLLECTIONS



* Applies to businesses involved in food production, food retail or food preparation

** For new facilities, this requirement will come into effect on commencement of the regulations

APPENDIX 2 – FUNDING & IMPLICATIONS BY OPTION

Year	Option 1		Option 2		Option 3		Option 4	
Description of Option	Fortnightly food waste service, co-collected with current box recycling collection		Weekly food waste service, part co-collected with current box recycling and part dedicated fleet.		Weekly food waste service on dedicated fleet		Fortnightly food and garden co-mingled service	
Year of Operation	Proposed Funding	Cost to Council Net of Funding	Proposed Funding	Cost to Council Net of Funding	Proposed Funding	Cost to Council Net of Funding	Proposed Funding	Cost to Council Net of Funding
Year 1 (11/12)	Zero	£487,336	£487,336	£0	£443,656	£0	Zero	£233,992
Year 2 (12/13)	Zero	£142,494	£237,404	£142,494	£300,000	£219,382	Zero	£176,719
Year 3 (12/14)	Zero	£49,240	£200,000	£87,768	£200,000	£230,739	Zero	£68,077
Year 4 (14/15)	Zero	£43,824	£70,000	£213,251	£70,000	£359,796	Zero	£60,096
Year 5 (15/16)	Zero	£7,473	Zero	£226,138	Zero	£376,347	Zero	£21,301
TOTAL	Zero	£730,367	£994,740	£669,654	£1,003,656	£1,186,264	Zero	£560,185

APPENDIX 3– TIMELINE OF OPT OUT COLLECTION

February

- Send a leaflet to the initial c30,000 properties informing of the new service commencing in April and giving details of how to opt out.
- Run community roadshows to engage with and inform the public on how the new service will work and how to opt out if required.

March

- Compile all returns from opt out leaflet.
- Deliver containers to all households which have not opted out of the service.

April

- Commence collection.

June

- Assess performance of collection and report findings.



Falkirk Council

Food Waste Collection & Treatment

Business Case Document

26th October 2011

Release:	V 1.0
Date:	26th October 2011
Author:	Bryan Regan
Owner:	Robin Baird
Client:	Falkirk Council
Document Number:	UW11-639-03



Supported by:



Zero Waste Scotland and Scottish Futures Trust have supported the development of business cases to allow Scottish Local Authorities to assess their options for the collection and treatment of food waste. This business case document, although supported by Zero Waste Scotland and Scottish Futures Trust, will be owned by the Council.

On completion of this business case, should the Council wish to pursue one of the options arising from the study, the Council should submit the document to Zero Waste Scotland for assessment of the potential for funding.

Zero Waste Scotland, Falkirk Council, Gifford Part of Rambøll and IKM Fehily Timoney believe the content of this report to be representative and correct as at the date of writing. However, factors such as prices, levels of food waste arising and regulatory requirements are subject to change and users of the report should check to confirm the current situation. In addition, care should be taken in using any of the cost information provided as it is based upon numerous project-specific assumptions (such as scale, location, tender context, etc).

Executive Summary

This business case seeks to provide Falkirk Council (FC) with an understanding of the services that would enable the authority to maximise the diversion of food waste from landfill at an affordable cost and for each option provide a comparison in relation to the existing service in terms of cost and recycling/composting rate. It is intended that this report will be used to inform Falkirk Council decision-making with regards to service option choice.

The output of the project is a business case specifically addressing the separate collection of food waste from households within the Falkirk Council functional area. The business case examines the following options for the separate collection of food waste:

Baseline - "Do Nothing Scenario" The current collection service was modelled as a baseline comparator

Option 1 - "Fortnightly Co-Collected Food Waste" Collection of food waste on a fortnightly basis using modified Terberg Kerbsiders. The Kerbsiders will be fitted with a food pod. This will allow the collection of food waste on same day and pass as existing "Black recycling box".

Option 2 - "Weekly Co-Collected Food Waste" Collection of food waste on weekly basis using modified Terberg Kerbsiders. The Kerbsiders will be fitted with a food pod. This will allow the collection of food waste on same day and pass as existing "Black recycling box". On the week the black recycling box is not collected, additional vehicles (7.5t RCV) will be deployed to collect food waste.

Option 3 - "Weekly Food Waste" Collection of food waste on a weekly basis using a dedicated fleet of vehicles (7.5t RCV).

Option 4 - "Fortnightly Co-Collection with Existing Garden Waste Service". This option involves the fortnightly collection of food waste from householders during the same pass as the existing garden waste collection service.

Using MS Excel a model was developed to calculate the cost of the existing kerbside collection service and the four options for food waste collection. A summary of the existing service costs and environmental performance are shown below:

Collection Type	Annual Cost	% of Total Cost
Residual Service Cost	£3,835,089	57%
Co-Mingled Mixed Dry Recyclables Cost	£1,130,193	17%
Garden Costs	£1,213,425	18%
Black Box & Textile Costs	£551,702	8%
Overall Service Costs	£6,730,409	100%
MSW Recycling Rate	49.25%	
Carbon Metric Recycling Rate	37.12%	

The costs and environment performance associated with each food waste option was modelled and the outputs are shown below:

Item	Option 1	Option 2	Option 3	Option 4
Additional Vehicles	-	Four (4) 7.5t RCV's	Seven (7) 7.5t RCV's	-
Additional Falkirk Council Staff	-	-	-	-
Purchase of Containers	£426,592	£426,592	£426,592	£224,992
Payment to Contractor (£)/year	£88,588	£290,600	£385,831	£0
Net Cost (£) Year 1 (2011/12)	£487,336	£487,336	£443,656	£233,992
Net Cost (£) Year 2 (2012/13)	£142,494	£379,899	£519,382	£176,719
Net Cost (£) Year 3 (2013/14)	£49,420	£287,768	£430,739	£68,077
Net Cost (£) Year 4 (2014/15)	£43,824	£283,251	£429,796	£60,096
Net Cost (£) Year 5 (2015/16)	£7,473	£226,138	£376,347	£21,301
Net Cost (£) Year 10 (2020/21)	-£3,484	£235,387	£405,335	-£2,826
Net Cost (£) Year 20 (2030/31)	-£29,906	£257,692	£475,239	-£61,008
Net Cost (£) Year 25 (2035/36)	-£45,775	£271,088	£517,223	-£95,951
MSW Recycling Rate (%)	51.8%	53.7%	53.7%	51.8%
Carbon Metric Recycling Rate (%) ¹	39.3%	41%	41%	39.3%

The range of options reflect some options that are likely to be affordable but may not provide the performance that FC will eventually require and some options that are likely to be more expensive but are likely to result in higher environmental performance.

¹ Figures are estimates based on current method of calculation "Scotland's Zero Waste Plan Carbon Metric Guidance" and may be subject to change

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Appendixes

Appendix 1: Cost of Existing Collection Service

Appendix 2: Assumptions Made in Modelling Food Waste Collection Options

1. INTRODUCTION

Gifford Part of Rambøll in association with IKM Fehily Timoney (IKMFTC) was retained by ZWS (Zero Waste Scotland) to prepare a business case for the separate collection of food waste for Falkirk Council (FC). The business case comprised a financial and performance options appraisal exercise for the council. The aim of the business case is to inform FC as to the collection service configuration that will enable FC to introduce a separate kerbside food waste collection service.

The business case seeks to provide FC with an understanding of the services that would enable the authority to maximise the diversion of food waste from landfill at an affordable cost and for each option provide a comparison in relation to the existing service in terms of cost and recycling/composting rate. It is intended that this report will be used to inform Falkirk Council decision-making with regards to service option choice.

1.1 Reason for Business Case

The Food We Waste in Scotland Report² was published in September 2009 following work carried out on behalf of WRAP and Waste Aware Scotland. The key points to note from the Food We Waste in Scotland Report are summarised below: -

- Scottish households produce 566,000 tonnes of food waste every year. Of this, 341,000 tonnes (60.2%) is collected from people's homes by councils either in their mixed waste or in special food waste collections for recycling, where these are provided.
- the difference – 225,000 tonnes or 39.8% – is disposed of by other means including home composting, feeding to pets and tipping down the sink (sewer).
- the avoidable food waste disposed of by households amounted to £430 per household.
- the top-5 food and drinks that were disposed of by weight in Scotland were milk, bread, carbonated drinks, potatoes and pre-packed meals.
- the hospitality and catering industry in Scotland sent an estimated 68,000 tonnes of food waste to landfill in 2009 (WRAP, 2009).

In order to support the separate collection and processing of food waste, Zero Waste Scotland (ZWS) plans to deliver a £4m programme in 2011/12. The Food Waste Programme will support the following projects:-

- Development of part business case for local authorities to implement food waste collections and treatment.
- Development of full business case where procurement of treatment facilities is identified as a priority.
- Funding support of Local Authority treatment infrastructure.
- Funding support for separate food waste collection.
- Funding for mixed food & garden waste collections where the case for separate collection is not technically, environmentally or economically practical.
- De-minimus funding to private sector for start up costs for commercial food waste service.
- De-minimus funding to private sector for additional infrastructure at existing treatment facilities.

The funding will support local authorities, working in partnership with Scottish Futures Trust, and resource management businesses with projects that will enable more homes and businesses to access separate food waste collections. ZWS has set aside £3m of the £4m to support separate food waste collection and processing by local authorities.

ZWS and Scottish Futures Trust have supported the development of this business case to allow Falkirk Council to assess the options available for the collection and treatment of food waste. This business case document, although supported by Zero Waste Scotland and Scottish Futures Trust, will be owned by Falkirk Council.

² http://www.wrap.org.uk/downloads/Food_waste_in_Scotland_FINAL_report_28_August_2009.624b15b8.7550.pdf

1.2 Expected Outputs of Business Case

The Falkirk Council business cases will fit into Zero Waste Scotland's Programme Plan for 2011-2015 with the aim of increasing separation of waste into resource streams and increased economic opportunities resulting from improved processing and treatment infrastructure.

The output of the project is a business case specifically addressing the separate collection of food waste from households within the Falkirk Council functional area. The business case examines the following options for the separate collection of food waste:

Baseline - "Do Nothing Scenario" The current collection service was modelled as a baseline comparator

Option 1 - "Fortnightly Co-Collected Food Waste" Collection of food waste on a fortnightly basis using modified Terberg Kerbsiders. The Kerbsiders will be fitted with a food pod. This will allow the collection of food waste on same day and pass as existing "Black recycling box".

Option 2 - "Weekly Co-Collected Food Waste" Collection of food waste on a weekly basis using modified Terberg Kerbsiders. The Kerbsiders will be fitted with a food pod. This will allow the collection of food waste on the same day and pass as existing "Black recycling box". On the week when the black recycling box is not collected additional vehicles (7.5t RCV) will be deployed to collect food waste.

Option 3 - "Weekly Food Waste" Collection of food waste on a weekly basis using a dedicated fleet of vehicles (7.5t RCV).

Option 4 - "Fortnightly Co-Collection with Existing Garden Waste Service". This option involves the fortnightly collection of food waste from householders during the same pass as the existing garden waste collection service.

The output of the project is an examination of the options for separate food waste collection and a clear definition of the necessary steps to move the Zero Waste Plan forward in Falkirk.

1.3 Brief Description of What Will Follow

The business case involves a review of the existing collection services and the development of a model of four possible food waste collection options. This business case seeks to determine the optimal food waste collection and treatment arrangements for Falkirk Council.

The project output is a business case prepared in accordance with the Zero Waste Scotland template which details the options for collection and treatment of food waste for Falkirk Council. The business case was developed to meet the requirements and local circumstances of Falkirk Council.

2. BACKGROUND INFORMATION & CURRENT ARRANGEMENTS

The Falkirk Council area extends to some 300 sq. km. and is located in the middle of Scotland's Central Belt between Glasgow and Edinburgh. The population of approximately 149,150 is focused within a network of small to medium sized towns.

Falkirk is the principal and administrative centre of the Falkirk Council area, with a population of approximately 36,000. Falkirk is centrally located and serves as the main shopping, service and employment centre for the area. Separated from Falkirk by a narrow Green Belt are the urban areas of Larbert/Stenhousemuir, Polmont and Grangemouth. The former two are largely residential in character, whilst Grangemouth is home to the largest petrochemical complex in Scotland. In the western reaches of the area lie the settlements of Denny/Dunipace, Bonnybridge and Banknock, whilst to the east, overlooking the Forth, sits the town of Bo'ness. Some 18 smaller village communities are scattered across the rural part of the area.

2.1 Falkirk Council Kerbside Waste Collection Service

Falkirk Council offers residents a three bin kerbside collection service, a kerbside (black) box and a textile recycling sack. Falkirk currently operates a fortnightly residual waste collection service for the majority of properties, although some properties such as flats still receive a weekly collection. The number of household's receiving a residual waste collection service is 70,533.

Approximately 95% (68,000) of households are provided with a fortnightly kerbside recycle collection service. The dry recycle service incorporates the following;

- 240 litre blue co-mingled mixed dry recyclable bin
- 50 litre black box collected separately

The council provides a fortnightly kerbside collection service to approximately 60,000 households for green (garden) waste. The green waste is collected in a brown wheeled bin.

Residences in multi occupancy buildings are provided with a weekly mini blue box and bag collection service. Residual waste is disposed of in either a green bin, black bag or communal waste bin.

Material Stream	Service Coverage	Frequency of Collection	Container	Materials Collected
Residual	70,533	Fortnightly	240 litre green wheeled bin	Residual waste
Recycling Co-mingled	68,000	Fortnightly	240 litre blue wheeled bin	Mixed plastics, Tetra pak, Paper, Cardboard, Plastic bottles, Food and drinks cans
Black Box	68,000	Fortnightly	50 litre black box	colour segregated glass, small WEEE & batteries
Textiles	68,000	Fortnightly	Plastic Sack	Clothing, Shoes, Bags, Belts, Blankets, Quilt covers, Duvets, pillow cases and sheets
Garden	60,000	Fortnightly	240 litre brown wheeled bin	Flowers and plants, Grass clippings, Hedge trimmings, Weeds, Leaves, Prunings, Twigs and small branches

Table 2.1: Existing Falkirk Council Waste Collection Service

2.2 Falkirk Council Additional Service

In addition to the household kerbside collection, the following services and facilities are provided:

- Falkirk also has a network of over 90 recycling points where users can recycle food and drink cans, glass, paper and textiles.
- Falkirk operates a 'Recycling led Commercial waste collection' servicing around 800 customers who must recycle if they wish a service to be provided by the Council.
- A Recycling led Bulky uplift service is also provided by the Council. This allows for material to be diverted for recycling at the Council's recycling centres.
- WEEE waste contracted to the VALPAK Producer Compliance Scheme where this is separated and collected from recycling centres.
- Falkirk has two Household Recycling Centres (HWRC) one at Kinnell Kerse Recycling Centre, Grangemouth Road and one at Roughmote Recycling Centre, Bogton Road. These offer a variety of waste separation opportunities for householders.
- A Transfer Station, based at Roughmote.
- Waste awareness and waste prevention campaigns and activities in partnership with Zero Waste Scotland (ZWS) and community bodies. These focus upon waste prevention and niche reuse/recycling activities such as home composting and real nappies..

2.3 Falkirk Council Current Contractual Arrangements

Falkirk Council has a contract with Avondale Environmental Ltd. for the disposal of residual waste at the Kinneal landfill. The gate fee for residual waste is fixed at £82.83/tonne up to 2015. The gate fee for residual waste includes the landfill tax and Retail Prices Index (RPI). The landfill operator plans to upgrade the treatment process at the landfill. The residual waste will be processed through a "dirty MRF" and also undergo biological treatment. The contract gate fee is broken down by year as shown below;

Year	Cost/Tonne
2011/12	£70.67
2012/13	£75
2013/14	£78.90
2014/15	£82.83

Table 2.2: Falkirk Council Landfill Gate Fee 2011 to 2015

Falkirk Council has a contract with Oran Environmental Solutions (OES) for the processing of the co-mingled mixed dry recyclables. The contract runs to 2014. The current contract sees a £0/tonne processing cost for the duration of the contract with a possible rebate to the council should markets exceed a certain level.

Focsa Services (UK) Ltd is contracted by Falkirk Council to collect the material in the black recycling box and textile bags. The contract commenced on 31st May 2010 with an initial duration of 5 years (31st May 2015). The option exists to extend the contract for a further two years in one year increments. Falkirk Council provides 4 no. Terberg Kerbsiders and 1 no. stillage vehicle to FOSCA. Under the contract FOSCA provide labour, fuel, insurances and day to day vehicle maintenance. Falkirk pays for routine maintenance of the five vehicles.

Current annual payment to FOCSA is £462,000 per year with additional vehicle maintenance cost of £104,000. All the material collected through the box collection has free recycling or net income. The proposed income for the current year (2011/12) is estimated at £50,000. This year (2011/12) the councils budgeted income from textiles is £60,000.

