

10 October 2011		ITEM 6
Cleaner, Greener and Safer Overview and Scrutiny Committee		
WASTE & RECYCLING PROGRESS REPORT		
Portfolio Holder: Cllr Val Morris Cook – Environment Portfolio Holder		
Wards and communities affected: All	Key Decision: Yes	
Accountable Head of Service: Andrew Murphy – Head of Environment		
Accountable Director: Bill Newman – Director of Sustainable Communities		
This report is Public		
Purpose of Report: To provide Members with a progress report for the implementation of the Thurrock Municipal Waste Strategy 2008-2020 together with detailed objectives and targets for the coming period to 2015.		

EXECUTIVE SUMMARY

This report sets out progress against the objectives and targets set out in the approved Thurrock Municipal Waste Strategy 2008-2020. Progress has been excellent; Thurrock residents are recycling and composting more, Thurrock sends much less to landfill and the cost of the service has reduced. The report summarises this progress and makes recommendations for updated objectives for the period to 2015.

- 1. RECOMMENDATIONS:**
 - 1.1 That the information set out in Section 3.1 of the report is noted.**
 - 1.2 That the recommendations set out in Section 3.3 of the report are approved.**

2. INTRODUCTION AND BACKGROUND:

- 2.1 This report is the fifth of a series of reports to Members to provide an update regarding the implementation of the Thurrock Municipal Waste Management Strategy 2008-2020.

3. ISSUES AND/OR OPTIONS:

- 3.1 **Municipal Waste Management Strategy 2008 – 2020** – this document sets out the Council's objectives and targets as a statutory waste collection and disposal authority for the collection, treatment and disposal of Municipal Waste arising within its administrative boundaries.

Key Aims set out were to

- Deliver the principles of the Waste Hierarchy – reduce and minimise waste where possible; re-use recycle and recover, and finally to treat and dispose.
- Deliver the diversion of biodegradable waste from landfill required under the Landfill Allowance Trading Scheme (LATS)
- Ensure that Thurrock recycles enough material to comply with statutory recycling targets
- Ensure that Thurrock recovers sufficient value from residual waste to comply with statutory recovery targets
- Ensure that any procurement activities are in line with Best Value principles and achieve efficiency savings
- Work towards achieving top quartile positioning with respect to waste management provision in the UK, based on Best Value criteria.

Since the strategy was written in 2008 a number of significant changes to the service have been made and they have had a positive impact on progress against the key aims listed above. The Council rolled out a three-bin system for collection, the integrated waste contract has been broken into seven lots and retendered to provide an annual saving of £2.1M and the collection service is now provided in house.

The three-bin system introduced food collection for the first time and the new contract allows residents to recycle a wider range of plastics. The collection service has responded well over difficult times including the rationalisation of collection routes, periods of heavy snow and prolonged ice. The service carries out assisted collections for over 900 vulnerable residents.

To summarise, the Council has made excellent progress. The table below sets out progress and achievements against the key aims of the strategy together with a brief narrative.

Key Aims of Municipal Waste Strategy	Description	Achievement	Comments
Deliver the principles of the Waste Hierarchy	Reduce and minimise, then reuse, recycle and recover, then treat and finally dispose.	Municipal waste growth per person slowing to zero and showing signs of declining. Combined reuse, recycling and composting rate increasing year on year. Residual waste to landfill decreasing year on year.	Compliance achieved. Activities include waste education and awareness together with recycling and landfill diversion performance. They are delivered under both contracted and in house services.
Deliver the diversion of biodegradable waste required under LATS	Diversion of biodegradable municipal waste from landfill to avoid payment of £150/tonne fines	Contract in place for treatment of residual waste with tonnage levels set to fully mitigate effects of LATS payments. Contract term until 2017.	Compliance achieved.
Ensure that Thurrock recycles enough to comply with statutory recycling targets	Targets set in national waste strategy and Waste Framework Directive to recycle 50% of municipal waste by 2015	Year on year increase in recycling rate. 46% 2010/11 and 48% target for 2011/12.	Compliance achieved. On Target to reach 50% recycling by 2015.
Ensure that Thurrock recovers sufficient value from residual waste to comply with statutory recovery targets	Recovery targets at national and local level discontinued. Reliance now placed on fiscal measures such as landfill tax to drive up landfill diversion and introduce other treatment technologies	Indicator not used.	Compliance achieved by the treatment and recovery of energy from residual waste (although this target has now been discontinued).
Ensure that procurement activities are in line with best value principles and deliver efficiency savings	The Procurement Regulations 2006 and the Council's Standing Orders set the legal and governance frameworks for these activities	Procurement of contracts and services carried out in full compliance with regulations and Standing Orders. Overall £2.1M year on year efficiency savings achieved	Compliance achieved
Work towards achieving top quartile positioning with respect to waste management provision in the UK based on Best Value criteria	Annual performance recording for local authorities. Best Value(BVPI) now largely discontinued and replaces with National Indicators	Improved quartile positioning across the relevant indicators. Awaiting 10/11 results to measure that exact improvement after full year of 3 bins and part year of new contracts	See table below

