

FALKIRK COUNCIL

Subject: FORTH VALLEY AREA WASTE PLAN UPDATE
Meeting: ENVIRONMENT AND HERITAGE COMMITTEE
Date: 20 February 2007
Author: DIRECTOR OF DEVELOPMENT SERVICES AND DIRECTOR OF CORPORATE & COMMERCIAL SERVICES

1. INTRODUCTION

- 1.1 The purpose of this paper is to inform Members of the current status of progress in implementation of the Forth Valley Area Waste Plan (FVAWP) and to detail the actions necessary to meet the required landfill diversion targets set out in the Plan and Scottish Executive guidance.

2. PERFORMANCE AGAINST TARGETS

- 2.1 Members will recall, from previous reports to this committee, that there are obligations upon the Council to meet National Waste Plan and Area Waste Plan targets in addition to the requirement to stay within annual landfill allowances, which are determined by the Scottish Executive.
- 2.2 The Council is forecasting a recycling and composting rate of around 34%-36% for the year 2006/07. If this is achieved then the Council will have already exceeded the Scottish Executive's National Waste Plan target of a 30 % recycling and composting rate for Municipal Solid Waste (MSW) to be achieved by 2008.
- 2.3 The Council also has a 36 % recycling/composting target for 2006 contained within the Area Waste Plan. In the report to this committee of 13th June 2006 it was highlighted that this higher target would be challenging to achieve. This target applies to the Forth Valley Councils as a whole and is calculated by the Scottish Environment Protection Agency (SEPA). On current projections the Forth Valley Councils as a whole look set to meet this target. However, in order to exceed this level of recycling and composting on a consistent basis a considerable increase over current levels of diversion tonnage is necessary. This must be achieved through a variety of means, including the continued use of the 3-bin collection system and recycling centres. However, the introduction of separate recycling collections for the Council's commercial waste customers is now imperative.
- 2.4 The Council is also on track to meet its Landfill Allowance Scheme (LAS) target for the 2006/07 year. The next LAS target is for 2007/2008 (being a maximum of 52,806 tonnes of biodegradable material landfilled). Again significant progress must be made to reduce residual waste to landfill in order for the Council to continue to meet these targets with an appropriate safety margin to ensure penalties are avoided. The sliding scale of LAS allowances requires us to continue to make improvements year on year to ensure the Council remains compliant.

2.5 In summary, the Council with the support of residents, has performed well in 2006/07, but will need to continue to improve its performance year on year to meet future targets.

3. STRATEGIC OUTLINE CASE

3.1 Members, at the meeting of the Environment and Heritage Committee on 22 November 2005 authorised the Directors of Development Services and Corporate and Commercial Services to finalise the submission of the Joint Forth Valley Strategic Outline Case to the Scottish Executive. The final submission was made on 21 February 2006. This sought funding for three key elements to ensure future compliance with LAS targets:

- Enhanced kerbside recycling and waste prevention services, plus improved recycling centre infrastructure, to ensure that the maximum amount of recycling and composting can take place prior to landfill.
- Two in-vessel composting plants to enable the three Councils to collect household food waste for composting.
- A residual waste treatment process, assumed to be Mechanical Biological Treatment (MBT), to extract any further low grade recyclable/compostable material from residual waste prior to landfill.

3.2 Feedback from the Scottish Executive and SEPA is that the submission meets the Best Practical Environmental Option (BPEO) criteria contained within the Forth Valley Area Waste Plan (FVAWP). Following a presentation to the Executive's advisory panel in August 2006, the Executive have authorised their consultants to work with all three Councils to agree a funding package for the first element of the SOC submission (the first bullet point above). It is hoped that this process of working with the Executive's consultants to agree a funding package will be completed by April 2007, however the Executive have declined to set a formal timescale at this stage.

3.3 The Executive have delayed a decision upon the funding of in-vessel composting systems until they complete a number of food waste trials across Scotland. The Council has been shortlisted as one of seven Councils that may be funded to progress with such a trial. This is explained in more detail in section 7 of this report.

3.4 The residual waste treatment element of the SOC, which is essential if the Forth Valley Council's are to meet their 2010 and 2013 landfill diversion targets, has not been formally responded to by the Executive. However, subsequent dialogue with the Executive has indicated that they consider that a joint approach with Fife, Perth & Kinross and the Forth Valley Councils would provide economies of scale when procuring residual waste treatment facilities through a Public Private Partnership (PPP) mechanism.