Falkirk Council currently processes the kerbside collected garden waste at the council operated windrow composting facility at Kinneil Kerse. This facility is currently awaiting PAS100 accreditation (due

September/October 2011). Current gate fee for garden waste is £25/tonne. However, the council intend to tender this service in the fourth quarter of 2011 and anticipate a returned price in the region of £18-£20/tonne.

Material	Collection Provided by	Disposal/Treatment Location	Treatment Operator	Contract Duration	Tonnage Managed 2010
Residual	Direct Labour (FC)	Avondale Quarry, Polmont (Landfill)	Avondale Environmental Ltd	2015	35,389
Recycling Co-mingled	Direct Labour (FC)	Grangemouth MRF 1-5 Abbotsinch Road Grangemouth	Oran Environmental Solutions	2014	11,920
Black box and Textiles	Focsa Services (UK) Ltd	Greengairs Greengairs Rd Airdrie ML6 7TD	Focsa Services (UK) Ltd	31st May 2015	1,932
Garden Waste	Direct Labour (FC)	Kinneil Kerse, Grangemouth Road (Windrow Composting)	Falkirk Council	N/A	8,773

Table 2.3: Summary of Existing Contract Arrangements for Falkirk Council Kerbside Collections

3. CURRENT PERFORMANCE & RESOURCES

The total municipal waste arising in Falkirk Council in 2010/11 was 90,122 tonnes, of which 45,733 tonnes was sent to landfill and 44,389 tonnes was recovered or composted. Of the total waste arising (90,122 tonnes) managed by the council, 58,138 tonnes (64.5%) was collected at the kerbside and 31,984 tonnes via the other collection infrastructure. A breakdown of the quantities of kerbside collected material is shown below:

Waste Stream	Tonnage Collected 2010	% of Total Kerbside Collection
Refuse	35,389	60.9
Recycling Co-mingled	11,920	20.5
Black Box	Green Glass 622, Amber Glass 362, Clear Glass 777, Small WEEE 171 Total (1,932)	3.3
Textile	124	0.2
Garden	8,773	15.1
Total	58,138	100

Table 3.1: Quantity of Material Collected Via Kerbside Collections 2010/2011

3.1 Performance Data

Shown below is the Falkirk Council quantity of waste managed, recycled/composted and the recycling/composting rate from 2006/07 to 2010/11.

Year	MSW Arising	Recycled/Composted	Recycling/Composting Rate
2006/07	113,785	39,783	34.96%
2007/08	102,272	36,792	35.98%
2008/09	95,994	39,128	40.76%
2009/10	90,980	38,895	42.75%
2010/11	90,122	44,389	49.25%

Table 3.2: Falkirk Council Recycling Rate 2006 to 2010

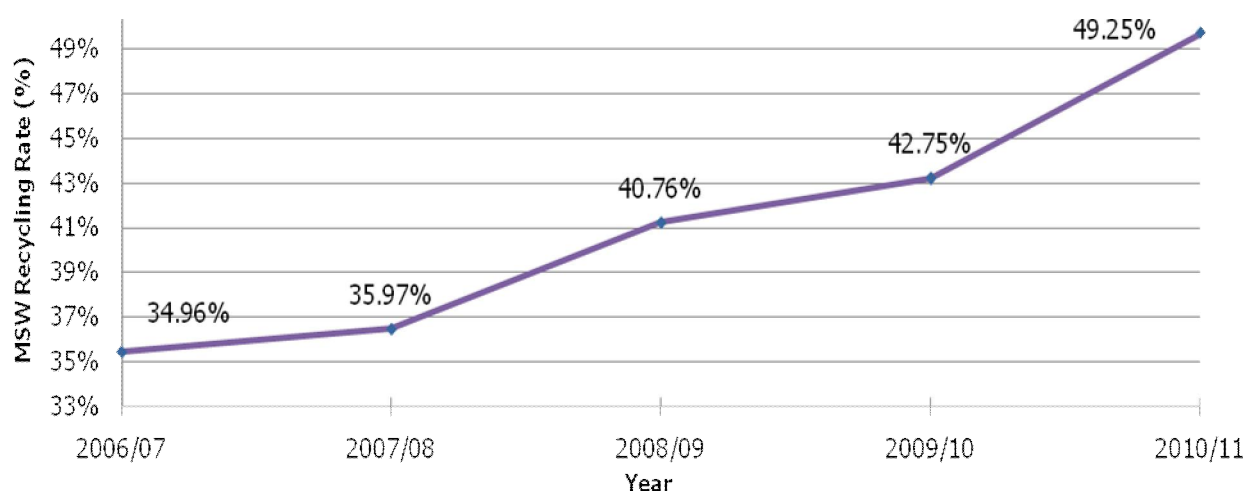


Figure 3.1: Falkirk Council Recycling Performance 2006 to 2010

3.2 Resources

Residual and co-mingled mixed dry recyclables are collected on alternative weeks. A total of 14 vehicles are used to collect residual & co-mingled recyclates. The Council has 7 spare collection vehicles of varying size which are used in the event of the unavailability of the primary collection fleet.

The recycling box and garden waste services operate as a stand alone collection. There are 5 vehicles for the collection of 50 L black boxes and textile bags. The council has no spare kerbsiders. There are 6 vehicles for the collection of garden waste.

Material	Route s	Driver s	Loader s	Vehicle s	Vehicle Type	Service Provider
Residual	14	14	28	14	26t RCV	Direct Labour (FC)
Co-mingled mixed dry recyclables	14					
Garden Waste	6	6	12	6	26t RCV	Direct Labour (FC)
Black box and Textiles	5	5	10	5	4 no. Terberg Kerbsiders & 1 no. Stillage vehicle	Focsa Services (UK) Ltd

Table 3.3: Vehicles and Staff Resources Kerbside Collections

3.3 Waste Composition

Falkirk Council commissioned a waste compositional study on the material collected in the residual waste bin. During March 2010, a sample of waste was collected from 144 household. The waste composition study involved the collection and manual sorting of samples of waste from selected areas within the Falkirk Council functional area. Sample areas were selected that were statically representative of the districts' population and as such a representative sample of residual waste was created.. The representative sample areas were selected using "A Classification of Residential Neighbourhoods" (ACORN) data.

ACORN is a socio-demographic tool developed by CACI Limited from data obtained from sources including the UK census and is the accepted tool for use on waste compositional analysis. The tool classifies households taking into account a range of sociological, demographic and economic indicators assigning an ACORN classification code to ranges of households. The sample selection is shown below:

ACORN Category Profile		Profile	Data as % for Area
1	Wealthy Achievers	12,755	18.6
2	Urban Prosperity	6,072	8.8
3	Comfortably Off	13,511	19.7
4	Moderate Means	7,209	10.5
5	Hard-Pressed	28,630	41.7
	Unclassified	460	0.7
Total (excl. unclassified)		68,177	100.0

Table 3.4: Falkirk Council ACORN Profile

The results of the waste composition study are shown below:

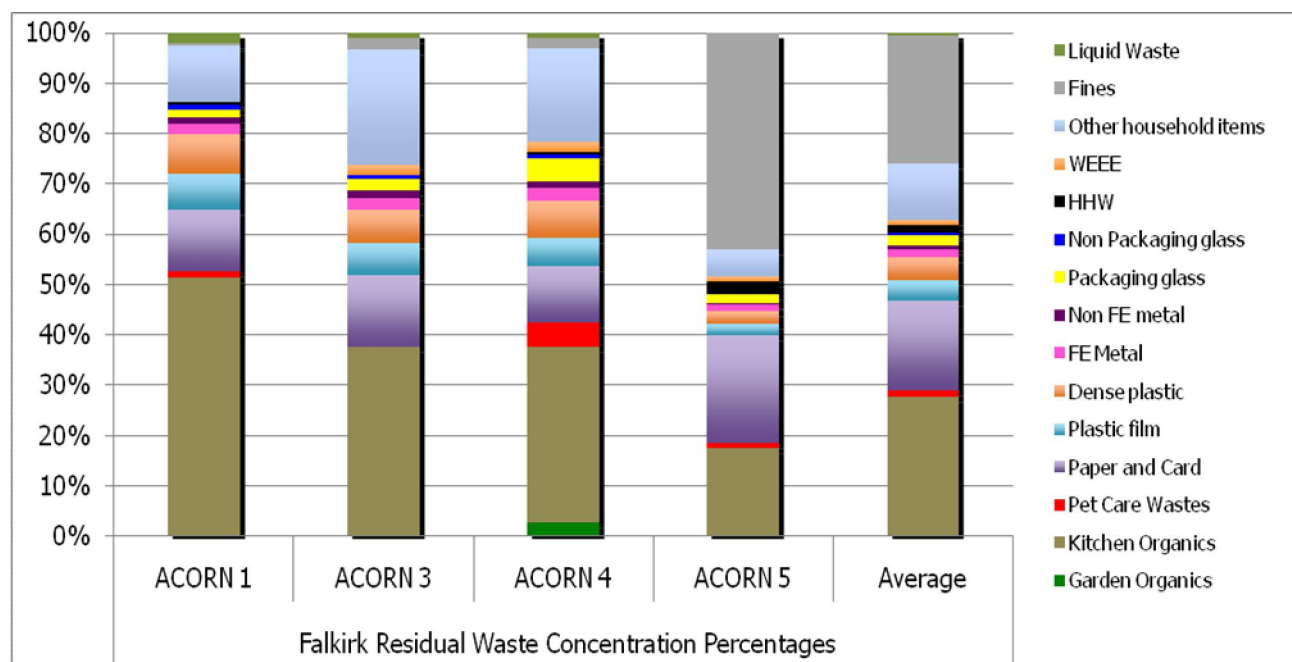


Figure 3.2: Falkirk Council Waste Composition 2010

In 2010, 35,389 tonnes of residual waste was collected by the Falkirk Council kerbside collection service. Using the concentration (%) of the primary categories results of the waste composition study the quantity of each material was calculated as shown below:

Primary categories	Concentration %	Kg/household/week	2010/11 Tonnage
Garden Organics	0.30	0.04	106.18
Kitchen Organics	27.42	3.24	9704.26
Pet Care Wastes	1.20	0.14	425.73
Paper and Card	17.74	2.10	6277.47
Plastic film	4.22	0.50	1494.98
Dense plastic	4.45	0.53	1576.10
FE Metal	1.63	0.19	576.12
Non FE metal	0.75	0.09	265.81
Packaging glass	2.14	0.25	757.06
Non Packaging glass	0.40	0.05	141.67
HHW	1.49	0.18	526.74
WEEE	1.16	0.14	411.63
Other household items	11.16	1.32	3948.26
Fines	25.40	3.00	8988.52
Liquid Waste	0.53	0.06	188.73
Total	100.00	11.81	35,389

Table 3.5: Falkirk Average Residual Waste 2010

3.4 Current Budget Allocation

The costs associated with the provision of the current Falkirk Council kerbside collection service are outlined below:

Collection Type	Cost (£)/Yr	% of Total Service Cost	£/Tonne/Yr	£/ Household/Yr
Residual Service	£3,835,089	57%	£108.37	£54.37
Co-Mingled Mixed Dry Recyclables	£1,130,193	17%	£94.81	£16.62
Garden	£1,213,425	18%	£138.31	£20.22
Black Box & Textile	£551,702	8%	£268.34	£8.11
Overall Service	£6,730,409	100%	£115.77	£95.42

Table 3.6: Costs Associated with Existing Falkirk Council Kerbside Collection Service

Appendix 1 contains a breakdown of the costs associated with the delivery of the existing kerbside collection service.

4. THE DRIVERS FOR CHANGE

4.1 Scotland's Zero Waste Plan

Scotland's Zero Waste Plan (ZWP) was published by the Scottish Government on 9th June 2010. The full plan can be viewed on the Scottish Government website.³ The key points of relevance from the Zero Waste Plan in relation to the collection and treatment of food waste are summarised below: -

- Action 4 – The introduction of landfill bans for materials such as food waste.
- Action 5 – The introduction of a carbon metric measurement that will encourage the recovery of materials in a way that has greater environmental benefit.
- Action 8 – The introduction of regulations to support the separate collection of materials, and specifically food waste, in order to recover the energy value from the material.
- Annex A – Only materials that have achieved PAS100 or PAS110 quality specification for composted or digested materials will be counted as recycling.
- Annex C – The intention of the Scottish Government to enact legislation to require the separate collection of food waste from households and commercial premises.

The Scottish Government has set municipal waste recycling and composting targets of 40% by 2010 increasing to 70% by 2025. European landfill diversion targets are also in place for biodegradable municipal waste for 2010, 2013, and 2020. By 2013, the biodegradable waste to landfill must be 50% of the amount in 1995. These challenging targets mean Local Authorities are looking at the potential to collect and recycle biodegradable waste streams to maximise diversion from landfill.

4.2 Proposed changes to European Waste Framework Directive

The revised Waste Framework Directive (WFD) (2008/98/EC)⁴ came into force in UK law on 12 December 2010 and repealed three existing directives:

- Existing Waste Framework Directive (2006/12/EC)
- Waste Oils Directive (75/439/EEC)
- Hazardous Waste Directive (91/8689/EEC)

Scottish law already contained the necessary provisions to comply with the repealed directives. However, the revised WFD introduced several provisions that required additions and amendments to existing Scottish waste legislation. Some of the amendments were met by inclusion in the revised Zero Waste Plan for Scotland (ZWP). The remaining provisions have been transposed into the Waste Management Licensing (Scotland) Regulations 2011 and the Waste (Scotland) Regulations 2011, which came into force in 27th March 2011. The main changes to waste management priorities in Scotland and the UK will be from the transposition and implementation of a new five step waste hierarchy:

1. Prevention
2. Preparing for reuse
3. Recycling
4. Other recovery, e.g., energy recovery
5. Disposal.

The new waste hierarchy is intended to act as a priority order in waste prevention legislation and policy. This means that any decisions relating to waste will need to take the new hierarchy into account. The revised Directive also sets out a range of targets, including the provision that 50% of household waste must be recycled or prepared for reuse, by 2020.

³ <http://www.scotland.gov.uk/Resource/Doc/314168/0099749.pdf>

⁴ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:312:0003:0030:EN:pdf>

In addition, there is a requirement to set up separate collection of at least paper, metal, plastic and glass from household waste by 2015. The separate collection of biowaste, such as food and garden waste, was expected to be encouraged in the transposition of the Directive and this is addressed in the ZWP.

4.3 Proposed Zero Waste Regulations

Following the publication of the Zero Waste Plan (ZWP) in June 2010, the Scottish Government is currently reviewing a consultation exercise⁵ on draft regulations aimed at implementing a number of policies set out in the ZWP.

The Draft Regulations will (if enacted as set out in the consultation) result in:

1. a requirement for source segregation and separate collection of key recyclable materials and food waste;
2. a ban on mixing separately collected wastes with other wastes;
3. a ban on landfilling of key recyclable materials and food waste;
4. a restriction on the inputs to energy from waste (EfW) facilities; and
5. a property based ban on waste disposed of to landfill based on organic content.

More specifically in relation to food waste it is proposed to introduce a number of new statutory duties on Scottish local authorities:

- a duty to provide receptacles to householders which will enable them to present food waste, glass, metals, plastics, textiles, paper and card (including cardboard) for collection separately from other waste; and
- a duty to collect and carry separately from other types of waste any food waste, glass, metals, plastics, textiles, paper and card (including cardboard) which has been presented for separate collection by householders.

4.4 Council's Current Waste Strategy

Falkirk Council, in partnership with Clackmannanshire Council and Stirling Council, prepared the Forth Valley Area Waste Plan (AWP)⁶ in 2003. The AWP describes the Forth Valley Waste Strategy Area Group (WSAG) targets and plans over the eight years from 2003 and was written in response to the National Waste Plan for Scotland. The key aim of the Area Waste Plan was:

"to contribute to the sustainable development of the Forth Valley by developing waste management systems that will control waste generation, reduce the environmental impacts of waste production, improve resource efficiency, stimulate investment and maximise the economic opportunities arising from waste".

In 2006 the WSAG also produced the Forth Valley Regional Waste Management System – Strategic Outline Case⁷ (SOC). This document describes a number of options and business cases for meeting the Landfill Allowance Scheme (LAS) targets using the Best Practicable Environmental Option (BPEO) as set out in the AWP. The main elements of the BPEO set out in the SOC are:

- Extensive Waste Prevention and Public Awareness Programme
- Enhance capacity and function of the Waste Recycling Centres
- Progressively harmonise the kerbside collection in Forth Valley
- Develop a Materials Recovery Facility (MRF)
- Enhanced Composting Facility
- Procure Residual Waste Treatment Solution

⁵<http://www.scotland.gov.uk/Resource/Doc/332934/0108419.pdf>

⁶http://www.falkirk.gov.uk/services/development/waste_strategy/Forth%20Valley%20Area%20Waste%20Plan.pdf

⁷<http://www.scotland.gov.uk/Resource/Doc/113776/0027643.pdf>

The AWP is due to be revised in 2011 but is expected to continue with the recommendations of the 2003 AWP and provide more detail as set out in the SOC.