Performance Indicator Benchmarking – Waste

	2010/11 data	2009/2010 Data		
		Spend per head	Direction of travel	Quartile
Total spend on waste collection		£43.54	↑	1
Total spend on waste disposal		£30.88	↓	2
	Value	Value	Direction of travel	Quartile
NI 191 – Residual household waste per household	579kg	683kg	↑	3
IN 192 – Percentage of household waste sent for reuse, recycling and composting	46.15%	36.3%	↑	2
NI 193 – percentage of municipal waste land filled	33.34%	61.6%	↑	4
Total household waste arising	68,761t	68,526t	↑	1

The 2009/10 data details above were taken from the Audit Commission Value for Money website on 14 September 2011. The comparator is the Audit commission “Waste Group”. The 2010/11 data was sourced from the Environment Department Waste team.

- 3.2 **Government Review of Waste Policy in England 2011**– this is the output of a national review and update of waste related policy undertaken by Government between 2010 and 2011. It is intended to provide a national high level focus and lead within which Local Authorities are able to set local plans and targets.
- 3.3 **Objectives and Targets 2011 to 2015** – these are derived from the Municipal Waste Management Strategy document adopted in 2008 and have been updated to reflect progress made.
- i. **Weekly waste collections** – to remain for all 3 bins. This is in compliance with current national policies where government’s recommendation is that as a minimum, all biodegradable wastes should be collected on a weekly basis.
 - ii. **Rationalisation of Bring Sites** – historically the number of bring sites has been at a level of 40 sites to provide facilities to residents to recycle in the absence of a quality kerbside recycling service. The implementation of the 3 bin kerbside collections in 2009 and the rollout of recycling facilities to all flats has superseded the requirement for bring sites in many locations, resulting in the service becoming obsolete and not a cost effective way for residents to recycle. In 2010/11 the sites provided 64 tonnes of recycle compared to 344

tonnes in 2007/08. Many of the sites are unsightly and attract fly tipping. As a result the number of sites has already been reduced by removing the least used sites. There is still a need to have a limited number of sites at supermarket and town centre locations and it is proposed to reduce the number of sites down to an estimated 10 sites situated at strategic locations where a clear need remains and it is cost efficient to do so. The rationalised sites will be subject to a procurement to appoint a managing contractor to deliver and operate the system.

iii. **Procurement of Future Waste Contracts** – the present waste service contracts were procured as seven independent lots each having a seven year term until 2017. To allow time to complete the formal processes it is recommended that procurement of future contracts should commence in 2015, for contract commencement in spring 2017, and that each contract term should be set for a period of seven years lasting until 2024. In particular the contract for treating residual household waste should be designed to provide full mitigation of the financial effects of LATS to the Council and provide maximum diversion of this waste from landfill. The original strategy provides for the next waste treatment contract to be procured as a 25 year contract with an option to form a joint venture, so this updated recommendation is a change to that approach. This change has been made to reflect : -

- changes in the national economy, in particular in areas such as capital financing and the associated risks
- the need to enter into a 25 year long term contract is normally only necessary when there is a need for a significant up front capital investment (in this case to build a waste treatment plant), that can only be recovered over a long period
- that a shorter term of 7 years will provide the council with greater flexibility in assessing future market trends in this area and allow for development of new treatment technologies
- the availability of local treatment options and therefore good competitiveness in the region which will provide a cost effective solution (within a 25 mile radius of Thurrock there are currently two waste treatment plants in operation, two others that will be operational by 2017 and others in the planning stage)