3.5 Discussions are on going with the Executive to clarify the mechanism whereby this joint arrangement could be progressed and to address certain key concerns of the three Forth Valley Councils. These concerns are related to: the period of time required to procure and construct the proposed joint facility which may prevent the Councils from meeting their LAS targets, the environmental implications of the proposed residual waste treatment technology, and the location of the joint facility and the impact of additional

transportation on our environment and infrastructure (i.e. either bringing waste into, or taking it from, the area).

- 3.6 Members should note that at the time of this report there has been no assurance from the Executive that Council's will be protected from potential default penalty payments when they fail to meet their LAS targets as a result of the decision by the Executive not to fund SOC proposals. Members should also note that, as a result of the preferences of the Executive and the investment market, the suggested PPP mechanism will favour the option of one large incinerator facility receiving residual waste from all five councils. There is a genuine concern that the use of incineration on this scale will inhibit future increases in recycling and reuse.
- 3.7 A formal response from the Executive on the conditions of any future funding of residual waste treatment is dependent upon ministerial approval and so this may not be forthcoming until after the Parliamentary and Council elections in May 2007. However, a five council PPP energy from waste solution is not in line with the residual waste solution proposed within the SOC. To ensure that alternative options to large scale incineration are investigated Members are requested to approve the issuing of tenders for a 10 year Forth Valley residual waste treatment contract with two 5 year extension options. This procurement exercise will establish the cost and environmental benefits of the local solution proposed by the Forth Valley Councils. A Pre Qualification Questionnaire exercise for a Forth Valley residual waste treatment solution has already identified considerable interest and a subsequent tendering exercise would enable proposals from the private sector to be received and evaluated.
- 3.8 It is anticipated that, following member approval, tenders will be issued in May with responses likely to be received by August. Until the tender process is complete it is not possible to say whether the future annual cost of a Forth Valley residual waste treatment contract will exceed predicted landfill costs and therefore require additional resources from the council or Executive. The landfill budget for the council in 2006/07 is £3.565 million and so the costs for residual waste treatment over a 20 year period, based upon this budget, could exceed £70 million for the Council and £140 million for Forth Valley as a whole.

4 KERBSIDE COLLECTION SYSTEMS

- 4.1 The change to the blue bin collection frequency from four-weekly to fortnightly, coupled with a separate four-weekly brown bin collection arrangement, has proven very successful to date. The amount of dry recyclates now collected through the blue bin system contributes c 10 % to our annual recycling achievement.
- 4.2 The introduction of a 2-bin system (a blue bin and green bin) to properties with limited storage space or garden area has allowed c 2,000 additional properties to contribute to our recycling target as a result of this change. A further 3,500 will be added over the next 12 months.
- 4.3 The move to a separate brown bin collection has increased the costs of collection by around £200k per annum. A revised Strategic Waste Fund bid submission has been submitted to the Executive to cover these additional costs and to increase the service to a

full 12 month collection on a four weekly basis. A decision on this is expected by the end of March 2007.

- 4.4 Around 60,000 properties now receive a separate dry recycle collection service. The quality of material presented for recycling is good, with a low level of contamination. This achievement indicates a very high level of support for recycling within our community.