Falkirk Council intends to review the Zero Waste Plan Regulations and as such plan to update the Forth Valley Strategic Outline Case submitted in 2006 to ensure onward compliance with statutory targets. The plan at the time focussed on avoidance and reduction of waste, maximising the reuse and recycling of waste arising using a matrix of preferable local providers, and minimising the volume of residual waste. These criteria still sit comfortably with the obligations for a Zero Waste Scotland.

5. METHODOLOGY

The first step was to model the existing “baseline” collection service. The approach firstly required that the resources and logistics involved in the existing services be captured as accurately as possible within a ‘baseline’ model. The cost data provided by FC was modelled using MS Excel. The model was used to calculate the annual costs and environmental performance associated with the delivery of the existing kerbside collection service. The baseline model attempts to describe the logistics and costs of the current services. A full description of the current service provision is given in section 3 above. The baseline model was checked and verified by Falkirk Council. Ensuring that the baseline model was representative of the local collection characteristics provided a foundation upon which alternative options were modelled and evaluated.

A number of meetings were held between IKM Fehily Timoney, Falkirk Council (FC) and Zero Waste Scotland (ZWS) to agree the food waste options to be modelled. The operational cost data required for the four food waste collection options was provided by Falkirk Council. ZWS provided data on cost items such as food waste containers, communication and awareness, etc.

Under each food waste collection option, the model subsequently calculates the staffing, vehicle requirements and associated collection and disposal costs. The model calculates the expected performance of each option in terms of recycling / composting rates and also calculates the estimated costs of each option based on numbers of vehicles, containers, and crew required and multiplies these by their unit costs. The cost of treating/disposing of the various waste streams is calculated and included. Finally the model adds overheads for management and administration.

6. ASSUMPTIONS

In order to model the options for the collection of food waste a number of assumptions were made. A number of cost headings are constant across all four options e.g. cost of food waste containers and communication and awareness. A full list of the assumptions made in modelling the food waste collection services are provided in Appendix 2.

ZWS and Falkirk Council requested that a sensitivity analysis be carried out on the amount of food waste presented per week by householders. The aim of carrying out the sensitivity analysis was to examine the impact of householders presenting varying amounts of food waste and the associated impacts on landfill diversion rates and landfill gate fee savings.

6.1 Sensitivity Analysis Available Quantity of Food Waste

The most significant assumption made in the MS Excel model relates to the yield of food waste that could be expected from each household covered by a food waste collection service. The calculation of the maximum quantity of food waste available from kerbside households is calculated based on the quantity of residual waste requiring management, composition of the residual waste stream and number of households that are provided with a food waste collection service.

Parameter	Value	Unit
Number of Kerbside Households	70,533	Households
Total Household Waste to Landfill (2010)	35,389	Tonnes
% Kitchen Organics	27.42	%
Total Quantity of Food Waste Available	9,704	Tonnes
Quantity\Household\Year	137.58	Kg\HH\Yr
Number of Households with Food Waste Service	64,000	Households
Available Food Waste from Household Provided with Food Waste Service	8,805	Tonnes

Table 6.1: Falkirk Council Available Food Waste

If the 64,000 households provided with the food waste collection service diverted 100% of the food waste a total of 8,805 tonnes of food waste would be collected. This assumes that every household avails of the food waste collection service and that 100% of the food waste is captured (100% capture rate). The behaviour of households in previous studies suggests that less than 100% capture rate can be expected as every household will not avail of the food waste collection services. The Scottish Food Waste Collection trials⁸ reported that:

- measured participation rates⁹ during the trials varied more significantly between 53% - 78%.
- three of the trials provided separate food waste collection to main door properties; the average yield from these trials was 1.5 kg/hh/wk¹⁰ of food waste for all households.
- for main door collections the WRAP trials found an average between 1.04 kg/hh/wk and 2.10 kg/hh/wk.
- average yields for food waste only households setting out in Scotland was 3.52 kg/hh/wk
- average yield of food from the combined food and garden waste collection was 0.8 kg/hh/wk¹¹.

⁸ http://www.wrap.org.uk/downloads/Scottish_Food_Waste_Collection_Trials.cdeba53c.10243.pdf

⁹ Participation - the number of households who set out their container(s) at least once in three consecutive collections as a percentage of the total number of households provided with the service.

¹⁰ Three of the trials provided separate food waste collection to main door properties; the average yield from these trials was 1.5 kg/hh/wk of food waste for all households. Source of data Scottish Food Waste Collection Trial, page i.

¹¹ The average yield of food from the combined food and garden was 0.8kg/hh/wk. Source of data Scottish Food Waste Collection Trial, page ii.

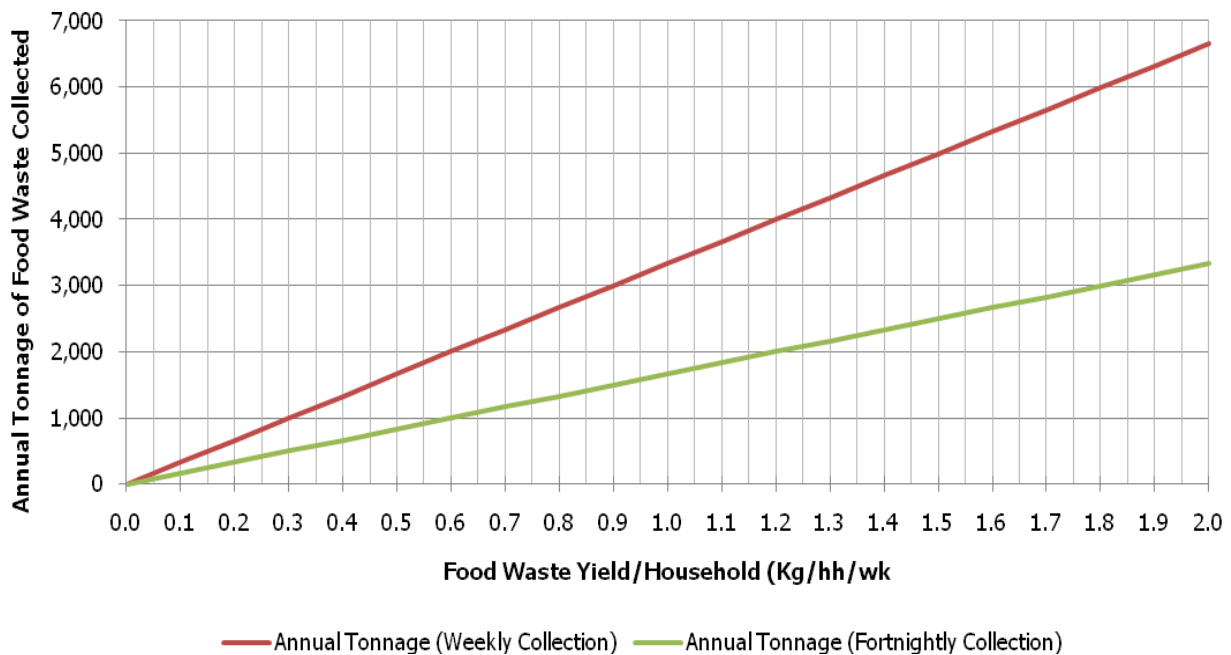


Figure 6-1: Impact of Food Waste Yield/Household on Annual Quantity of Food Waste Collected

When modelling, an assumption is made as to the yield of food waste that could be expected from every household covered by the service. The amount of food waste that each household presents for collection has a direct impact on the annual quantity of food waste diverted from landfill. Figure 6.1 shows that 4,992 tonnes (56.7%) of total available food waste (8,805 tonnes) would be diverted with a weekly collection service and household yield of 1.5 kgs/hh/wk whereas 3,994 tonnes (45.4%) would be diverted with a yield per household of 1.2 kgs/hh/wk.

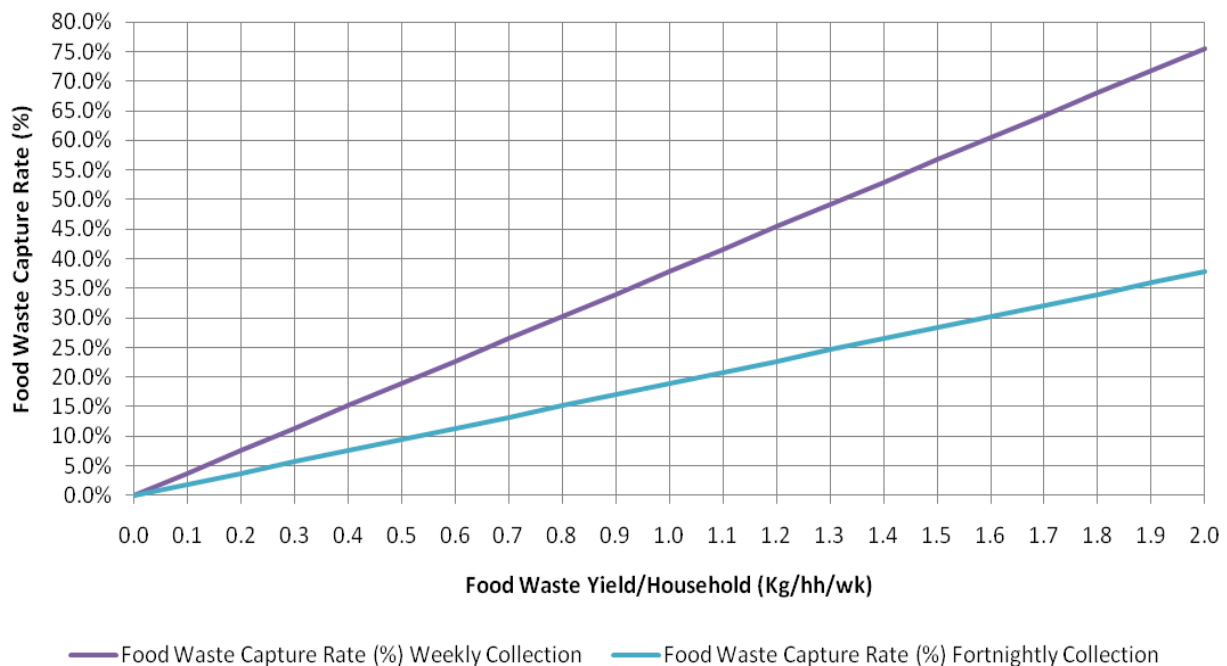


Figure 6.2: Impact of Food Waste Yield/Household on Food Waste Capture Rates

Figure 6.2 shows the capture rate (%) associated with household food waste yields ranging from 0 kgs to 2 kg/household/week. The graph also shows the variation between weekly and fortnightly collections. If a figure

of 1.5 kg/hh/wk was employed as the average yield of food waste from all households in Falkirk. it would translate to a capture rate of 56.7% for weekly food collection service. This implies that 100% of the food waste is captured from 56.7% of the households, whereas a capture rate of 45.4% would result if household yield was 1.2 kgs/hh/wk.

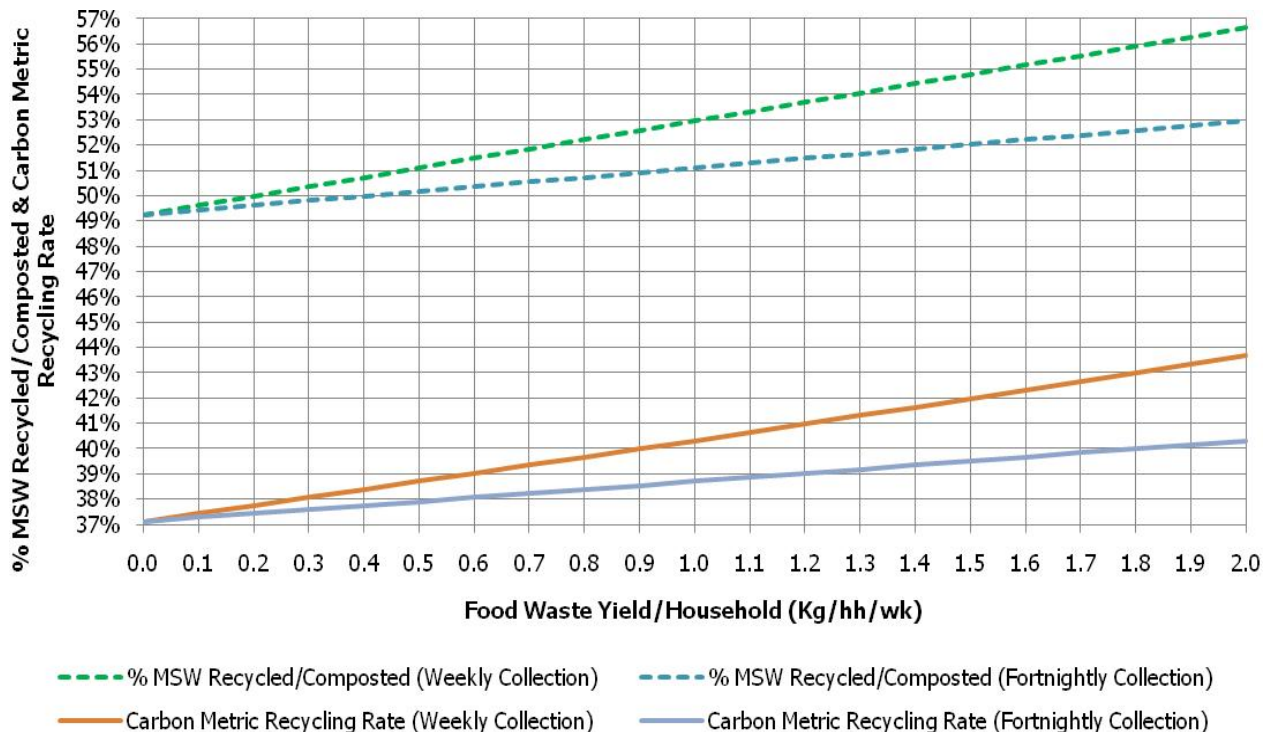


Figure 6.3: Impact of Food Waste Yield/Household on Recycling Rate and Carbon Metric

Falkirk currently has a MSW Recycling\Composting rate of 49.25% and a carbon metric recycling rate of 37.12%. Figure 6.3 shows the impact that the quantity of food waste presented per household has on the MSW Recycling\Composting rate and carbon metric recycling rate.

