

Committee	Scrutiny Committee for Transport and Environment
Date	5 December 2001
Title of Report	Recycling in East Sussex
By	Director of Transport and Environment
Purpose of Report	To provide a position Statement on recycling and the issues to be addressed in achieving National Best Value Performance Indicators in East Sussex.

RECOMMENDATIONS

- 1. To note the report.**
 - 2. To await development on the Integrated Waste Management Services Contract and the impact on Joint Working arrangements.**
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1. Introduction

1.1 East Sussex County Council (ESCC) is working jointly with Brighton & Hove City Council (B&HCC) (the Councils) to deliver a £1bn Integrated Waste Management Services Contract (IWMSC) backed by the award of PFI Credits from DEFRA. The IWMSC aims to provide an integrated solution to waste problems in this area and recover value from over 67% of household waste by 2015.

1.2 Recycling will form a major part of this recovered value and as a minimum must reach 33% overall by 2015.

1.3 The Government has set challenging statutory targets for all local authorities for recovery and recycling. The immediate targets for the authorities in East Sussex are shown in Appendix 1.

1.4 At a recent meeting between DEFRA and the Councils, DEFRA stated categorically that its aim is primary recycling and that it will continue to set higher targets for all local authorities to achieve. It is anticipated that new targets for 2010 will be set in 2005.

2. How Challenging Are These Targets?

2.1 Many groups claim that recycling rates of 50, 60, 70% or more are readily achievable and should be pursued. These groups cite examples from other countries where high rates are apparently being achieved. However, the comparisons are not done on a like for like basis. DEFRA published a report entitled 'Research Study on International Recycling Experience', on 26 April 2001, which clearly highlights that most reported recycling figures do not correlate with the way in which targets are to be measured in the UK. Appendix 2 includes a summary of some of the key elements that came from this report.

2.2 The report highlights that care must be taken when looking at reported recycling figures. Many include construction and industrial waste recycling of base ash from incineration and some even include abandoned vehicles. There are special circumstances cited which also lead to false impressions. The report concludes that the best that is being achieved at present, on a like for like measure basis with the UK is overall recycling of 30 – 40%.

3. Current Position In East Sussex

3.1 At the present time the waste service in East Sussex is disjointed and lacks integration between the Waste Collection Authorities (WCAs) and the Waste Disposal Authority (WDA). The overall recycling performance is approximately 10% but at the Household Waste Recycling Sites, operated by the County Council, this figure is running in excess of 25%. A great deal of work has been done to promote joint working between the WDA and WCAs and key officer and member groups have been established. Appendix 3 illustrates some of the groups that are involved in trying to draw together an integrated approach to waste management in this area.

3.2 Until such time as there is a firm proposal from the WDA it is extremely unlikely that the WCAs will wish to commit themselves in any way to future joint working arrangements. The flowchart in Appendix 4 illustrates the inter-relationships between the two tier waste structure and the achievement of recycling.

3.3 Another important factor in this arrangement is the issue of recycling credits. At the present time WCAs are entitled to receive recycling credits from the WDA for waste that they recycle and do not present to the WDA. The only discretion that the WDA has in this process, is that the WCA must seek prior agreement/approval to the introduction of new schemes, in order to legitimately request recycling credits.

3.4 The rate of waste growth is also an area of concern. It is currently running at around 3% per year. Under the IWMSC and Waste Local Plan the assumed growth rate has been reduced, based on modelled projections of factors such as population growth and national success in reducing waste tonnages. The implications of the adoption of this lower growth rate are illustrated in Appendix 5.

3.5 The IWMSC will be at capacity at 550,000 tonnes per year. At this point, a new contract, or negotiations, would have to be entered into for alternative facilities if waste has not been curbed to this level. ESCCs proportion of the 550,000 would be two-thirds, or approximately 370,000 tonnes per annum.

3.6 All of these issues are discussed in more detail in Appendix 6, which contains a copy of the report to the East Sussex Local Government Association (ESLGA) Waste Committee of the 16 February 2001. An extract of this report is attached in Appendix 6. A full copy of this report has been placed in the Members room. It has also been made available to those members of this Committee currently appointed to the project board carrying out a review of waste recycling.

4. To Achieve The Challenging Targets

4.1 In order to move to an integrated waste management solution that delivers the challenging targets it is essential that the shortcomings in the existing system are overcome. This will require joint working Agreements or Memorandums of Understanding between the WDA, WCAs and the successful tender to the IWMSC.

