

**IMPROVEMENTS TO KERBSIDE RECYCLING SERVICES
(Report by the Head of Operations)**

1. PURPOSE OF REPORT

- 1.1 To seek approval to widen the range of materials collected through the current kerbside recycling service, by introducing the collection of glass bottles and containers.

2. BACKGROUND

- 2.1 Our existing kerbside recycling service provides for the collection and recycling of a wide range of materials; but excludes glass, which we collect through a network of 'bring sites' located across the district.
- 2.2 The reason why glass is not collected through the kerbside scheme has been a combination of the high costs associated with sorting and separating glass from other materials, coupled to the lower value of co-mingled material containing glass.
- 2.3 When this matter was last considered by members three years ago, the potential additional revenue costs of introducing such a service was in excess of £100k per annum, even after closing down the existing 'bring sites' to keep costs to a minimum. Following discussion, members decided not to proceed at that time.

3. INFORMATION

- 3.1 Until relatively recently, adding glass to the other materials collected through the kerbside recycling service presented the material processors with a significant technical problem in separating out the broken glass from the mixed material. It also substantially reduced the value of the separated materials being sent on for reprocessing. As a result of this, the cost of processing material containing glass was much higher. The reduced value of the material was not a reflection of the use to which the material would be put, but simple economics for the reprocessors
- 3.2 As the volume of materials recycled in the U.K. has risen in recent years, it has created a stable supply of source material for materials recycling facilities (MRF's). As a result, there has been significant investment in the sector both regionally and nationally. In parallel,

reprocessing companies have developed better ways of cleaning source materials that have some contamination.

- 3.3 At HDC we have had a reprocessing contract for the past 5 years jointly with Fenland DC which has operated very successfully. When the world economy turned down in 2008, the cost of processing to both councils rose significantly, adding £140k per annum to our costs. That contract was due to finish in December 2009, so in early 2009, working jointly with two of our partners in the County Wide Joint Waste Partnership (Fenland DC and Cambridge City), we commissioned the Eastern Shires Purchasing Organisation (ESPO), to undertake a competitive tendering exercise to 'test' the market. Joining with both Fenland and Cambridge City, enabled us to offer an annual supply of material for reprocessing of some 30,000 tonnes (HDC's individual tonnage is 12,000 tonnes) making it a very large contract, that attracted interest from a wide range of bidders. Bidders were required to provide prices for processing material both with and without glass included.
- 3.4 The outcome of the joint procurement process is that we have secured reprocessing prices for material containing glass, that are lower than those we previously paid for material without glass, so there will now be no 'additional cost' for material containing glass collected through the current kerbside service. In addition to allowing us to improve the service, the new contractual arrangements may deliver a net revenue saving to the council of up to £300k per annum against current reprocessing cost.

4. MINI RECYCLING CENTRES (BRING SITES)

- 4.1 It has been this Council's policy to encourage Towns Parishes and Community groups to make sites available for use as 'bring sites' for recycling for the past 15 years. Initially, these sites were the only method of recycling in the district so to encourage the development of the site network, (over 100 across the district), which was essential to 'kick start' recycling within the district. Those who offered sites free of rent as locations, were rewarded by being paid the 'recycling credits' that we receive for the materials collected from them. Whilst a majority of sites generate relatively very small sums for their providers, some generate sums that are now quite large and the site providers have become reliant upon that income over a period of several years to assist them in providing additional local facilities and services. When introduced, 'Bring Sites' provided for the collection of paper, glass, cans and some plastics. As the kerbside collection service has developed in recent years, this range of materials has been gradually reduced, with most sites now only providing for the collection of paper and glass.
- 4.2 At present, the Council pays all of the income received in the form of recycling credits for the material collected to the site providers. The revenue cost of operating, maintaining and collecting the material from the sites is in excess of £100k per annum which is funded from Council

Tax receipts. When the 'Bring Sites' were the only method of recycling, that cost was the net cost of all recycling across the district.