Within the model it has been assumed that the gate fee for treatment of food waste will be £37.50¹²/tonne. There is a landfill gate fee saving associated with the diversion of food waste away from landfill. As outlined in section 2.3 above Falkirk Council has a contract with Avondale Environmental Ltd for the disposal of residual waste at the Kinneal landfill. The landfill gate fee savings per year are shown below:

Year	Landfill Gate Fee/Tonne (£)	Food Waste Gate Fee/Tonne (£)	Net Gate Fee Saving/Tonne (£)
2011/12	70.67	37.5	33.2
2012/13	75	37.5	37.5
2013/14	78.9	37.5	41.4
2014/15	82.83	37.5	45.3
Post 2015	100	37.5	62.5

Table 6.2: Falkirk Council Landfill Gate Fee Saving 2011 to 2015

¹² Figure supplied by Falkirk Council

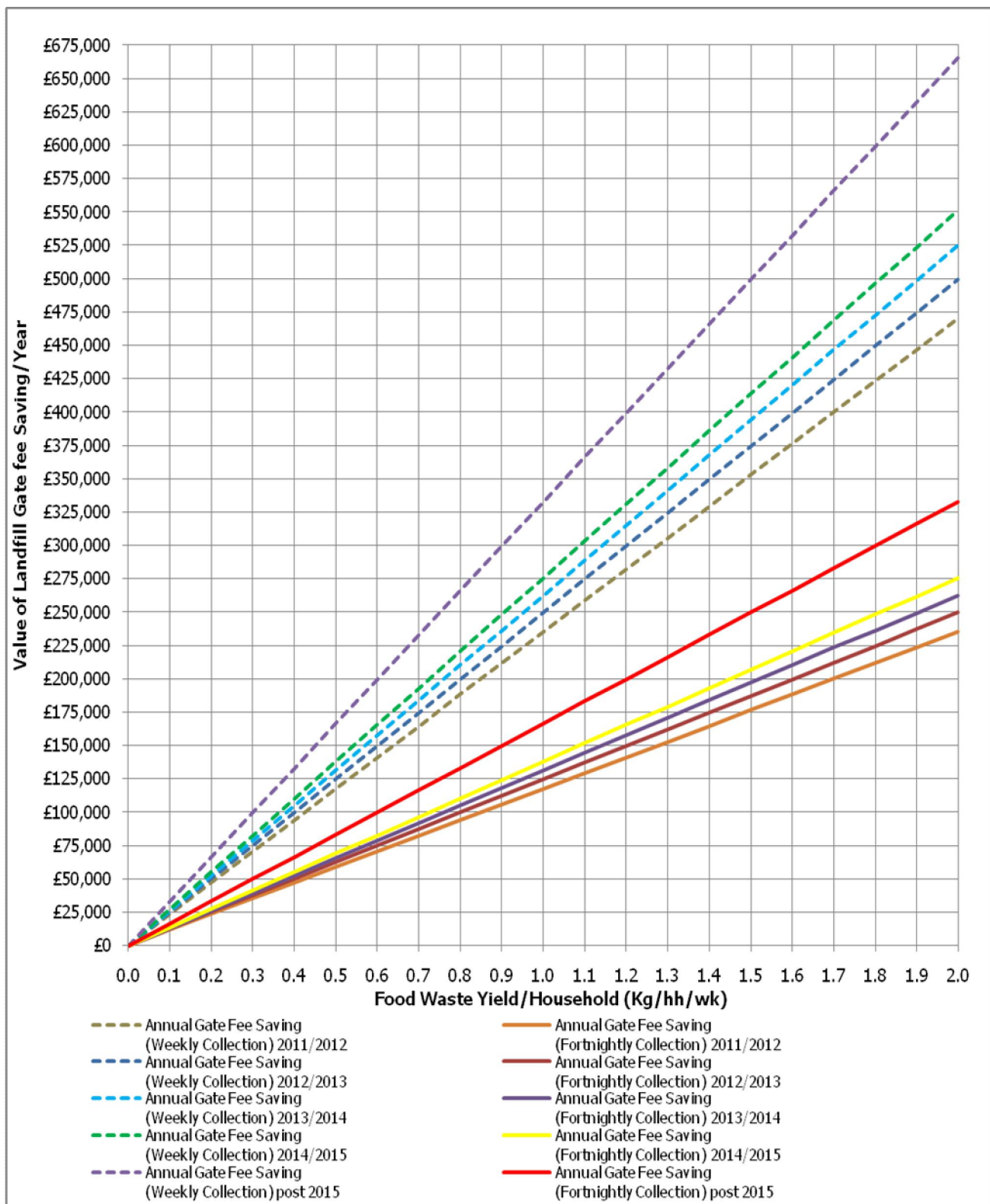


Figure 6.4: Impact of Food Waste Yield/Household on Landfill Gate Fee Saving

Figure 6.4 shows the impact of householders diverting food waste away from landfill in terms of landfill gate fee saving. The largest gate fee saving is achieved with weekly collection of food waste as more waste is diverted from landfill. Post 2015 a landfill gate fee of £100/tonne was assumed this was based on soft market sounding carried out by Falkirk Council.

6.2 Modelled Household Food Waste Yield

In discussions with FC and ZWS it was agreed to model a figure of 1.2 (kg/hh/wk) as the food waste yield/household under a weekly collection frequency and 0.7 (kg/hh/wk) for fortnightly collection. These figures were selected based on the operational experience of Falkirk Council. A comparison between the weekly food waste yields used in the Falkirk model compared to the Scottish Food Waste Collection Trial Report is shown below:

Parameter	Falkirk Council Model (1.2 kg/hh/wk)	Scottish Food Waste Report (1.5 kg/hh/wk)	Difference
Annual Quantity of Food Waste Collected (tonnes)	3,994	4,992	998
Capture Rate (%)	45.4	56.7	11.3
MSW Recycled/Composted (%)	53.7	54.8	1.1
Carbon Metric Recycling Rate (%)	41	42	1
Annual Gate Fee Saving 2012/2013 (£)	149,760	187,200	37,440

Table 6.3: Comparison between Weekly Household Food Yields of 1.2 kg of 1.5 kg

7. COLLECTION OPTIONS

The food waste options modelled were selected to reflect a range of collection techniques that could be employed by Falkirk Council (FC) to collect food waste. The range of options reflect some options that are likely to be affordable but may not provide the performance that FC will eventually require and some options that are likely to be more expensive but are likely to result in higher environmental performance. Options were selected that provide a practical strategy to:

- Capture a significant amount of food waste and
- Provide a cost effective and sustainable food waste collection service

7.1 Options to be modelled

A summary of the four options modelled is shown in table 7.1. In each food waste collection option there will be a revenue cost savings achieved by diverting food waste away from landfill to anaerobic treatment. There is no landfill tax saving as the increase in landfill tax up to 2015 is included in the existing contract gate fee for landfill disposal.

Option Name	Option Title	Food Collection Frequency	Waste Description of Option
Baseline	Do Nothing Scenario	No Food Waste Collection	Existing collection service with no food waste collection.
Option 1	Fortnightly Co-Collected Food Waste	Fortnightly	Co-collection of food waste on fortnightly basis using modified Terberg Kerbsiders. Existing Terberg Kerbsiders modified to include a food waste pod. Food waste collected from householders during same pass as "Black Box Recycling"
Option 2	Weekly Co-Collected Food Waste	Weekly	Week 1, co-collection of food waste on fortnightly basis using modified Terberg Kerbsiders. Existing Terberg Kerbsiders modified to include a food waste pod. Week 2, collection of food waste using fleet of new 7.5t RCV's.
Option 3	Collection of food waste on weekly basis using modified small RCV (7.5t).	Weekly	Weekly collection of food waste using fleet of new 7.5t RCV's.
Option 4	Fortnightly Food Waste Collection Co-mingled with brown bin (Garden)	Fortnightly	Co-collection of food waste on fortnightly basis using existing garden waste fleet.

Table 7.1: Falkirk Council Modelled Food Waste Collection Options

7.2 Baseline - "Do Nothing Scenario"

In this option the existing service remains unchanged. This option is the baseline against which the other options are compared. A summary of the existing service costs and environmental performance are shown below:

Collection Type	Annual Cost	% of Total Cost
Residual Service Cost	£3,835,089	57%
Co-Mingled Mixed Dry Recyclables Cost	£1,130,193	17%
Garden Costs	£1,213,425	18%
Black Box & Textile Costs	£551,702	8%
Overall Service Costs	£6,730,409	100%
MSW Recycling Rate	43.25%	
Carbon Metric Recycling Rate	37.12%	

7.3 Option 1 - Fortnightly Co-Collected Food Waste – Operational Parameters

In option 1, food waste is collected fortnightly using modified Terberg Kerbsiders. The Terberg Kerbsiders are modified to include a pod for the collection of food waste. This option provides for the collection of food waste on same day and pass as "Black recycling box".

Shown below are the modifications to the baseline collection service to account for the roll out of a food waste collection service under option 1.

Parameter	Option 1
Collection Frequency	Fortnightly
Mode of Collection	"Terberg Kerbsiders" vehicles modified to include food collection pod. Kerbsider used to collect waste at the same time as recycling black box.
Vehicles	No additional vehicles purchased by FC
Collection Staff	The collection of food waste is carried out by contractor who currently collects black box recycling. Additional annual payment of £88,588 made to contractor for collection of food waste. No additional FC staff employed to collect food waste.
Containers	Each householder receives a 10 litre kitchen caddy for internal storage and a 25 litre bin for external storage of food waste. Biodegradable bin liners for initial start up. Assuming 6 months of bags which is 78 bags per household (3 per week)
Annual Quantity of Food Waste	$(0.7\text{kg/hh/wk} \times 52 \text{ weeks}) = 36.4 \text{ kgs/hh/year}$. Service coverage = 64,000 households. Annual food waste arising = 2,330 tonnes
Disposal/Treatment:	Food waste is treated in local merchant anaerobic digestion facility

Table 7.2: Option 1 Modifications to Existing Service Configuration

7.4 Option 1 - Fortnightly Co-Collected Food Waste – Cost Breakdown

The 2011/2012 financial year runs from 1st April 2011 to 31st March 2012. Falkirk Council envisages that it will incur capital costs in 2011/2012 related to the purchase of containers and modifications to collection vehicles. No revenue costs will be incurred in the 2011/2012 financial year.

Falkirk Council envisages that in April 2012 they will commence rollout and collection to the first 20,000 properties. In May the service will be rolled out to a further 30,000 properties. The remaining 14,000 properties will be provided with the food waste collection service in June 2012.

Falkirk Council envisages starting the food waste in April 2012 therefore incurring 12 months of revenue costs although all the capital costs will be incurred in 2011/2012.

No retail price index (RPI) is applied in year one (2011/2012). The treatment of food waste is estimated to cost £37.5/tonne and no RPI has been applied to this cost item as soft market soundings indicate that food waste treatment will decrease in coming years. A RPI at 2.5% has been applied to all other cost items.

Year	Containers Capital	Containers Revenue	Comms Revenue	Vehicles Capital	Vehicles Revenue	Collection Logistics Revenue	Food Waste Treatment Revenue	Total Cost Including Administration at 4%
Year 1 (2011-2012)	£426,592	£0	£0	£42,000	£0	£0	£0	£487,336
Year 2 (2012-2013)	£0	£53,000	£51,250	£0	£5,290	£108,114	£87,360	£317,214
Year 3 (2013/2014)	£0	£20,657	£0	£0	£5,422	£110,817	£87,360	£233,226
Year 4 (2014/2015)	£0	£21,173	£0	£0	£5,558	£113,587	£87,360	£236,785
Year 5 (2015/2016)	£0	£21,702	£0	£0	£5,697	£116,427	£87,360	£240,433
Year 10 (2020/2021)	£0	£24,554	£0	£0	£6,445	£131,726	£87,360	£260,089

Table 7.3: Option 1 Food Waste Service Costs Year 1 to 5 and Year 10

7.4.1 Option 1 – Containers

A 10 litre internal kitchen caddy (£1.39/container), a 25 litre external caddy (£3.15/container) and an initial 6 months "starter pack" supply of biodegradable liners (£2.13 for 78 liners) are supplied to the 64,000 households covered by the food waste collection service. The capital cost associated with the purchase of the containers in year one is £426,592.

Providing a 'starter pack' of liners to residents during initial roll out of the food waste collection service can help maximise participation after the launch of collections. However there is potential for significant wastage if liners are supplied to households that do not subsequently participate in the collections. Therefore local authorities should carefully consider how many liners should be provided during trial roll out and the associated cost implications.

The provision of free liners has resource implications for Falkirk Council – approximately £4.25 per participating household per year (based on current prices) and assuming on average 3 liners per week.

In view of this, it is important to note that if free liners are provided at the outset of a scheme, the introduction of charges is likely to have an adverse effect on the performance of a scheme. Surveys carried out by WRAP¹³ in two of the trial areas which provided liners free of charge asked residents whether they would continue to use the service if they had to purchase liners and 38% of respondents stated that they would discontinue using the food waste collection service.

On the other hand, if residents are required to purchase their own liners from the inception of a scheme, it is also likely that some households will not use the scheme for this reason. Anecdotal evidence from some of the trials suggests a mixed approach is sensible – for example, supplying a certain number of liners free of charge during the launch of a scheme and requiring residents to purchase their own liners thereafter. However, it is important that residents use the correct liners so clear advice needs to be provided. There are examples of authorities working with liner suppliers to establish local supply networks to make it easier for residents to purchase the right liners¹¹.

There is a cost associated with the delivery of the containers to each household, estimated by Falkirk Council (FC) at £53,000, which will be incurred in 2012/2013. After the initial roll out there will be a requirement to replace containers due to damage by householders/collection crews, containers lost/stolen and general wear and tear. The recurring annual revenue costs of container replacements after year one is £19,662. It has been assumed that no containers will require replacement in the first year (2012/2013) of service roll out.

7.4.2 Communications

Communications are an integral part of any local authority recycling service. WRAP's (Waste & Resources Action Programmes) guidance in The Waste Collection Commitment (www.wrap.org.uk/lacommitment) sets communications firmly at the heart of any good recycling and waste service. This is based on consumer feedback on what is considered to be the most important aspects of a waste collection service. In order to participate fully, residents need to know clearly what their services are, what their service rules are and what happens to their recycling after it is collected.

The ultimate aim of any recycling communications campaign is to improve recycling performance. WRAP's research shows that key to the success of a recycling scheme is a well designed service with good communications to overcome peoples barriers to participation.¹⁴

The communication and awareness expenditure associated with the initial roll out the FC food waste collection service is £96,000 (£1.5\household). Communications after initial service roll out will be funded from the existing council communication and awareness budget.

7.4.3 Vehicles

The four existing Terberg Kerbsiders vehicles will be modified to include a dedicated food pod. The modification cost per vehicle is £8,000. In addition four spare fork lift stillage container are purchased at a cost of £2,500\container. There is an annual revenue cost of £5,161 associated with the replacement of fork lift stillage.

7.4.4 Collection Logistics

In option 1, food waste is collected during the same pass as the black box recycling. The addition of food waste to the existing contract arrangement will result in an additional payment to the private contractor of £88,588/year. In addition FC will have to supervise the food waste service at an estimated cost of £16,889/year.

¹³ Case study, Food Waste Collection Trials – use of liners for kerbside containers and kitchen caddies

¹⁴ WRAP, Improving recycling through effective communications - Final Report (November 2009)

7.4.5 Carbon Metric and Recycling Rate

The fortnightly collection of food waste will divert an estimated 2,330 tonnes of food waste away from landfill. The diversion of food waste will increase the MSW recycling rate by 2.6% from the current figure of 49.3% to 51.8%. The Carbon Metric Recycling Rate¹⁵ increases by 2.2% from 37.1% to 39.3%.

7.4.6 Summary of Option 1 Costs

The diversion of waste from landfill results in a cost saving due to reduced gate fee for food waste treatment. Table 7.4 shows the nets cost of the option 1 food waste collection service.

Year	Option 1 - Total Food Waste Cost (£/Year)	Landfill Gate Fee Saving (£/Year)	Net Cost Option 1 (£/Year)
Year 1 (2011-2012)	£487,336	£0	£487,336
Year 2 (2012-2013)	£317,214	£174,720	£142,494
Year 3 (2013/2014)	£233,226	£183,805	£49,420
Year 4 (2014/2015)	£236,785	£192,961	£43,824
Year 5 (2015/2016)	£240,433	£232,960	£7,473
Year 10 (2020/2021)	£260,089	£263,573	-£3,484

Table 7.4: Option 1 Net Food Waste Service Costs Year 1 to 5 and Year 10

7.5 Option 2 - "Weekly Co-Collected Food Waste"

In option 2, householders are provided with a weekly food waste collection service. In this option, week 1 will involve collection of food waste on same day and pass as "Black recycling box". On week 2, when the black box is not collected additional vehicles (7.5t RCV Linktip) will be deployed to collect food waste. Shown below are the modifications to the baseline collection service to account for the roll out of a food waste collection service under option 2.

Parameter	Option 2
Collection Frequency	Weekly
Mode of Collection	Week 1 – "Terberg "Kerbsiders" vehicles modified to include food collection pod. Kerbsider used to collect waste is at same time as recycling black box. Week 2 – New fleet of 7.5t (Linktip) collection vehicles are purchased to collect food waste on week when black box recycling is not collected.
Vehicles	Existing "Kerbsider" collection vehicles modified to include food collection pod. Four (4) new 7.5t (Linktip) collection vehicles are purchased.

¹⁵ Figures are estimates based on current method of calculation "Scotland's Zero Waste Plan Carbon Metric Guidance" and may be subject to change

Parameter	Option 2
Collection Staff	On week of black box, food waste is collected at same time as recycling black box, therefore no additional staff employed. Additional payment of £290,600/year to contractor to provide staff to collect food waste.
Containers	Each householder receives a 10 litre kitchen caddy for internal storage and a 25 litre bin for external storage of food waste. Biodegradable bin liners for initial start up. Assuming 6 months of bags which is 78 bags per household (3 per week)
Annual Quantity of Food Waste	(1.2 kg\hh\wk*52 weeks) = 62.4 kgs/hh/year. Service coverage = 64,000 households. Annual food waste arising = 3,994 tonnes
Disposal/Treatment:	Food waste is treated in local merchant anaerobic digestion facility

Table 7.5: Option 2 Modifications to Existing Service Configuration**7.6 Option 2 – Weekly Collection of Food Waste (Kerbsiders & 7.5t RCV's– Cost Breakdown)**

The timeline for the roll out of the option 2 food waste collection service is the same as option 1. Shown below are the capital and revenue costs associated with option 2. All the capital costs are incurred in this financial year 2011/12 with revenue cost incurred in 2012/2013.