4.2 Options for future working models were put to the ESLGA Waste Committee in the report of 16 February 2001 (Appendix 6). The response has been fairly muted in line with the comments made in 3.2 above. It is the view of the WDA that joint working offers best value for money for the public and a better opportunity to achieve long-term sustainability for recycling in this area. It is unlikely that individual arrangements for each WCA will be sustainable.

4.3 It is anticipated that the IWMSC will provide many benefits including reduced operational costs for the WCAs in the form of local bulking/transfer stations. These facilities will provide financial and environmental benefits due to the reduced number of lorry movements. However, costs overall will increase significantly for the WDA and WCA's as sustainable waste management practices are introduced and the targets are achieved.

4.4 An essential factor in the achievement of targets will be public participation. Facilities can be provided but without the will of the public to actually separate their waste at home and accept a level of inconvenience, high quality recycling will not be achieved. It is therefore vital that sufficient resources are put into public education and awareness exercises.

5. The Way Forward

5.1 For the reasons discussed above it is envisaged that little progress will be made on joint working until such time as details from the tenderers to the IWMSC are received. The tenderers are being encouraged to consider ways of shaving the increased costs of recycling with the WCAs to secure joint working value for money and sustainability. This may take the form of cash payments for delivery of different types of recycling materials and also a mechanism whereby the WCAs share in any uplift value of the end recycle product. It is very important that as soon as possible arrangements are agreed between the WDA, WCA and the successful tenderer so that best value can be obtained and major steps made to improving recycling performance.

5.2 It should also be noted that one of the recommendations within the Audit Commissions Best Value Inspectorate Report dated October 2001 is that agreement should be reached with the WDA and WCAs within the next six months.

5.3 In terms of the public education and awareness exercises, some work is still progressing on this and bids are currently being processed to try and draw down environmental grants to help finance the proposed programme of work. It is very important that the timing of this exercise is right so that it has the maximum impact on the population of East Sussex. If funding is not forthcoming from the grant bids then it will be necessary to look again at how effective a campaign can be, unless alternative funding is found.

6. Summary

6.1 A great deal of work has been done on recycling and taking forward joint working arrangements with all of the relevant parties concerned. However, it is clear that there is still a great deal of work to be done but that much of this will need to await the detail of the tenders received for the IWMSC.

6.2 It is also clear from research that even if this area achieves the best levels of recycling 30-40%, there will still be in the order of 60-70% of the waste stream to be dealt with through some other means.

6.3 Landfill capacity is extremely limited and due to the EU landfill Directive could only be used in the future for residues. The only other proven alternative at this time is incineration with energy recovery.

BOB WILKINS
Director of Transport and Environment
19 December 2001
ScrutinyCommittee:STE5December-Recycling in East Sussex

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BACKGROUND DOCUMENTS

Extract from the DEFRA Report "Research Study on International Recycling Experience" –
Published 26 April 2001

SPECIAL PLACES?

- Canberra Australia
 - Claims 57% recycling –
 - Garden City of civil servants
 - 78% detached houses
 - Half is demolition waste –
 - Actual rate is 29%
- (DETR)

SPECIAL PLACES?

- Nova Scotia
 - Reported recycling 43%
 - Based on an assumed amount from each person of 0.73 tonnes. (DETR)
 - EU average is 0.368 tonnes
 - Aim is landfill diversion
- Enviros Aspinwal

SPECIAL PLACES?

- Aahus Denmark
 - 69% recycling reported
 - Includes industrial and commercial waste
 - Actual for household waste is 27%
- (DETR)