Moving forward the procurements will be based on an early market testing exercise to ensure delivery of value for money and compliance with best value principles.

iv. **Recycling** – performance for this indicator is measured and reported under national indicator NI 192 which covers reuse, recycling and composting. Performance for the previous year (2010/11) was 46% and the target for the current year is 48%. The waste strategy set a target of 50% recycling for this indicator for 2015, this target is still considered appropriate and is proposed to remain unchanged.

v. **Landfill** – future national targets for landfill reduction under the Landfill Allowance Trading Scheme (LATS) are proposed to be scrapped with effect

from 2013 together with the system of fines imposed under the Waste and Emissions Trading Act 2003. Future landfill diversion will be driven by an extension of the landfill tax escalator which will continue to rise by £8/tonne per year until it reaches a maximum of £80/tonne in 2014/15. Procurement of future waste treatment contracts referenced above will need to maximise diversion of waste from landfill to mitigate the effects of the tax escalator. Whilst a zero landfill policy is not economically feasible, all collected residual household waste should be diverted from landfill to treatment and energy recovery.

- vi. **Public Buildings** – historically waste from buildings such as halls and other public buildings has been collected without a charge. In accordance with the Controlled Waste Regulations 1992, it is proposed to set a charge for waste collections from public buildings in accordance with market rates. This is to recover the true costs of the collection from these buildings and any subsidy to these facilities can be requested through grant mechanisms.

3.4 **Procurement Regulations** - The procurement of contracts is to be undertaken in accordance with the Regulations for the Procurement of Public Contracts and the Council’s Contract Rules as appropriate.

4. CONSULTATION (including Overview and Scrutiny, if applicable)

4.1 This committee is the mechanism for consultation.

5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

5.1 This strategy has a direct impact on Thurrock’s corporate priorities to create a cleaner and greener environment, to deliver excellence and achieve value for money.

6. IMPLICATIONS

6.1 Financial

Implications verified by: **Michael Jones**
 Telephone and email: **01375 652772**
mxjones@thurrock.gov.uk

The decision to bring the waste service back in house has yielded significant budget savings since its implementation. Part of the saving were achieved by breaking down the previous contract, in respect of waste treatment, into seven component parts.

The body of this report contains information which is looking at the extension of the current arrangements, which are financially viable.

The move toward an in-house treatment facility would require a significant amount of Capital investment, which would require a level of prudential

borrowing and implementation costs, which could be considered as an option in the long term.

6.2 **Legal**

Implications verified by: **Teresa Grutchfield**
Telephone and email: **01375 652201**
tgrutchfield@thurrock.gov.uk

The contracts which are to be procured under this programme must be undertaken in accordance with The Public Contracts Regulations 2006 (as amended by The Public Contracts (Amendment) Regulations 2009) and the Council's Contract Procedure Rules.

The Council and Legal Services will procure the use of external legal providers as appropriate to provide legal advice and assistance throughout the course of the programme to ensure compliance in respect of complex issues of procurement. Legal Services will also be assisting with legal issues referred to them by Sustainable Communities.

The Controlled Waste Regulations 1992 specify certain types of household waste in respect of which a charge for collection may be made, which includes waste from a hall or other premises used wholly or mainly for public meetings.

6.3 **Diversity and Equality**

Implications verified by: **Jane Potheary**
Telephone and email: **01375 652472**
jpotheary@thurrock.gov.uk

An Equality Impact Assessment (EqIA) was carried out on the Municipal Waste Strategy in August 2008 and an Action Plan was produced. The EIA identified the accessibility of information about the waste strategy as a key challenge. The difficulty faced by disabled people, pregnant women and older people when moving wheelie bins, was also identified in the EqIA. The Council should note that the Action Plan recommends providing information in a variety of formats and access to translation services, as well as publicising the assisted collection scheme.

6.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

There are no other implications associated with this report

7. **CONCLUSION**

- 7.1 That the committee notes the Recommendations set out at 3.1 and approves the recommendations set out at 3.3 of this report.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT:

- Thurrock Municipal Waste Strategy 2008-2020, Cabinet report reference 0804036

APPENDICES TO THIS REPORT:

None

Report Author Contact Details:

Name: John Gilford

Telephone: 01375 413940

E-mail: jgilford@thurrock.gov.uk