Year	Containers Capital	Containers Revenue	Comms Revenue	Vehicles Capital	Vehicles Revenue	Collection Logistics Revenue	Food Waste Treatment Revenue	Total Cost Including Administration at 4%
Year 1 (2011-2012)	£426,592	£0.	£0.	£42,000	£0	£0	£0.	£487,336
Year 2 (2012-2013)	£0	£53,000	£51,250	£0	£66,790	£332,487	£149,760	£679,419
Year 3 (2013/2014)	£0	£20,657	£0	£0	£68,460	£340,799	£149,760	£602,863
Year 4 (2014/2015)	£0	£21,173	£0	£0	£70,171	£349,319	£149,760	£614,041
Year 5 (2015/2016)	£0	£21,702	£0	£0	£71,925	£358,052	£149,760	£625,498
Year 10 (2020/2021)	£0	£24,554	£0	£0	£81,377	£405,103	£149,760	£687,226

Table 7.6: Option 2 Food Waste Service Costs Year 1 to 5 and Year 10**7.6.1 Option 2 – Containers & Communications**

The number, type and cost of containers provided to householders are identical to those described in option 1 as is the cost of communications.

7.6.2 Option 2 – Vehicles

The four existing Terberg Kerbsiders vehicles will be modified to include a dedicated food pod. The modification cost per vehicle is £8,000. In addition four spare fork lift stillage container are purchases at a cost of £2,500\container. There is an annual revenue cost of £5,161 associated with the replacement of fork lift stillage.

Four additional 7.5t (Linktip) are purchased to collect food waste on the week with the black recycling box is not collected. The 3.5t Linktip vehicles have an indicative capital cost of £41,000 each. A cost of £15,000 was used to model the annual cost associated with the purchase and running of each 7.5t vehicle.

7.6.3 Option 2 – Collection Logistics

Falkirk Council envisages that the collection of food waste will be carried out under contract by a private sector service provider. The modelled annual cost of the private contractor collecting the food waste £290,600/year. In addition, FC will have to supervise the food waste service at an estimated cost of £33,778/year.

7.6.4 Option 2 – Carbon Metric and Recycling Rate

The fortnightly collection of food waste will divert an estimated 3,994 tonnes of food waste away from landfill. The diversion of food waste increased the MSW recycling rate by 4.4% from the current figure of 49.3% to 53.7%. The Carbon Metric Recycling Rate increases by 3.9% from 37.1% to 41%.

7.6.5 Option 2 – Summary of Costs

The diversion of waste from landfill results in a cost saving due to reduced gate fee for food waste treatment. Table 7.7 shows the nets cost of the option 2 food waste collection service.

Year	Option 2 - Total Food Waste Cost (£/Year)	Landfill Gate Fee Saving (£/Year)	Net Cost Option 2 (£/Year)
Year 1 (2011-2012)	£487,336	£0	£487,336
Year 2 (2012-2013)	£679,419	£299,520	£379,899
Year 3 (2013/2014)	£602,863	£315,095	£287,768
Year 4 (2014/2015)	£614,040	£330,790	£283,251
Year 5 (2015/2016)	£625,498	£399,360	£226,138
Year 10 (2020/2021)	£687,226	£451,839	£235,387

Table 7.7: Option 2 Net Food Waste Service Costs Year 1 to 5 and Year 10

7.7 Option 3 – Weekly Collection of Food Waste (7.5t RCV's)

In option 3, householders are provided with a weekly food waste collection service. In this option, food waste will be collected by a fleet of new 7.5t (Linktip) collection vehicles. The model assumes that the 64,000 households will be serviced by 7 RCV's (daily route size of 2,000 households). Shown below are the modifications to the baseline collection service to account for the roll out of a food waste collection service under option 3.

Parameter	Option 3
Collection Frequency	Weekly
Mode of Collection	New fleet of 7.5t (Linktip) collection vehicles are purchased to collect food waste on weekly basis
Vehicles	Seven (7) new 7.5t (Linktip) collection vehicles are purchased.
Collection Staff	Collection carried out under contract by private service provider Additional payment of £385,831/year to contractor to provide staff to collect food waste.
Containers	Each householder receives a 10 litre kitchen caddy for internal storage and a 25 litre bin for external storage of food waste. Biodegradable bin liners for initial start up. Assuming 6 months of bags which is 78 bags per household (3 per week).
Annual Quantity of Food Waste	(1.2kg\hh\wk*52 weeks) =62.4 kgs/hh/year. Service coverage = 64,000 households. Annual food waste arising = 3,994 tonnes
Disposal/Treatment:	Food waste is treated in local merchant anaerobic digestion facility

Table 7.8: Option 3 Modifications to Existing Service Configuration**7.8 Option 3 – Weekly Collection of Food Waste (7.5t RCV's) – Cost Breakdown**

The timeline for the roll out of the option 3 food waste collection service is the same as option 1 and 2. Shown below are the capital and revenue costs associated with option 3. All the capital costs are incurred in this financial year 2011/12 with revenue cost incurred in 2012/2013.

Year	Containers Capital	Containers Revenue	Comms Revenue	Vehicles Capital	Vehicles Revenue	Collection Logistics Revenue	Food Waste Treatment Revenue	Total Cost Including Administration at 4%
Year 1 (2011-2012)	£426,592	£0	£0	£0	£0	£0	£0	£443,656
Year 2 (2012-2013)	£0	£53,000	£51,250	£0	£107,625	£425,771	£149,760	£818,902
Year 3 (2013/2014)	£0	£20,657	£0	£0	£110,316	£436,415	£149,760	£745,834
Year 4 (2014/2015)	£0	£21,173	£0	£0	£113,074	£447,326	£149,760	£760,586
Year 5 (2015/2016)	£0	£21,702	£0	£0	£115,900	£458,509	£149,760	£775,707
Year 10 (2020/2021)	£0	£24,554	£0	£0	£131,131	£518,761	£149,760	£857,174

Table 7.9: Option 3 Food Waste Service Costs Year 1 to 5 and Year 10**7.8.1 Option 3 – Containers & Communications**

The number, type and cost of containers provided to householders are identical to those described in option 1 and 2 as is the cost of communications.

7.8.2 Option 3 – Vehicles

Seven (7) additional 7.5t (Linktip) are purchased to collect food waste. The 3.5t Linktip vehicles have an indicative capital cost of £41,000 each. A cost of £15,000 was used to model the annual cost associated with the purchase and running of each 7.5t vehicle.

7.8.3 Option 3 – Collection Logistics

Falkirk Council envisages that the collection of food waste will be carried out under contract by a private sector service provider. The modelled annual cost of the private contractor collecting the food waste £385,831/year. In addition, FC will have to supervise the food waste service at an estimated cost of £29,556/year.

7.8.4 Option 3 – Carbon Metric and Recycling Rate

The fortnightly collection of food waste will divert an estimated 3,994 tonnes of food waste away from landfill. The diversion of food waste increases the MSW recycling rate by 4.4% from the current figure of 49.3% to 53.7%. The Carbon Metric Recycling Rate increases by 3.9% from 37.1% to 41%.

7.8.5 Option 3 – Summary of Costs

The diversion of waste from landfill results in a cost saving due to reduced gate fee for food waste treatment. Table 7.10 shows the nets cost of the option 3 food waste collection service.

Year	Option 3 - Total Food Waste Cost (£/Year)	Landfill Gate Fee Saving (£/Year)	Net Cost Option 3 (£/Year)
Year 1 (2011-2012)	£443,656	£0	£443,656
Year 2 (2012-2013)	£818,902	£299,520	£519,382
Year 3 (2013/2014)	£745,834	£315,095	£430,739
Year 4 (2014/2015)	£760,586	£330,790	£429,796
Year 5 (2015/2016)	£775,707	£399,360	£376,347
Year 10 (2020/2021)	£857,174	£451,839	£405,335

Table 7.10: Option 3 Net Food Waste Service Costs Year 1 to 5 and Year 10

7.9 Option 4 - Fortnightly Food Waste Collection Co-mingled with Brown Bin (Garden)

In option 4, householders are provided with a fortnightly food waste collection service. In this option, food waste will be collected at the same time and pass as the existing garden waste service by the existing fleet of RCV's used to provide the garden waste service. The existing garden waste bin will be used for the external storage of food waste.

Shown below are the modifications to the baseline collection service to account for the roll out of a food waste collection service under option 4.

Parameter	Option 4
Collection Frequency	Fortnightly
Mode of Collection	Food waste collected at same pass as garden waste
Vehicles	Existing fleet of RCV's used for garden waste service. No additional vehicles purchased
Collection Staff	Existing crews collecting garden waste collect food waste in garden "brown" bin
Containers	Each householder receives a 10 litre kitchen caddy for internal storage of food waste. Existing "brown" garden bin used for external storage of food waste. Biodegradable bin liners for initial start up. Assuming 6 months of bags which is 78 bags per household (3 per week)
Annual Quantity of Food Waste	(0.7kg\hh\wk *52 weeks) = 36.4 kgs/hh/year. Service coverage = 64,000 households. Annual food waste arising = 2,330 tonnes
Disposal/Treatment:	Food waste is treated in local merchant anaerobic digestion facility

Table 7.11: Option 4 Modifications to Existing Service Configuration

7.10 Option 4 - Food Waste Collection Co-mingled with Brown Bin (Garden) Cost Breakdown

The timeline for the roll out of the option 4 food waste collection service is the same as option 1, 2 and 3. Shown below are the capital and revenue costs associated with option 4. All the capital costs are incurred in this financial year 2011/12 with revenue cost incurred in 2012/2013.

Year	Containers Capital	Containers Revenue	Comms Revenue	Vehicles Capital	Vehicles Revenue	Collection Logistics Revenue	Net Food & Garden Waste Treatment Revenue	Total Cost Including Administration at 4%
Year 1 (2011-2012)	£224,992	£0	£0	£0	£0	£0	£0	£233,992
Year 2 (2012-2013)	£0	£53,000	£50,000	£0	£24,917	£12,983	£197,023	£351,439
Year 3 (2013/2014)	£0	£6,324	£0	£0	£25,540	£13,308	£197,023	£251,882
Year 4 (2014/2015)	£0	£6,482	£0	£0	£26,178	£13,641	£197,023	£253,057
Year 5 (2015/2016)	£0	£6,645	£0	£0	£26,833	£13,982	£197,023	£254,261
Year 10 (2020/2021)	£0	£7,518	£0	£0	£30,359	£15,819	£197,023	£260,746

Table 7.12: Option 4 Food Waste Service Costs Year 1 to 5 and Year 10

7.10.1 Option 4 – Containers

In option 4, householders are only provided with one food waste container, a 10 litre internal kitchen caddy (£1.39/container), as the existing "brown" garden bin is used for the external storage of food waste. Each household is also provided with an initial 6 months "starter pack" supply of biodegradable liners (£2.13 for 78 liners). The capital cost associated with the purchase of the containers in year one is £224,992. The use of the existing garden bin for the external storage of food waste results in a year one capital cost saving of £201,600 compared to options 1, 2 and 3.

As the number of containers provided in option 4 is half that of option 1, 2 and 3, the annual revenue cost of container replacements is also reduced.

7.10.2 Option 4 – Communications

The option 4 cost of communications is identical to option 1, 2 and 3.

7.10.3 Option 4 – Vehicles

No additional vehicles are required in option 4 as the existing fleet of garden waste collection vehicles are employed to collect food waste. When modelling this option an additional cost of £24,309 was included for the additional haulage and running costs of the collection fleet.

7.10.4 Option 4 – Carbon Metric and Recycling Rate

The fortnightly collection of food waste will divert an estimated 2,330 tonnes of food waste away from landfill. The diversion of food waste increases the MSW recycling rate by 2.6% from the current figure of 49.3% to 51.8%. The Carbon Metric Recycling Rate increases by 2.2% from 37.1% to 39.3%.

7.10.5 Option 4 – Disposal & Treatment Costs

The addition of food waste (2,230 tonnes/yr) to the existing fortnightly garden waste (8,773 tonnes) collection service will result in the co-mingled material (11,103 tonnes) being treated via AD. With an AD gate fee of 37.5/tonne the annual cost of treating the comingled food and garden waste will be £416,348. The existing windrow composting gate fee is £25/tonne resulting in an annual treatment cost of £219,325.

The net cost of treating the comingled food and garden waste is (£416,348-£219,325) £197,023/year.

7.10.6 Option 4 – Summary of Costs

The diversion of waste from landfill results in a cost saving due to reduced gate fee for food waste treatment. However, the co-collected food and garden waste is treated by anaerobic digestion (AD) resulting in increased treatment costs as gate fee for AD is higher than windrow composting. Table 7.13 shows the net cost of the option 4 food waste collection service.

Year	Option 4 - Total Food Waste Cost (£/Year)	Landfill Gate Fee Saving (£/Year)	Net Cost Option 4 (£/Year)
Year 1 (2011-2012)	£233,992	£0	£233,992
Year 2 (2012-2013)	£351,439	£174,720	£176,719
Year 3 (2013/2014)	£251,882	£183,805	£68,077
Year 4 (2014/2015)	£253,057	£192,961	£60,096
Year 5 (2015/2016)	£254,261	£232,960	£21,301
Year 10 (2020/2021)	£260,746	£263,573	-£2,826

Table 7.13: Option 4 Net Food Waste Service Costs Year 1 to 5 and Year 10

7.11 Waste performance of options

In all options examined it is assumed that total number of households provided with a separate food waste collection service is 64,000. The projection of waste arising is modelled based on waste arising data provided by Falkirk Council for 2010. It was assumed that impact of waste reduction initiatives will offset population growth and associated increase in waste arising.

Parameter	Baseline	Option 1	Option 2	Option 3	Option 4
Total Household Waste (t)	58,138	58,138	58,138	58,138	58,138
Total Household to Landfill (t)	35,389	33,059	31,395	31,395	33,059
Total Household Recycled(t)	22,749	25,079	26,743	26,743	27,408
Total Kerbside Food(t)	0	2,330	3,994	3,994	2,330
kg/hh/wk Kerbside food	0.0	0.7	1.2	1.2	0.7
% MSW Recycled/Composted (%)	49.3%	51.8%	53.7%	53.7%	51.8%
Carbon Metric Recycling Rate %	37.1%	39.3%	41.0%	41.0%	39.3%

Table 7.14: Waste Performance of Food Waste Collection Options Modelled

7.12 Carbon Metric Score and Diversion of Waste from Landfill

The primary aim of implementing a food waste collection service is to divert organic material from landfill in order to reduce green house gas emissions, meet biodegradable waste diversion targets and move towards the recycling/recovery targets set in the Scotland's Zero Waste Plan.

The weekly collection options (option 2 and 3) divert 3,994 tonnes of food waste from landfill with the fortnightly options (option 1 and 4) diverting 2,330 tonnes. The weekly food waste collection option diverts 41.7% more waste than the fortnightly option. The percentage MSW Recycled/Composted is 53.7% under option 2 and 3 (weekly collection) and 51.8% under option 1 and 4 (fortnightly collection).

The Zero Waste Plan contains the following action: *"The Scottish Government will introduce a carbon metric for waste, to identify and prioritise the materials with the highest environmental benefit for recycling, leading to better environmental outcomes, and a more efficient economy. This metric will complement the existing tonnage metric."*¹⁶

Fortnightly food waste collections increase the Falkirk Carbon Metric Recycling Rate (%) from 37.1% to 39.3% and from 37.1% to 41% with weekly food waste collection.

¹⁶ Source: Zero Waste Plan for Scotland

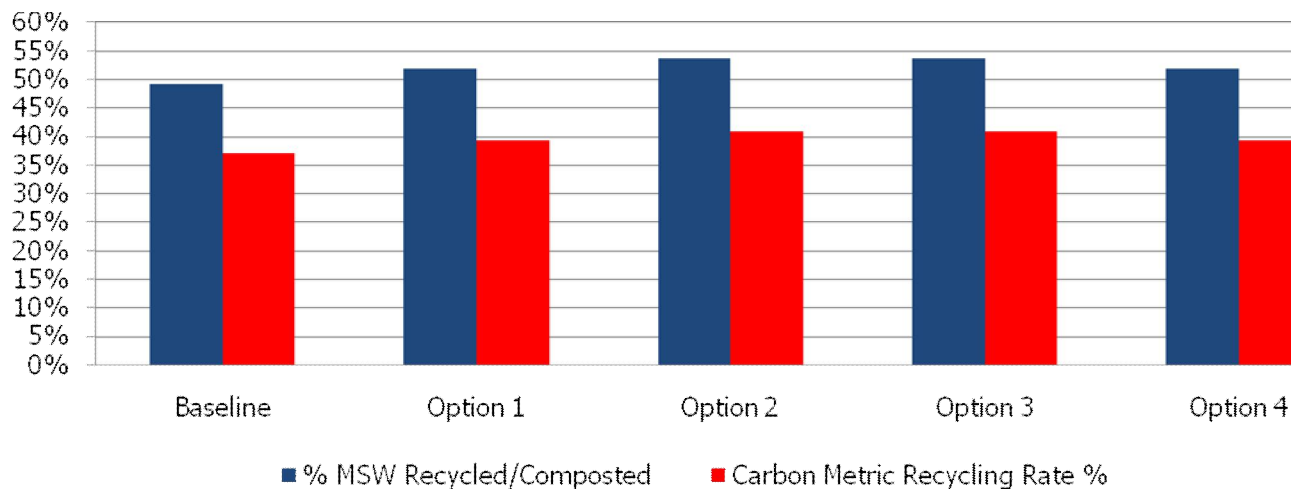


Table 7.15: Recycling Rate and Carbon Metric Contributions of Food Waste Options

8. TREATMENT OPTIONS

This section describes the various treatment options for food waste and provides a summary of local merchant facilities. It should be noted that food waste is considered an animal by-product material and, as such, must be treated in an approved facility in accordance with the requirements of relevant animal by-product legislation.