5 COMMERCIAL WASTE COLLECTION

- 5.1 Commercial waste received by the Council at its recycling centres, or through its commercial waste collection services, is included within the Council's Landfill Allowance Scheme and recycling targets. In order to reduce the landfilling of commercial waste, the SOC submission to the Executive proposed the extension of separate waste collection arrangements to the collection of commercial waste.
- 5.2 There are currently c 1100 trade premises receiving a commercial waste collection from the Council. Around 200 of these are Council properties such as offices and schools, which receive a recycling collection.
- 5.3 It is now necessary to extend the recycling service to all our commercial customers, with the collection of similar blue bin recyclates i.e. paper, card, cans, and plastic bottles. Specific bespoke arrangements will be required for business premises that have limited storage space.
- 5.4 As per the Controlled Waste Regulations 1992, the charge made for commercial waste collections by local authorities must ensure full cost recovery. The cost of separate collection arrangements for recycling will result in a significant increase in the charges the Council must make. Although this may result in a number of traders switching to private sector service providers, there is no alternative if the Council's targets are to be achieved. The Executive's Strategic Waste Fund does not provide funding for commercial collections and so any changes to the systems will require to be funded through these charges.
- 5.5 Approximately 125 of these premises are operated by charitable organisations and it is essential that similar controls and charges are also put in place for these organisations to increase recycling and achieve our targets. At present charitable organisations may request any level of service from the Council for free. Aside from the cost to the Council and the impact on LAS targets this practice does not encourage charities to take action to reduce their waste.
- 5.6 It is therefore proposed that should charities require a level of service in excess of a standard household collection (i.e. a weekly collection of a 240litre recycle and residual waste bin) that these additional services should be charged for at commercial rates. If charities use the equivalent of a household collection then this would be provided on a free basis. To ensure that charitable organisations are given adequate assistance in reducing their waste, two council waste minimisation advisors will be available to offer advice and assistance to them.
- 5.7 Given the individual nature of business premises a significant amount of preparatory work will be required to introduce the service. With this in mind it is proposed that the

service is introduced on a phased basis with Council properties being used as a trial during 2007/08 prior to the introduction of the full service to all customers in 2008/09. Members are therefore requested to support the introduction of a recycling service for commercial and charitable customers, which will be introduced on a phased basis commencing in 2008/09, with preparatory work being undertaken in 2007/08.

6 RECYCLING CENTRES

- 6.1 Two recycling centres are available for the use of the public free of charge, and for small traders on a fee paying permit basis. These facilities, one at Kinneil Kerse, Boness and one at Roughmute, Bonnybridge, have been upgraded to provide the best opportunity to recycle and divert materials from landfill and both sites are extensively used by both the public and commercial users. Trained waste management staff in combination with purpose built waste segregation facilities are deployed at both sites. Although staff shortages have prevented the Roughmute site from fully opening at this time.
- 6.2 The small trader fee permit for using the centres has been in operation for many years and the charge is reviewed annually. The permit was originally designed for businesses that operated from home or did not have suitable premises to organise their own regular waste collection service from. However, there is a concern, as highlighted in previous report to this committee, that some larger businesses may be using the permit system as a method of disposing of large amounts of waste at the Council's expense, rather than paying for an appropriate collection from their premises or by paying the market rate at a licensed disposal facility.
- 6.3 A survey of businesses using the permit was undertaken in November with the aim of assessing the operation of the current system. This found that over a 4 day period 250 commercial vehicles used the recycling centres. However, only 18 of these had a small traders permit with the balance claiming the waste was domestic in nature and not commercial.
- 6.4 This survey builds on an earlier householder survey that indicated that both Council sites were being utilised by a small percentage of non Falkirk residents. However, as other neighbouring Councils in North Lanarkshire and West Lothian have recently moved to restrict opening hours and access to their recycling centres it is believed that this inappropriate use will increase. These factors have confirmed that changes to the controls for small trader permits and householder use are required to ensure the Council's recycling centres continue to offer Best Value.
- 6.5 It is therefore proposed that only the private cars and trailers of Falkirk Council residents will be permitted to dispose of material free of charge at recycling centres. All vans, trucks or open back vehicles will be required to pre book for disposal and small traders permits will be required for all such users. The small traders permit charges require by law to be set at a level to ensure full cost recovery, based on the maximum carrying weight for the proposed vehicle. The most convenient and effective method of confirming residency will be explored at both sites. This may require, for example, the observation of a recent Council Tax statement or other suitable form of identification.
- 6.6 The Council's own Services also use the Recycling Centres without restrictions at present. This means the cost of providing these services does not reflect the actual costs of waste

disposal, and does not encourage services to introduce the necessary waste minimisation procedures. It is therefore proposed to introduce a standard charge per vehicle on a similar basis to the small trader fee for all services for 2007/08. These charges will help improve the quality of the services provided at the Centres and ensure that all the Council's services take appropriate responsibility for their own waste.

- 6.7 It is proposed that these changes will be introduced when the Roughmote site is fully operational. Member approval is sought for these improved controls on commercial and residential users of the Council's Recycling Centres as proposed in paragraphs 6.5 to 6.6. The changes will be reviewed after a period of six months to assess their effectiveness.