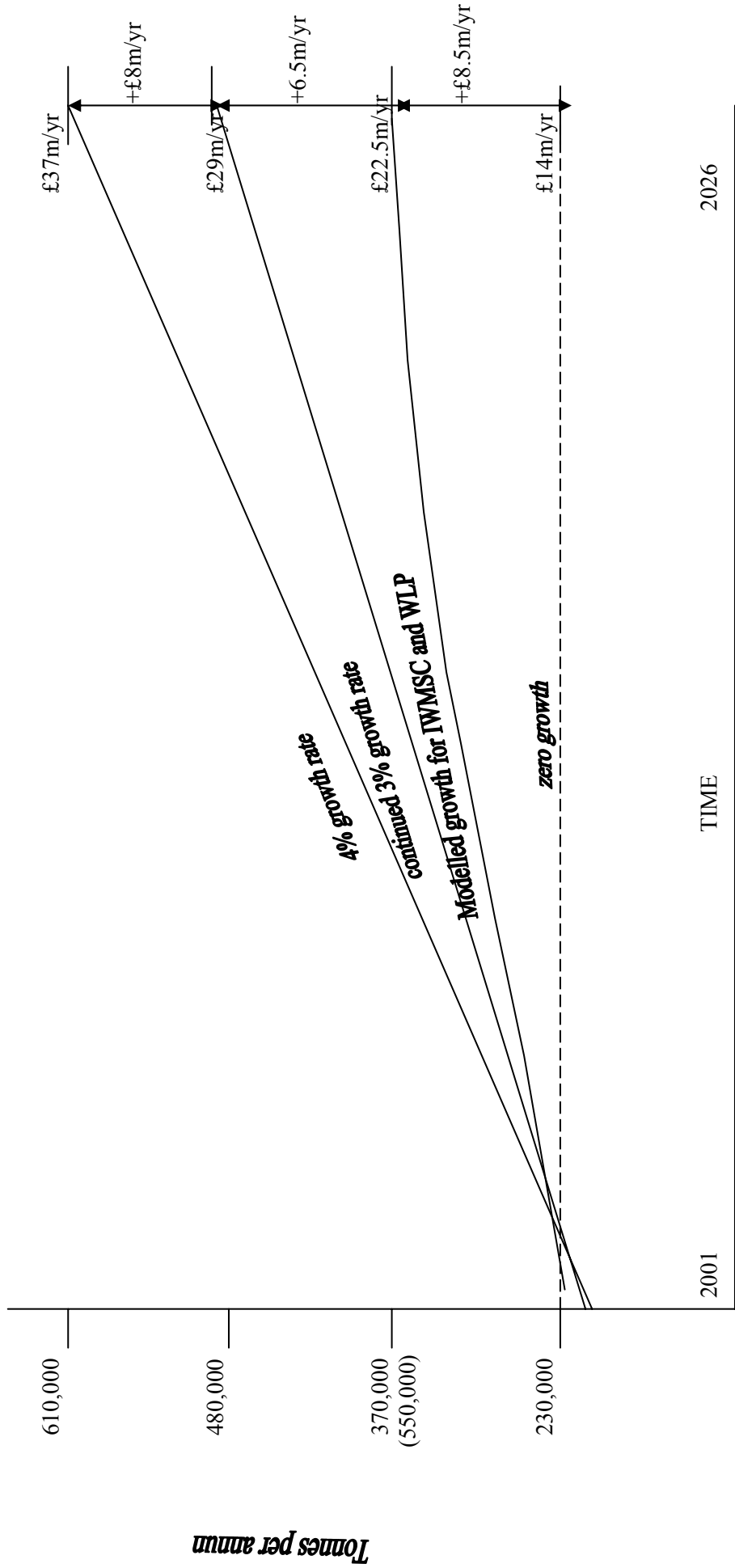
SENT FOR RECYCLING?

- Does not mean recycled
- Aylesford Newsprint incinerates about 20% of the 'recycled' paper it receives
(Aylesford News Print Environmental Report 1999)

RECYCLING BEST PRACTICE

- Schemes with reported high rates need careful study (DETR 9/05/01)
- Sometimes include non dust bin rubbish like demolition waste and scrap cars
- Special circumstances
- Data not verifiable
- The best recycling and composting schemes achieve a rate of 30% to 40

**IMPACT OF WASTE GROWTH ON TONNES OF WASTE
TO BE PROCESSED PER YEAR FOR ESCC**



NOT TO SCALE

Committee: **East Sussex Local Government Association (ESLGA) Waste Management Group**

Date: **16 February 2001**

Title of Report: **Options For Joint Working Between the Waste Authorities in East Sussex**

By: **Director of Transport & Environment as Chairman of Officers WFSG**

District: **All**

Purpose of Report: **To provide Members with information on the options for joint working to facilitate the achievement of the challenging targets that have been set for the recovery of value and recycling of municipal waste in East Sussex.**