8.1 In-vessel composting

This is a form of composting where the food waste is treated in a close container or reactor. The reactors can be either horizontal or vertical and work by allowing a flow of air through the material ensuring material bio-degradation at temperatures of 55 to 70°C. The temperatures achieved can eliminate pathogens and weed seeds in accordance with the requirements of animal by-products regulation.

8.2 Wet Anaerobic Digestion

In contrast to composting, anaerobic digestion takes place in the absence of air i.e. in an anaerobic environment with a material moisture content of approximately >85%. The process takes place in enclosed vessels and results in the production of bio-gas (60% methane, 40% carbon dioxide). The bio-gas can either be burnt to produce heat and electricity or alternatively can be cleaned up and injected into the mains gas grid or used to fuel motor vehicles. Wet digestion systems generally include a sensitisation step to ensure adherence with the requirement of animal by-product legislation. The remaining material, known as digestate, can be used as fertiliser and soil conditioner.

8.3 Dry Anaerobic Digestion

This process differs from wet anaerobic digestion in terms of the moisture content of the material being processed with a moisture content of approximately >70% observed. This process is better suited to high dry matter feed stocks such as energy crops, garden waste and mechanically recovered municipal waste (e.g. from mechanical biological treatment plant). Dry digestion systems generally include a sensitisation step to ensure adherence with the requirement of animal by-product legislation.

8.4 Local Merchant Facilities

There are a number of merchant food waste facilities in relatively close proximity to Falkirk Council. Falkirk Council intends to establish a "Framework Contract" of service providers for treatment of food waste.

Facility Type	Within 10 miles from main depot (or other relevant location)	Within 50 miles of main depot (or other relevant location)
IVC	Not Currently Available	GP Green Recycling, Blantyre, Glasgow. Approx 26 miles
IVC	Not Currently Available	Horizons Environment, Deerdys Composting Facility, Mollins Road. Approx 15 miles.
Wet AD	Not Currently Available	Horizons Environment, Deerdys Composting Facility, Mollins Road. Approx 15 miles.
Dry AD	Not Currently Available	Not Currently Available

Table 8.1: Location of Local Food Waste Merchant Facilities

9. SUMMARY TABLES

A summary of the year 1 to 5 and year 10 cost associated with the four food waste collection options modelled for Falkirk Council are shown below:

Item	Option 1	Option 2	Option 3	Option 4
Additional Vehicles	-	Four (4) 7.5t RCV's	Seven (7) 7.5t RCV's	-
Additional Falkirk Council Staff	-	-	-	-
Purchase of Containers	£426,592	£426,592	£426,592	£224,992
Payment to Contractor (£)/year	£88,588	£290,600	£385,831	£0
Net Cost (£) Year 1 (2011/12)	£487,336	£487,336	£443,656	£233,992
Net Cost (£) Year 2 (2012/13)	£142,494	£379,899	£519,382	£176,719
Net Cost (£) Year 3 (2013/14)	£49,420	£287,768	£430,739	£68,077
Net Cost (£) Year 4 (2014/15)	£43,824	£283,251	£429,796	£60,096
Net Cost (£) Year 5 (2015/16)	£7,473	£226,138	£376,347	£21,301
Net Cost (£) Year 10 (2020/21)	-£3,484	£235,387	£405,335	-£2,826
Net Cost (£) Year 20 (2030/31)	-£29,906	£257,692	£475,239	-£61,008
Net Cost (£) Year 25 (2035/36)	-£45,775	£271,088	£517,223	-£95,951
MSW Recycling Rate (%)	51.8%	53.7%	53.7%	51.8%
Carbon Metric Recycling Rate (%)	39.3%	41%	41%	39.3%

Table 9.1: Summary of Cost and Environmental Performance for Option 1 to 4

A detailed cost breakdown of each option is provided overleaf.

Option 1 Fortnightly Collection with Black Box												
Year	Containers Capital Cost	Containers Revenue Cost	Communications Revenue	Vehicles Capital Cost	Vehicles Revenue Cost	Collection Logistics Revenue Costs	Food Waste Treatment Revenue Cost	Total Cost Including Administration	Landfill Gate Fee Saving	Net Cost Option 1	Capital Cost	Revenue Cost
Year 1 (2011-2012)	£426,592	£0	£0	£42,000	£0	£0	£0	£487,336	£0	£487,336	£487,336	£0
Year 2 (2012-2013)	£0	£53,000	£51,250	£0	£5,290	£108,114	£87,360	£317,214	£174,720	£142,494	£0	£317,214
Year 3 (2013/2014)	£0	£20,657	£0	£0	£5,422	£110,817	£87,360	£233,226	£183,805	£49,420	£0	£233,226
Year 4 (2014/2015)	£0	£21,173	£0	£0	£5,558	£113,587	£87,360	£236,785	£192,961	£43,824	£0	£236,785
Year 5 (2015/2016)	£0	£21,702	£0	£0	£5,697	£116,427	£87,360	£240,433	£232,960	£7,473	£0	£240,433
Year 10 (2020/2021)	£0	£24,554	£0	£0	£6,445	£131,726	£87,360	£260,089	£263,573	-£3,484	£0	£260,089
Year 20 (2030/2031)	£0	£31,431	£0	£0	£8,250	£168,621	£87,360	£307,489	£337,396	-£29,906	£0	£307,489
Year 25 (2035/2036)	£0	£35,562	£0	£0	£9,335	£190,779	£87,360	£335,957	£381,732	-£45,775	£0	£335,957
Option 2 -Option 2-Vehicles- Food Waste Weekly Week 1 - Modification to Kerbsiders Co-Collection with Black Recycling Box Week 2 - Used New Fleet of 7.5t Linktip (new for this service)												
Year	Containers Capital Cost	Containers Revenue Cost	Communications Revenue	Vehicles Capital Cost	Vehicles Revenue Cost	Collection Logistics Revenue Costs	Food Waste Treatment Revenue Cost	Total Cost Including Administration	Landfill Gate Fee Saving	Net Cost Option 2	Capital Cost	Revenue Cost
Year 1 (2011-2012)	£426,592	£0	£0	£42,000	£0	£0	£0	£487,336	£0	£487,336	£487,336	£0
Year 2 (2012-2013)	£0	£53,000	£51,250	£0	£66,790	£332,487	£149,760	£679,419	£299,520	£379,899	£0	£679,419
Year 3 (2013/2014)	£0	£20,657	£0	£0	£68,460	£340,799	£149,760	£602,863	£315,095	£287,768	£0	£602,863
Year 4 (2014/2015)	£0	£21,173	£0	£0	£70,171	£349,319	£149,760	£614,040	£330,790	£283,251	£0	£614,040
Year 5 (2015/2016)	£0	£21,702	£0	£0	£71,925	£358,052	£149,760	£625,498	£399,360	£226,138	£0	£625,498
Year 10 (2020/2021)	£0	£24,554	£0	£0	£81,377	£405,103	£149,760	£687,226	£451,839	£235,387	£0	£687,226
Year 20 (2030/2031)	£0	£31,431	£0	£0	£104,169	£518,567	£149,760	£836,085	£578,392	£257,692	£0	£836,085
Year 25 (2035/2036)	£0	£35,562	£0	£0	£117,858	£586,711	£149,760	£925,486	£654,398	£271,088	£0	£925,486
Option 3 -Vehicles- Food Waste Weekly New Fleet of 7.5t Linktip (new for this service)												
Year	Containers Capital Cost	Containers Revenue Cost	Communications Revenue	Vehicles Capital Cost	Vehicles Revenue Cost	Collection Logistics Revenue Costs	Food Waste Treatment Revenue Cost	Total Cost Including Administration	Landfill Gate Fee Saving	Net Cost Option 3	Capital Cost	Revenue Cost
Year 1 (2011-2012)	£426,592	£0	£0	£0	£0	£0	£0	£443,656	£0	£443,656	£443,656	£0
Year 2 (2012-2013)	£0	£53,000	£51,250	£0	£107,625	£425,771	£149,760	£818,902	£299,520	£519,382	£0	£818,902
Year 3 (2013/2014)	£0	£20,657	£0	£0	£110,316	£436,415	£149,760	£745,834	£315,095	£430,739	£0	£745,834
Year 4 (2014/2015)	£0	£21,173	£0	£0	£113,074	£447,326	£149,760	£760,586	£330,790	£429,796	£0	£760,586
Year 5 (2015/2016)	£0	£21,702	£0	£0	£115,900	£458,509	£149,760	£775,707	£399,360	£376,347	£0	£775,707
Year 10 (2020/2021)	£0	£24,554	£0	£0	£131,131	£518,761	£149,760	£857,174	£451,839	£405,335	£0	£857,174
Year 20 (2030/2031)	£0	£31,431	£0	£0	£167,858	£664,058	£149,760	£1,053,632	£578,392	£475,239	£0	£1,053,632
Year 25 (2035/2036)	£0	£35,562	£0	£0	£189,916	£751,320	£149,760	£1,171,621	£654,398	£517,223	£0	£1,171,621
Option 4 - Fortnightly Co Collection of Food and Garden Waste												
Year	Containers Capital Cost	Containers Revenue Cost	Communications Revenue	Vehicles Capital Cost	Vehicles Revenue Cost	Collection Logistics Revenue Costs	Net Food & Garden Waste Treatment Revenue Cost	Total Cost Including Administration	Landfill Gate Fee Saving	Net Cost Option 4	Capital Cost	Revenue Cost
Year 1 (2011-2012)	£224,992	£0	£0	£0	£0	£0	£0	£233,992	£0	£233,992	£233,992	£0
Year 2 (2012-2013)	£0	£53,000	£50,000	£0	£24,917	£12,983	£197,023	£351,439	£174,720	£176,719	£0	£351,439
Year 3 (2013/2014)	£0	£6,324	£0	£0	£25,540	£13,308	£197,023	£251,882	£183,805	£68,077	£0	£251,882
Year 4 (2014/2015)	£0	£6,482	£0	£0	£26,178	£13,641	£197,023	£253,057	£192,961	£60,096	£0	£253,057
Year 5 (2015/2016)	£0	£6,645	£0	£0	£26,833	£13,982	£197,023	£254,261	£232,960	£21,301	£0	£254,261
Year 10 (2020/2021)	£0	£7,518	£0	£0	£30,359	£15,819	£197,023	£260,746	£263,573	-£2,826	£0	£260,746
Year 20 (2030/2031)	£0	£9,623	£0	£0	£38,862	£20,250	£197,023	£276,387	£337,396	-£61,008	£0	£276,387
Year 25 (2035/2036)	£0	£10,888	£0	£0	£43,968	£22,911	£197,023	£285,781	£381,732	-£95,951	£0	£285,781

10. TIMETABLE AND KEY MILESTONES

There are a number of tasks that Falkirk Council will need to consider in providing a food waste collection service to householders. Shown below is a checklist of items to be considered.

Communications

1	Collect current scheme promotions
2	Review current scheme designs
3	Develop design brief for generic leaflet
4	Decide on concepts
5	Develop Guidelines and templates
6	Concept finalisation and sign off
7	Determine print time
8	Tailor promotions specific to L.A.
9	Approval process for artwork
10	Agree text and logos
11	Agree introductory flyer
12	Agree instruction leaflet
13	Arrange photo opportunities
14	Write and issue press release

Containers

1	Procure boxes / liners
2	Check order numbers and procure bins
3	Sort out storage space for bins and liners
4	Agree re-distribution method for liners
5	Devise distribution method for bins, caddies and liners
6	Distribution of bins and initial liners

Vehicle

1	Review vehicle options
2	Agree vehicle style
3	Procure/ modify vehicle
4	Add vehicle to O license
5	Arrange for storage of vehicle
6	Arrange insurance & tax
7	Agree maintenance schedule
8	Arrange breakdown cover
9	Agree ABPR with trading standards
10	Devise method to prevent overloading
11	Arrange PPE and spill kit on vehicle
12	Identify space for additional promotional material and liners on vehicle
13	Agree design and logos for vehicle
14	Arrange for decals

Training

1	Identify training needs for crew
2	Identify training needs for call-centre staff
3	Prepare training plan
4	Identify and prepare FAQs
5	Training of crews
6	Training of call-centre staff
7	Prepare outline and send letter to Councillors

End market

1	Establish Framework Contract For Treatment
2	Agree gate fee and secure supply agreement
3	Determine specification for material and contamination level accepted
4	Arrange invoice system

Project Review

1	Define invoicing system, reporting system, communication channels
2	Quarterly progress reports (quarterly)
3	Distribution of additional literature e.g. newsletter
4	Survey to residents
5	Survey to staff
6	Analyse data

10.1 Timeline and Milestones

The envisaged timeline for the roll out of the Falkirk Council food waste collection service is shown below:

October

- Complete Business Case

November

- Reviewed by ZWS steering group
- Offer of funding in principle to Falkirk Council

December

- Report to Council Environment & Community Safety committee

January

- Referred to Policy & Resources committee to sanction decision
- Agree full funding with ZWS
- Agree contract variation with FOCSA re new collection
- Place order for caddies & liners for delivery in April 2012
- Order new vehicles if required
- Procure treatment capacity

February/March

- Agree comms campaign strategy and agreed literature
- Set up project delivery team for completion of rollouts

April

- Commence rollout and collection to first 20,000 properties.

May

- Complete rollout and collection to next 30,000 properties

June

- Complete rollout to remaining properties

July

- Assess performance of collection and report to ZWS findings/concerns

Appendix 1

Cost of Existing Collection Service

Residual Collection Service

Each fortnight residual waste is collected from 70,533 households across 14 collection routes using 26 tonne (Gross Vehicle Weight) Refuse Collection Vehicles (RCV's).