- 4.3 As recycling services have been developed and expanded in recent years to meet mandatory government and EU recycling targets, the cost of waste and recycling services in the district has risen from £1.3 million in 2000, to £3.2 million today. The amount of material collected through the 'Bring Site' system now represents a very small fraction of the material collected for recycling and the unit cost of collection is very high by comparison with kerbside collection costs. In the long term, this ongoing net revenue cost cannot be justified.
- 4.4 It is not possible to predict with any accuracy, how much of a reduction there will be in the use of current bring sites for glass as a result of introducing kerbside glass recycling, but recognising the impact that any reduction could have on local communities, it is proposed that during the first year of the extended kerbside service, recycling credits continue to be paid at the current level, whilst officers commence discussions with processors of other recyclable materials, (books, textiles, toys, batteries etc.) to secure arrangements to introduce new banks for a different range of recyclable materials to replace the current glass and paper banks. These new banks would be provided by external contractors or third sector organisations, who would be responsible for providing and maintaining the banks, emptying them and reprocessing the collected materials. Maintenance of the sites would remain with the Council as now.
- 4.5 As part of the process of introducing new materials to 'Bring Sites' and removing the existing glass and paper banks, it is proposed that we enter into discussions with site providers to develop a new mechanism for the continued payment of recycling credits that rewards successful recycling, whilst ensuring that the cost of operating the sites does not fall on the taxpayer. It is hoped that the new arrangements can be put in place for April 2011, but that timescale will be dependant on the success of the new kerbside glass collection arrangements.

5. OPERATIONAL CONSIDERATIONS

- 5.1 There are a number of operational considerations that could have an impact on the cost of extending the kerbside collection service to include glass.
- 5.2 When glass is collected it will break when compacted in our collection vehicles. This glass will act as an abrasive material and will over time, increase the wear rate of the floors of the vehicles, adding to whole life vehicle costs. A contingency provision of £24k will be necessary to meet these costs which are likely to occur during year 3 or 4 of the vehicle life. This cost can be met from the revenue savings delivered through the new material processing contract.
- 5.3 It is probable that requests for additional blue recycling bins will increase as a result of the need to store glass between collections. Our current policy is to provide additional blue bins on request, however the costs of doing so are very high as the numbers of bins in use across the district continue to rise (approx 186,000 at present). Given current financial constraints, members may wish to consider whether a notional charge should in future be levied for the provision of these **additional** blue bins. It is difficult to estimate the precise requirement for additional bins, but based on experience to date, it is probable that up to 1000 requests will be received. It is not recommended that bins be 'sold' to residents, as by retaining ownership, the council has the future flexibility to adapt and change collection systems as the need arises or new technology emerges. Should members wish to introduce a charge for providing additional bins, then a one off payment of £20 may be appropriate. **(option1)**
- 5.4 If the current policy of providing additional bins on request at no charge continues, then provision will need to be made to meet the cost of the purchase **and delivery** which is estimated at £25k. **(option2)** This cost will need to be met from savings through the new materials processing contract.

6. INTRODUCTION OF KERBSIDE GLASS COLLECTIONS – TIMING

- 6.1 It will be necessary to provide wide publicity and information to the media, local Parish and Town Councils, as well as all residents about the proposed improvement to the service. This will be done through District Wide, Press Releases, The Councils web site and possibly bin hangers. Coupled to this, it will be necessary to update current information literature to reflect the change. The estimated cost of the above will be circa £12k., depending on the range of information channels utilised. To ensure there is sufficient time to do this in a co-ordinated way. It is recommended that the improved service be commenced on **Monday 29th March 2010.**

7. FINANCIAL IMPLICATIONS

ITEM	FINANCIAL PROVISION REQUIRED	SOURCE
Additional wear to collection vehicles	£24k revenue	Savings from new materials processing contract
Provision of additional wheeled bins Option 1 Option2	£5k revenue £18.5k capital £6.5k revenue	Paragraphs 5.3 and 5.4 set out options, to be met from savings from new materials processing contract.
Publicity and information	£12k	Savings for new materials processing contract

8. RECOMMENDATION

8.1 Cabinet are requested to approve:-

- a) The expansion of the current kerbside dry recycling service to include glass commencing on 29th March 2010.
- b) The continued payment of recycling credits at current rates per tonne to the providers of bring sites during the financial year 2010/2011.
- c) A phased removal of existing recycling banks from bring sites and a change to the types of materials collected, to include materials not currently recycled through the kerbside service, using third party providers from either the private sector, or the third sector. With the aim of introducing this by April 2011.
- d) The future payment (from April 2011) of recycling credits on the basis of an equitable division which ensures that the full costs of managing and operating Bring Sites is met from the income received.
- e) Provision of additional funding associated with the introduction of the improved service as set out in paragraph 7 of this report.

BACKGROUND INFORMATION

Contract Documentation – Joint procurement of materials recycling arrangements by Hunts, Fenland and Cambridge City councils.

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