7 FOOD WASTE COLLECTION AND TREATMENT TRIAL

- 7.1 The Scottish Executive is proposing to fund a number of Council's to operate food waste collection trails for a period of year. The aim of this is to test the different types of collection and their efficacy.
- 7.2 This type of collection is proposed in the Forth valley SOC and in order to take advantage of any trials a bid has been submitted to take part in the trial. Out of 20 Councils which submitted a bid a shortlist of seven Councils, including Falkirk, have gone through to the second stage. A further more detailed bid has been submitted and the Executive plan to offer the trials to the three or four of these shortlisted seven. The outcome of this process is expected to be known by the end of February 2007.
- 7.3 If successful the Council will receive funding in excess of £300k to run a food waste collection to 10,000 households. The collection will consist of providing householders with a 7 litre kitchen caddy to collect food waste. This is lined with biodegradable starch bags. Once full, householders place the bag into their brown bin. The collection for the brown bin for the householders concerned will increase to fortnightly as a result.

8 IMPLICATIONS

Financial

- 8.1 The costs of any food waste trial would be fully met by an award from the Scottish Executive. The additional costs of the separate brown bin collection will require to be met from existing SWF monies and waste management budgets if the Executive do not approve the revised bid to support this service.
- 8.2 The introduction of commercial waste recycling will be funded by increases in commercial charges, agreed annually as part of the Council's fees and charges.
- 8.3 The cost of financial and technical expertise resources required to develop a detailed business case for residual waste treatment is anticipated to be met in the main by the Executive, with the balance being covered by the Council's Waste Strategy budget. The Council's Waste Strategy budget, along with funding from Clackmannanshire and Stirling Councils, will meet the cost of any Forth Valley procurement exercise.

- 8.4 The procurement of residual waste treatment facilities is expected to replace future long term landfill contracts. However, until a tendering exercise has been completed, and a response from the Executive has been received on this element of the SOC submission, it is not possible to confirm whether additional financial resources will be required over and above existing landfill budgets.

Legal

- 8.5 The introduction of improved controls over the receipt of commercial waste and users of the Council's recycling centres are essential in order to ensure the Council's legally binding obligations under the Landfill Allowance Scheme are met.

Policy

- 8.6 The introduction of commercial waste recycling and food waste trials is in line with the objectives of the Forth Valley Area Waste Plan and the Strategic Outline Case submitted to the Scottish Executive. This work also supports the Wise Use of Resources, a priority within the Sustainable Falkirk strategy.
- 8.7 The improved controls upon users of the recycling centres is in line with national policy on the "polluter pays principle" and the Duty of Care for Waste.

Personnel

- 8.8 The introduction of commercial waste recycling will require extra staff resources to implement the new service and to manage it. Initially in 2007/08 this will require at least one FTE paid for by the charges to commercial customers.
- 8.9 The introduction of a food waste trial will require additional short term waste management staff to operate the new service.

10 RECOMMENDATIONS

It is recommended that Members:

- 10.1 **note the success in achieving the Council's recycling/composting targets in 2006/07 and the actions necessary to achieve future targets;**
- 10.2 **note the potential that the Council could be awarded funding to undertake a food waste collection trial from households.**

That the Committee refer the following recommendations to the next Falkirk Council meeting on 7th March:

- 10.3 **authorise the Director of Corporate & Commercial Services to introduce recycling collections for Commercial Customers on a phased basis commencing in 2008/09 with charitable organisations being offered a free service equivalent to a household collection;**

- 10.4 authorise the Director of Corporate & Commercial Services to introduce tighter controls on the issue of small traders permits and require pre arranged access to recycling centres for commercial customers;
- 10.5 authorise the Director of Corporate & Commercial Services to introduce controls to ensure that only Falkirk Council residents can use the council's recycling centres;
- 10.6 authorise the Director of Development Services to progress the procurement exercise for residual waste treatment facilities to the tendering stage in order to identify possible alternatives to large scale incineration.

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for Director of Development Services
8 February 2007

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Director of Corporate & Commercial Services
8 February 2007

Ref: DSWS1-4

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LIST OF BACKGROUND PAPERS

- 1 Forth Valley Area Waste Plan 2003
- 2 Environment and Heritage Committee Report 13th June 2006