Table A-1: Existing Cost Base - Residual Collection Service

Cost Heading/Route	Unit Cost/Year	Comment
Annual Cost Vehicles	£368,789	7 no. 26t RCVs with 2 no. Spare Vehicles
Annual Cost Staff and Supervision	£581,239	Cost of 7 drivers, 14 loaders, (1 relief driver and 2 relief loaders to account for absenteeism and holidays)
Annual Cost Containers	£100,039	All bins are assumed to be purchased upfront by FC and not financed over a number of years. However, the costs are annualised within the model by dividing the capital costs by the lifespan of the container. Additionally, an annual replacement rate is associated with the containers where households request replacements for lost or broken bins leading to additional cost.
Annual Cost Disposal/Treatment	£2,500,941	Disposal at £70.67/t
Annual Operating Cost Residual Service	£3,551,009	Sum of Vehicle, Staff & Disposal Costs
Overheads cost as % of operating costs	8%	Overhead Cost %
Overheads cost\Year	£284,081	Overhead cost
Total Annual Operating Cost Residual Service	£3,835,089	Total cost vehicles, staff, containers, disposal/treatment and overheads

Co-Mingled Collection Mixed Dry Recyclables Service

Each fortnight co-mingled mixed dry recyclables are collected from 68,000 households across 14 collection routes using 26 tonne (Gross Vehicle Weight) Refuse Collection Vehicles (RCV's). The costs associated with the provision of the co-mingled mixed dry recyclables waste collection service are shown below:

Table A-2: Existing Cost Base – Co-Mingled Recyclables Collection Service

Cost Heading/Route	Unit Cost/Year	Comment
Annual Cost Vehicles	£368,789	7 no. 26t RCVs with 2 no. Spare Vehicles
Annual Cost Staff and Supervision	£581,239	Cost of 7 drivers, 14 loaders, (1 relief driver and 2 relief loaders to account for absenteeism and holidays)
Annual Cost Containers	£96,447	All bins are assumed to be purchased upfront by FC and not financed over a number of years. However, the costs are annualised within the model by dividing the capital costs by the lifespan of the container. Additionally, an annual replacement rate is associated with the containers where households request replacements for lost or broken bins leading to additional cost.
Annual Cost Disposal/Treatment	£0	11,920t at £0/t
Annual Operating Cost Co-mingled Service	£1,046,475	Sum of Vehicle, Staff & Disposal Costs
Overheads cost as % of operating costs	8%	Overhead Cost %
Overheads cost\Year	£83,718	Overhead cost
Total Annual Operating Cost Co-mingled Service	£1,130,193	Total cost vehicles, staff, containers, disposal/treatment and overheads

Garden Waste Service

Each fortnight garden waste is collected from 60,000 households across 12 collection routes using 26 tonne (Gross Vehicle Weight) Refuse Collection Vehicles (RCV's). The costs associated with the provision of the garden waste collection service are shown below:

Table A-3: Existing Cost Base – Garden Collection Service

Cost Heading/Route	Unit Cost/Year	Comment
Annual Cost Vehicles	£311,588	6 no. 26t RCVs with 1 no. Spare Vehicles
Annual Cost Staff and Supervision	£507,529	Cost of 7 drivers, 14 loaders, (1 relief driver and 2 relief loaders to account for absenteeism and holidays)
Annual Cost Containers	£85,100	All bins are assumed to be purchased upfront by FC and not financed over a number of years. However, the costs are annualised within the model by dividing the capital costs by the lifespan of the container. Additionally, an annual replacement rate is associated with the containers where households request replacements for lost or broken bins leading to additional cost.
Annual Cost Disposal/Treatment	£219,325	Treatment of 8,773t at £25/t
Annual Operating Cost Garden Service	£1,123,542	Sum of Vehicle, Staff & Disposal Costs
Overheads cost as % of operating costs	8%	Overhead Cost %
Overheads cost\Year	£89,883	Overhead cost
Total Annual Operating Cost Garden Service	£1,213,425	Total cost vehicles, staff, containers, disposal/treatment and overheads

Black Box Recycling and Textile Service

Each fortnight the kerbside black box and textile service is provided to 68,000 households across 10 collection routes using Kerbsiders & 1 no. Stillage vehicle. The costs associated with the provision of black box recycling service are shown below:

Table A4: Existing Cost Base – Black Box and Textile Collection Service

Cost Heading/Route	Unit Cost/Year	Comment
Annual Cost Vehicles	£141,543	4 no. Kerbsiders and 1 no. stillage
Annual Cost Staff and Supervision	£483,111	Figure supplied by FC "Current annual payment to FOCSA is £462,000 pa. Supervision cost of £4,222 per contract route.
Annual Cost Containers	£15,829	All bins are assumed to be purchased upfront by FC and not financed over a number of years. However, the costs are annualised within the model by dividing the capital costs by the lifespan of the container. Additionally, an annual replacement rate is associated with the containers where households request replacements for lost or broken bins leading to additional cost.
Annual Cost Disposal/Treatment	-£110,000	Revenue Positive
Annual Operating Cost Black Box Service	£530,483	Sum of Vehicle, Staff & Disposal Costs
Overheads cost as % of operating costs	4%	Overhead Cost %
Overheads cost\Year	£21,219	Overhead cost
Total Annual Operating Cost Garden Service	£551,702	Total cost vehicles, staff, containers, disposal/treatment and overheads

Summary Cost Kerbside Collection Service

A summary of the costs associated with the existing collection service is shown below:

Table A5: Existing Cost Base – Kerbside Collection Service

Collection Type	Annual Cost	% of Total Cost
Residual Service Cost	£3,835,089	57%
Co-Mingled Mixed Dry Recyclables Cost	£1,130,193	17%
Garden Costs	£1,213,425	18%
Black Box & Textile Costs	£551,702	8%
Overall Service Costs	£6,730,409	100%

Appendix 2

Assumptions Made in Modelling Food Waste Collection Options

FALKIRK COUNCIL

Subject: TREASURY MANAGEMENT – INTERIM REVIEW 2011/12
Meeting: FALKIRK COUNCIL
Date: 23 January 2012
Author: CHIEF FINANCE OFFICER

1. INTRODUCTION

- 1.1 As part of the new regulatory framework for Treasury Management, reporting requirements make provision for a mid-year review of the Treasury Management function to be considered by full Council.

2. ECONOMIC AND INTEREST RATE OUTLOOK

- 2.1 At the time the Treasury Management Strategy for 2011/12 was approved by Council in April, it was noted that western economies continued their recovery from recession throughout 2010 but that there were indications that growth was slowing in the early part of 2011. More recent economic data confirms that growth prospects in the US, UK and Euro Zone are lower than expected. In addition, political difficulties in the US over their plans to address the budget deficit has led to a cut in their AAA credit rating and made for an uncertain outlook in the world economy.
- 2.2 In the Strategy Report, there was an expectation that the Bank Rate would remain at 0.5%, at least until the end of the financial year, however recent economic data is suggesting that the rates will remain low for a prolonged period of time possibly as far out as mid 2013. In addition long term rates have fallen considerably from those rates included in the Strategy Report, albeit these rates continue to be unpredictable.
- 2.3 The latest medium-term interest rate forecast as supplied by Sector, the Council's treasury advisers, is as follows:

Annual Average %	Bank Rate	MONEY RATES		PWL B RATES			
		3 months	1 Yr	5 Yr	10 Yr	25 Yr	50 Yr
2011/12	0.50	0.70	1.50	2.30	3.30	4.20	4.30
2012/13	0.50	0.71	1.58	2.38	3.40	4.30	4.40
2013/14	1.00	1.08	2.08	2.75	3.78	4.65	4.75
2014/15	2.25	2.60	3.30	3.40	4.50	5.05	5.15

3. BORROWING STRATEGY

3.1 The Council's longer term borrowing requirement is set out below:

	2011/12 Original Estimate £m	2011/12 Revised Estimate £m
Capital Programme (net of receipts)	26.7	26.4
Service Payments	(16.9)	(17.4)
Longer Term Loans maturing in year	<u>0.5</u>	<u>0.5</u>
Total Longer Term Borrowing Requirement	<u>10.3</u>	<u>9.5</u>

3.2 In the Strategy Report, it was noted that the Council's longer term borrowing requirement for the year would be relatively minor. With this in mind, it was planned to concentrate funding linked to short term rates and/or longer term fixed rates for periods of up to 5 years thereby taking advantage of the significant interest rate differential available from these periods. The report also highlighted the potential for four Market Loans, up to a value of £26m, to be repaid during the year should any of the lenders invoke a rate change clause as per their contracts.

3.3 Given the latest outlook for the future direction of interest rates, as outlined in Section 2, it remains the case that funding of the longer term borrowing requirement will continue to be linked to short term rates and/or fixed rate periods of up to 5 years. The potential for repayment of any of the Market Loans identified in para 3.2 still remains low given the current structure of long-term interest rates.

3.4 There has been no longer term borrowing in the year to date. Also, debt rescheduling activities remain on hold given the current structure of long-term interest rates. This position is likely to persist until such time as the premature repayment rates for PWLB loans rise from their current levels.

3.5 The primary periods of the Council's window lease contract start to conclude in financial year 2011/12 and negotiations are currently underway with the lessor to conclude best value terms.

3.6 The Strategy Report also highlighted significant cashflow implications on 31 March and 1 April when aggregate payments of £24m were made under the terms of the Council's NPDO projects to provide four new high schools. This was funded from a mixture of short term maturities and internal balances, details of which were incorporated in the Treasury Management Annual Review 2010/11.

4. INVESTMENT STRATEGY

4.1 Members are reminded that the primary objectives of the Council's investment strategy remains first and foremost to ensure timeous and full repayment of principal and interest, then securing adequate liquidity of funds invested and finally optimising investment returns consistent with counterparty risks.

- 4.2 The Council held £0.158m of investments, available on instant access, in two UK Banks at 31 December 2011.
- 4.3 There has been no change to the counterparty selection criteria nor the list of eligible counterparties as advised in the Strategy Report to Council in April.

5. TREASURY MANAGEMENT PRUDENTIAL INDICATORS

- 5.1 Financing of the Capital Programme is a key driver of Treasury Management activities which in turn is managed by a series of treasury management prudential indicators.
- 5.2 The purpose of the indicators is to contain the activity of the treasury function within specified limits, thereby managing risk and reducing the impact of an adverse movement in interest rates.

(1) <u>Interest Rate Exposure</u> These limits set the maximum for fixed and variable interest rates based on the debt position net of investments and seeks to control the level of debt exposed to short term movements in interest rates.			
		<u>Position</u> <u>(01/01/12)</u>	<u>2011/12</u> <u>Limit</u>
Limits on fixed interest rates based on net debt		90%	100%
Limits on variable interest rates based on net debt		10%	40%
(2) <u>Maturity Structure on Fixed Interest Rate Borrowing</u> These gross limits are set to control the Council’s level of exposure to loans expiring in any one period.			
	<u>Position</u> <u>(01/10/11)</u>	<u>Lower</u>	<u>Upper</u>
	%	%	%
Under 12 months	2	0	25
12 months – 2 years	14	0	25
2 years – 5 years	7	0	50
5 years – 10 years	5	0	75
10 years – 20 years	12	0	75
20 years – 30 years	12	0	75
30 years – 40 years	20	0	75
40 years – 50 years	30	0	75
(3) <u>Maximum Principal Sum Invested > 364 Days</u> As indicated in the Strategy Report, the Council does not place investments for periods longer than 364 days.			

6. TREASURY MANAGEMENT ADVISERS

- 6.1 The Strategy Report confirmed the appointment and services provided by Sector Treasury Services as the Council's adviser on Treasury Management. An annual contract has been agreed up to 30 September 2012.
- 6.2 It is important to recognise under the terms of the Treasury Management Code, that regardless of the input from Sector, the final decision on treasury matters rests with the Council.

7. MEMBER TRAINING

- 7.1 The Investment Regulations provide for increased scrutiny by Members of treasury management issues. To this end, a training session took place in June to which all Members were invited. This training session was tailored towards the needs and responsibilities of Members.

8. CONCLUSION

- 8.1 While a further £75bn package of quantitative easing was announced in October there is the potential for increasing the programme even further in the months ahead. Inflation in the UK will also be a key driver which determines the future direction of long-term interest rates. As such, the timing of any interest rate rises and monitoring the significant gap which currently exists between short and longer term rates, remain the key focus for the Treasury Section at this time.

9. RECOMMENDATION

- 9.1 **Council notes the progress of the Council's Treasury Management Strategy for 2011/12.**

Chief Finance Officer

Date: 12 January 2012

Contact Officer: Carole McGhee

LIST OF BACKGROUND PAPERS

- 1. Treasury Management Strategy 2011/12 submitted to Council on 18 April 2011.

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506340 and ask for Carole McGhee.

FALKIRK COUNCIL

Subject: IMPLEMENTING ‘TOWARDS A FAIRER FALKIRK’ – UPDATE REPORT
Meeting: FALKIRK COUNCIL
Date: 23 January 2012
Author: DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

1. INTRODUCTION

- 1.1 Members will be aware that the Council approved the Poverty Strategy ‘Towards a Fairer Falkirk’ in March 2011. This report sets out some of the key strands of work that are being taken forward as part of that strategy. In particular it focuses on the partnership network that has been established to take forward financial inclusion and wellbeing and the implementation of the single concessions framework. Other key areas of the strategy e.g. welfare reform, employability etc, have been reported to Members through Scrutiny Committees or have been subject of particular meetings and information sessions.

2. BACKGROUND

- 2.1 The Strategy noted that we see being fair as meaning that:

- Some services will be targeted to ensure that the most disadvantaged in our communities have the same opportunity to reach their full potential;
- Our employees understand the barriers that poverty imposes on individuals and on communities and will work to identify and reduce discrimination and disadvantage;
- We understand the impact of our decisions on budgets, policies, and activities to improve the lives of our most vulnerable and specifically those in poverty; and
- Communities and individuals are enabled to participate as equals in society.

- 2.2 To achieve this, we will tackle the root causes of poverty by aiming to:

- Maximise the number of people in better paid, secure employment;
- Reduce levels of debt across the population and maximise the income of households who rely on benefits; and
- Increase the financial choices available to our population and increase people’s understanding of the consequences of financial choices.

- 2.3 We will also aim to mitigate the impacts of poverty in a number of key areas:

- Impacts in relation to housing;
- Impacts in relation to health and wellbeing;
- Impacts on children; and

- Impacts on communities and participation.
- 2.4 Members will be aware of the information sessions that have been run recently to update them on the work being taken forward in pursuance of the Poverty strategy and also with regard to welfare reform. These information sessions will continue to ensure all Members are made aware of the changes proposed for the welfare benefits system.

3. FINANCIAL INCLUSION AND WELLBEING

- 3.1 The Financial Security and Wellbeing Partnership has been established as one of the key groups that will identify the activities and actions needed to implement the Poverty Strategy. This partnership group is in the early stages of its development. The partnership is led by the Council and the initial tasks of the group are to develop a framework that will ensure we:

- Maximise resources for individuals without causing hardship;
- Take steps to ensure that people have access to information which is appropriately targeted and helps them to make informed decisions;
- Take steps to ensure that vulnerable clients are identified early and appropriate support mechanisms put in place to enable access to available services; and
- Develop an approach to ensure that people know where to seek advice.

- 3.2 A core group has been formed to take this work forward. At present, the group is comprised of representatives from the CABx, Corporate and Neighbourhood Services, Social Work Services and Education.

- 3.3 The group has established the remit and governance arrangements for the partnership and has begun the process of identifying potential members of the partnership itself and its supporting working groups. Working groups are being be formed to consider :

- Welfare Reform: Benefits and Employability;
- Financial Inclusion and Capability;
- Service Development;
- Practitioners Forum; and
- Information and Communication.

- 3.4 The purpose of the working groups is to identify the action necessary to take the Financial Security and Well-being Partnership forward. It is intended that the membership and leadership of each group will evolve to reflect the work that needs to be taken forward. The first working group, Welfare Reform, Benefits and Employability, will report to both the Employability Partnership and the Financial Security and Well-being Partnership, as the reform of the welfare benefits system for working age people is an area of work that will impact on the work of both groups.

Financial Inclusion and Capability

- 3.5 The Financial Inclusion and Capability sub-group will look at the steps the Council and its partners can take to improve and increase access to financial products and services. This includes those products currently available like credit union membership and the Council tenant's home contents insurance scheme. This sub-group will also work with our

services and partners to ensure that the community has the information it needs to make confident and appropriate financial decisions and choices.

- 3.6 However, we also recognise that in addition to supporting credit unions, we must also support other financial inclusion and education activities. There are a number of areas of work that will be undertaken to increase membership of credit union and uptake of the Council's home contents insurance scheme for tenants and looking at ways we can work with existing services to promote the financial products we currently offer. Work will also be undertaken to look at ways we can encourage and support our citizens in making good financial decisions in schools, in community settings and in workplaces. We are currently looking at how this support can be provided.

Service Development Group

- 3.7 The Service Development Group is looking at how advice services can be delivered in the future, to take account of the impact of welfare reform and the anticipated increased demand for advice services. We need to identify gaps in service delivery, improve universal services and identify where services should be targeted and how vulnerable individuals are supported. We also need to plan for future provision and ensure that the services we have are fit for purpose. Work has been taking place to map out all current service delivery and this will be used to take forward the next stage of service planning.
- 3.8 Where there are gaps in provision, the group will identify the steps necessary to meet these needs. The resources have been identified within existing service provision to take this work forward.

Practitioners Forum

- 3.9 The Practitioners Forum is led by the CABx. This group is key to the success of the whole Financial Security and Well-being Partnership. The Practitioners Forum will be open to anyone providing advice and information in the Falkirk Council area. Meetings will look at particular issues. It is hoped that practitioners will provide information on issues as they emerge in the area. Additionally, it is hoped by increasing opportunities for networking, that practitioners can increase their knowledge and that working relationships can be established and improved. This will hopefully work towards clients having an improved service. These meetings will also be used to allow practitioners to share information on best practice. Already this group have identified the need to share statistics and to collect the same information to allow comparisons. Two sessions have been held with over 20 practitioners attending on each occasion.

Information and Communication

- 3.10 Each of the groups above will require support to communicate the activity they are involved in to the community, to each other, and to other organisations and services. It is important that a measured approach is taken to avoid duplication and confusion. The final sub-group will co-ordinate the approach to providing information and communication so that we can be sure that accurate information and messages are given.

4. THE FALKIRK EMPLOYABILITY ACTION PLAN

- 4.1 The Falkirk Employability Partnership, led by Falkirk Council, has agreed a revised Employability Action Plan for 2011 – 2013 to deliver the priorities and outcomes within the Community Planning Partnership's Workforce Plus and More Choices, More Chances

Strategies. The Action Plan should facilitate a more collaborative approach to tackling skills and unemployment in the Falkirk Council area by linking national and local priorities to deliver a more coherent approach to employment and training. The key stakeholders within the Employability Partnership are:

- Falkirk Council;
- Skills Development Scotland;
- Jobcentre Plus;
- Forth Valley College;
- NHS Forth Valley; and
- Falkirk and District CVS.

- 4.2 The Partnership has a strong sense of the need to prioritise resources as a result of the downturn in the economy and the changes in the employment policy landscape, notably the introduction of the Work Programme. These factors have influenced the content and focus of the action plan for 2011/13. The Partnership is also strongly committed to an outcome based approach to service delivery within the framework of the Strategic Skills Pipeline and agreed that the overarching shared Employability Outcome is to, *“Maximise the proportion of working age residents attaining and sustaining better paid, secure employment.”*
- 4.3 In order to maximise the proportion of working age residents attaining and sustaining better paid, secure employment, it has been agreed that Employability Partnership will contribute to the following outcomes:-
- Increase the number of young people participating in post 16 learning;
 - Increase the proportion of school leavers entering a positive sustained destination on leaving school;
 - Increase the number of young people attaining literacy and numeracy to SCQF level 4 and above;
 - Increase skills and qualifications of the workforce within the Falkirk Council area;
 - Reduce the proportion of working-age residents in receipt of employment related benefits; and
 - Examine how to improve the conditions of service for our workforce, including the provision of training and the introduction and promotion of the living wage.
- 4.4 The Falkirk Employability Action Plan was agreed by the Economic Strategy and Development Committee and provides a strategic framework for delivery of services along a Strategic Skills Pipeline to assist people into employment. This will enable a collaborative approach to tackling skills and unemployment, linking national and local priorities to deliver a more coherent approach to employment and training.
- 4.5 In establishing priorities for the deployment of resources, there is a recognition that some individuals can be excluded if they do not have the opportunity to engage in employment. Young people are particularly vulnerable if they do not participate in training or employment, following compulsory schooling. There is also a concern over access to “universal” entitlements in the form of mainstream services and efforts will be targeted at the groups and areas most at risk of entering or remaining in poverty through improved, enhanced and accelerated support.
- 4.6 To contribute to the achievement of the strategic outcomes, the impacts, activities and outputs will be monitored, with the end result of the service provision for the key target

groups being better paid, secure employment. The key performance indicators to be used will include:-

- % of working age benefit claimants (age and stage);
- Proportion of School Leavers in a positive and sustained destination;
- No of 18 – 24 yr olds claiming JSA;
- % of 16 – 19 yr olds Not in Education Employment and Training;
- % of working age population attaining SCQF level 4 in Literacy and Numeracy;
- % of Population with SVQ Level 2 or above;
- % of workforce undertaking training; and
- No of young people engaged in the Modern Apprenticeship programme.

4.7 Given the commitment to the shared outcome and the high degree of uncertainty as to how the employment support measures within the welfare reforms will operate, the partnership has determined that locally controlled partner resources should be used to support clients before they become eligible for the mandatory work programme and that resources will be prioritised as follows:

- 80% for Young People (16-24); and
- 20% for Adults (25+).

4.8 The Partnership will wait until the Work Programme has bedded down and then identify if there are any emerging gaps in service provision. It is recognised that within this approach, individual partners sitting inside a Scottish or UK organisational framework have to pursue their own organisational priorities. In order to achieve the overall Employability Outcome, partners have agreed specific high level performance targets. These are summarised as:

- Reduce % of young people (16-24s) on Job Seekers Allowance (Includes improving School Leaver destinations);
- Maximise % of working age residents attaining and securing better paid, secure employment;
- Reduce % of adult (25+) working age residents on DWP Workless Benefits; and
- Reduce % of children in households with no/low Earners.

4.9 In order to achieve our ambitions to provide suitable and sustainable employment for young people, the Council has made a commitment to continue to create opportunities for modern apprenticeships across all services. In 2011, over 213 opportunities have been created covering areas from ICT, plumbing, horticulture and engineering. A number of opportunities have also been created in social care, education and early year's provision. 80% of those engaged directly with Council Services secured continuous employment with the Council, thus demonstrating the value of the contribution that young people make to the services the Council provides.

4.10 All Services of the Council will continue to look to create appropriate opportunities. The Chief Executive has also written to all Community Planning Partners and the local Business Community to ask them what support they might be able to provide in generating training or employment opportunities for young people.

- 4.11 In addition, we are specifically looking at what additional provision we can make for more vulnerable groups of young people, such as those leaving care, and develop capacity and joint working arrangements with the third sector to help deliver on this key area.
- 4.12 As we reach the end of the first year of implementation, some notable progress has been made on some of our high level outcomes. Positive school leaving destinations have improved by 3.8% with Fairer Falkirk Funding support, the highest level of engagement of school leavers in training in Scotland. Training is up 3.3% and the highest in Scotland at 13.1%, 7.5% above the Scottish Average. There has also been a net reduction in the number of young people in receipt of Job Seekers Allowance, with the greatest reduction in the 16 – 19 year olds.

5. CHARGING AND CONCESSIONS

- 5.1 Since Falkirk Council approved the Poverty Strategy, a project plan has been developed to guide the key aspects of our Charging and Concessions Policy. This includes:
- The validation of the content and scope of the scheme. Initial meetings have taken place with each of the Services involved in the scheme. Orientation visits and supporting work is being progressed to help prepare each Service for implementation. Specific preparatory work is being organised with Education Services in recognition of their existing 'Cashless Catering' arrangements;
 - Developing card hosting options capable of accommodating the entitlement passport. This includes reviewing all the supporting information and systems, ensuring their integration so that information can be shared between services both efficiently and accurately; and
 - Collating a more detailed profile of the likely number of citizens who will qualify for entry and who will use the scheme. This will include a more detailed assessment of any cost implications.
- 5.2 In addition to this, fact finding visits were arranged to Aberdeen City Council and Dumfries and Galloway Council to see their existing schemes in operation and learn from these experiences. The information gathered from this has helped to inform our approach for the full implementation of new arrangements from 1 April 2012 and the need for a pilot scheme to inform full implementation. The Dumfries and Galloway visit has been particularly helpful in progressing our pilot exercise with the Falkirk Community Trust, as both operate the same management information system. These visits have also helped to identify the National Entitlement Card as the best hosting option in terms of both value for money and in optimising the potential scope and benefit from our scheme. Development of the full scheme is currently being finalised together with a full and detailed implementation plan. Full deployment of the scheme will be preceded by a pilot exercise.
- 5.3 As of 1 April 2012, a qualifying applicant will be able to submit one simple application, including a photograph, for the following entitlements:
- Discounted access to off-peak leisure and sport activities;
 - Two free pest control visits per annum;
 - One additional free special uplift per annum, in addition to the existing 2 free uplifts; and

- Free access to defined library services, including internet access, music and video hire.
- 5.4 In the original proposal presented to Members in March 2011, it was suggested that we might seek to offer discounted access to home contents insurance for Council tenants experiencing poverty. Unfortunately this cannot be considered as part of this offering as our contract with Aviva, who provide this service, cannot accommodate such a provision. This may be something which can be looked at again when the contract is due for renewal.
- 5.5 Entry to entitlement will entail proving receipt of a qualifying benefit. At the start of the next academic year it is proposed that the policy will be further rolled out to include free school meals and school clothing grants. This will be subject to more detailed work with Education Services. Qualifying benefits are:
- Income Support: aged 16 – 65 (4,670 claimants);
 - Pension Credit: guaranteed credit (2,240 recipients);
 - Employment & Support Allowance: income based (610 claimants);
 - Incapacity benefit (6,770 claimants);
 - Job Seekers Allowance (4,170 claimants);
 - Working Tax Credit – working less than 30 hours (1,400 claimants); and
 - Child Tax Credit: more than family element (6,600 claimants).
- 5.6 Upon submitting an application confirming one of the qualifying benefits, an applicant will receive a National Entitlement Card (NEC) which will incorporate local entitlement and branding. The NEC is the preferred option at this stage as it can be provided at no cost to the recipient. The entitlement card approach provides the best option for ‘passporting’ people into services; without this card it would be prohibitively expensive in administrative terms to offer a range of benefits from one application. The card will contain a unique identification reference number which will prove entitlement to the above concessions and will link into individual systems at this stage.
- 5.7 Implementation of the full scheme will be preceded by testing and piloting work, primarily with the Falkirk Community Trust. This test will focus on the use of the card using existing entitlements to Trust Services. The Trust Board will then decide if they are going to expand their scheme to cover all eligible groups as noted in para 5.5. Testing work, in advance of full implementation on 1 April 2012, will commence no later than 13 February 2012, and will comprise:
- A full service based test of technology, management and transaction systems and service interfaces, with the Falkirk Community Trust. This will be preceded by training for Trust staff;
 - The implementation and issue of entitlement cards and card readers for the Trust ahead of 1 April 2012;
 - Preparatory work with Corporate and Neighbourhood Services for the inclusion of special uplifts, pest control and garden aid. This and preceding work will roll forward until full implementation on 1 April 2012; and
 - Preparatory work with Education Services to prepare for their participation in the scheme at the start of the next school year.

- 5.8 All of the advance piloting and testing work will ensure that the new single application process, supporting management systems, new technology, and the accompanying discounted access to off-peak sport and leisure activities, as well as all of the other related charges and concession will be ready for implementation by 1 April 2012. This will include the development of the new application form and development of the Trust's Management Information System. This will allow local learning and experience to be applied to full implementation. This will also provide local information on estimated uptake and cost implications. Initial tests using the NEC interfacing with the Trust's Management Information System have proved successful. An equity passporting system is also being developed which will carry details of qualifying participant's entitlement to charges and concessions. This will be a corporate system capable of supporting the scheme across the Council.
- 5.9 The supply arrangements for NECs incorporating our local branding and appropriate card readers, have been confirmed with colleagues in Dundee City Council who provide the national management and co-ordination function for the NEC.
- 5.10 The Community Trust is taking this forward to test the process and procedures as:
- It has experience of offering reductions in charges and concessions;
 - There is added value for the Trust through earlier access to learning, through participating in this work;
 - Learning and experience gained can be applied to other service areas and will aid the implementation of the full policy; and
 - We can collate additional data and information which will allow us to better assess the likely number of beneficiaries, scheme users, costs and service implications.
- 5.11 In order to take the scheme forward there are other issues where further work is currently underway. These include:
- Agreeing the administration arrangements for the application and card issuing process. Discussion will take place with appropriate Services to identify and agree a suitable host for the administration arrangements in support of the Charges and Concessions scheme; and
 - In adopting a single concessions card, a decision on the branding for the local face of the new card is required. Based on the single card concept, local branding is being developed using 'The One Card' or 'The Bairn's One Card' as the card's proposed local title. This will give the new card a strong local identity to support local entitlement and help to encourage uptake by those who are eligible.
- 5.12 Although NECs are free, new card readers will need to be purchased and deployed. These cost approximately £60 per unit. The total cost will depend on how many units need to be deployed across the Council. There will be potential development costs to Service Management Information Systems which will host entitlement information and require new management reports to be developed. These costs will have to be borne by each Service. Specific preparatory work needs to be undertaken to take account of the Cashless Catering approach already offered by Education.
- 5.13 The new arrangements being implemented as of 1 April 2012, will assure that we meet the agreed principles set out in our Charges and Concessions Policy agreed by Council as part of our Poverty Strategy. Members will be updated on the progress of this work as it proceeds. The agreed principles include the following:

- Fairness – charges, concessions and supporting arrangements must be set on a fair and equitable basis and not provide an unnecessary barrier for any citizen accessing services;
- Transparency – we must be able to provide a clear rationale as to how charges and concessions have been determined;
- Simplicity – we must ensure that any new arrangements in support of this work are not costly, burdensome or bureaucratic to administer; and
- Targeting – entitlement will be targeted on those in most need.

Optimising Council Administered Trusts

- 5.14 Members will recall that in the Poverty Strategy, it was suggested that we look to support children and young people to participate in school activities and extra curriculum activities. To support this, it was suggested that we establish a fund that could be used to support children take part in activities run by schools, where money was a barrier to participation. To achieve this we were looking at ways to establish such a fund and were looking at funds the Council currently administers such as trusts etc.
- 5.15 The Council administers a number of trusts for the benefit of the public, or a section of the public. The trusts have total funds to the value of approximately £370,000, which generate annual income of approximately £5,700. At present, the income from these trusts is not being used to its full potential due to the restrictive and outdated purposes of many of the trusts. Consequently, consideration is being given to the possible reorganisation of the trusts so that their benefit can be fully realised. The legislative and court options available to achieve this are limited because the founding documentation is no longer available for almost all of the trusts. It is hoped to avoid any option involving court action because of the expense this would incur, but instead to utilise section 10 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990, which would require approval of the reorganisation by the Lord Advocate, following approval by Council and advertisement in the local press. This route is currently being investigated and in the first instance proposals will be sent to the Scottish Government's Legal Directorate (which represents the Lord Advocate) for their comments. The situation will be updated once these are received.

6. POVERTY IMPACT ASSESSMENT

- 6.1 The Poverty Impact Assessment process is an internal checking system to monitor the impact of decisions on our vulnerable communities to ensure that the impact on the community has been understood and considered prior to taking a decision to change a service. Poverty Impact assessments are one way of demonstrating that the impact of decisions on Falkirk's most vulnerable and disadvantaged groups has been integral to the decision making process. They will also be used to monitor the changes made over time to our services and to fully understand the cumulative impact of those changes on the people and communities to whom we provide services.
- 6.2 The successful introduction of an internal checking system requires the co-operation and involvement of Services. Corporate and Neighbourhood Services have developed a presentation to raise awareness of the poverty strategy and the poverty impact assessment process. This presentation includes worked examples of the PIA.

- 6.3 The presentation has been delivered to Service management teams to raise awareness of the poverty strategy and the PIA process and to discuss any areas of concern that officers and services might have.
- 6.4 Detailed guidance notes have been produced for Services which includes a number of worked examples. A series of fact sheets about poverty in the Falkirk Council area will be developed to support officers who have to carry out a poverty impact assessment. The successful introduction of the Poverty Impact Assessment process will require an element of organisational change that requires services having an understanding of how poverty can impact on the lives of those living in our communities. The presentations to Council officers will continue to raise awareness of the barriers that living in poverty can raise.
- 6.5 Already the Poverty Impact Assessment process is having some success, for example the recent decision to increase taxi fares highlighted that increasing the flag fall rate has a disproportionate impact on those who are more likely to have shorter journeys, i.e. older people, those affected by disability, people on low incomes. Alternatives were considered, however, because the taxi tariff in Falkirk is one of the lowest in Scotland, it was felt the proposal was fair. This example, although not leading to a particular change in the overall decision, shows that the Council is considering the impact of its decisions on our vulnerable communities.

7. SUPPORTING THE STRATEGY

- 7.1 As indicated in the Poverty Strategy, this dual focus on employment and financial security is particularly important in the current economic climate. We know that the impacts of the recession and other external factors have increased vulnerability to poverty and that the projections are for both unemployment and poverty levels to continue to rise in the short to medium term. In particular, we are aware that:
- Falkirk's recent good progress in reducing youth unemployment to around the national average has been undone by the economic downturn and that youth unemployment has also risen sharply across the UK;
 - The current and forthcoming changes to benefits are likely to increase the need for advice in this area, at the same time as the number of people claiming benefits is rising; and
 - The recession has already increased levels of unmanageable debt for some segments of society.
- 7.3 In addition to rising debt and unemployment, a key focus over the coming year will be on the impact of welfare reform on citizens and also child poverty. We will also consolidate the underpinning structures required to take forward our aspirations to address the impact of poverty and ensure our efforts are focused on making a difference to our communities.

8. CONCLUSION

- 8.1 Since the poverty strategy was approved in February 2011, most of the work completed has been in relation to establishing the processes and structures and detailed action plans necessary to take work forward. The next stage in implementation should involve taking forward some of the activities that will make a real difference to people living and working in the Falkirk Council area.

9. RECOMMENDATIONS

- 9.1 It is recommended that Members
- 9.2 Note the progress made to date with Towards a Fairer Falkirk;
- 9.3 Note the series of seminars being developed for Members as part of the Poverty Strategy which focus on the changes to benefits under the Welfare Reform Act;
- 9.4 Note the work being undertaken on the implementation of the charging and concessions strategy; and
- 9.5 Agree further reports are presented on the implementation of the Council's Poverty Strategy, including an update on the use of the Fairer Falkirk Fund.

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DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

Date: 22 December 2011

Ref: ABK0112FC

Contact Name: Fiona Campbell Ext: 6004

LIST OF BACKGROUND PAPERS

- 1. Report to Falkirk Council, March 2011, Towards a Fairer Falkirk, Poverty Strategy
- 2. Report to Economic Strategy and Development Committee, April 2011 Towards A Fairer Falkirk: Funding Employability Outcomes
- 3. Report to Economic Strategy and Development Committee, June 2011, Falkirk Employability Action Plan/Welfare Reform
- 4. Report to Economic Strategy and Development Committee, June 2011, Employment & Training: National Training Programme Contracts
- 5. COSLA: Welfare Reform Delivery, CW&S Executive Group November 2011

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506004 and ask for Fiona Campbell.