RECOMMENDATION

1. **To note the report.**
 2. **To ask the Borough and District Councils to consider the Options and to report back to the next meeting of this committee on their preferred way forward and their policy on meeting the waste targets in the government's National Waste Strategy.**
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INTRODUCTION

Background

- 1.1 On the 18th October 2000 this committee met for the first time to discuss waste management in East Sussex. The committee received information on the waste problems facing this area and the work being carried out to address these problems through the Waste Local Plan (WLP) and the Integrated Waste Management Services Contract (IWMSC).
- 1.2 One of the key issues to come from the meeting was that joint working between the Waste Collection Authorities (WCAs) and the Waste Disposal Authority (WDA) is essential if the challenging targets for recovery of value and recycling of waste are to be achieved.
- 1.3 The committee asked the Director of Transport and Environment ESCC in his capacity as chairman of the officers Waste Forum Steering Group to prepare a paper on the possible options for joint working agreements for consideration by this committee.

Waste Forum Steering Group

- 1.4 This Group comprises officers from each of the WCA's and the WDA in East Sussex and Brighton & Hove Council (B&HC). The purpose of the Group is to look at waste management issues countywide and to identify common objectives to achieve harmonisation across the area, which includes the conurbation of B&HC.

- 1.5 The Group produced an initial report on waste issues and options for joint working at the beginning of 2000. This report was prepared on the basis that it would be presented to the appropriate committee at each of the WCAs. The intention was to gain a clear understanding of the preferred way forward from each of the authorities.
- 1.6 The report is included at Appendix A as it provides useful information on this subject. This report was prepared in March 2000, since then the life expectancy of the land disposal site at Pebsham has been revised by the operator, Biffa, to 2005/6.

2 RECYCLING

Difficulties

- 2.1 There are a number of reasons why recycling rates in the UK are low. The principal ones come down to a lack of investment due to the shortage of available funding from local and central government and a shortage of markets for recyclates. Recycling is very expensive when compared to land disposal, the main way of dealing with waste in the UK. The average gross cost to local government to recycle a tonne of waste is £80. This includes the additional collection costs the additional handling/sorting and any additional cost or residual income from the end processing.
- 2.2 Traditionally, as the residual income goes down so recycling is reduced or stopped by the collector of the waste because the economics become prohibitive. This adds to the instability in the recyclate market and hinders future investment in processes, infrastructure and end markets, all of which are necessary to create a more stable environment for recycling.
- 2.3 The government has set national targets that will bring about more recycling and potentially even more surplus recyclate material. The collectors that can guarantee to supply large amounts of clean separated waste will potentially be best placed to sell their product to the processors.
- 2.4 Aside from the financial problems, participation by the public cannot be taken for granted. Many people will need to be convinced that they should separate their waste at home and accept a system that will be less convenient than their black bag or wheelie bin.
- 2.5 High levels of recycling can be achieved in small groups or localised areas but experience shows that the wider the catchment area the lower the overall recycling percentage.

Proposals To Address Difficulties

- 2.6 Through the new Integrated Waste Managements Services Contract ESCC and B&HC (Councils) are looking to provide some stability to the local recycling market by ensuring that the successful contractor has to recycle waste irrespective of the state of the market. To achieve this goal the two Councils are prepared to pay for the cost of Material Recovery Facilities (MRFs) and end processing.
- 2.7 B&HC as a unitary authority is able to decide its target tonnages for kerbside collection, which enables the successful contractor to appropriately size the new MRF's to give best value for money. For ESCC the situation is more complicated because of the two tier structure of WDA and WCAs. However, the same benefits can be realised through joint working and robust agreements.
- 2.8 With regards to public participation the Councils are progressing a programme of public relations and education initiatives. This programme is designed to try and reduce the rubbish we all produce and to encourage more recycling. It will also

explain the different options for dealing with our rubbish. The Recycling Consortium is playing an active role in this to coordinate the waste message across East Sussex. It is hoped that this vehicle will be of benefit as more kerbside schemes are introduced.

- 2.9 The IWMSC will not limit recycling at 33%. If sufficient volumes of source separated waste can be delivered to exceed this figure then the payment mechanisms in the contract will encourage the contractor to provide more recycling capacity in preference to energy recovery. There are also mechanisms in the contract that allow for excess profits to be shared in the event that recycling becomes a sustainable and profitable operation.

3 OPTIONS FOR JOINT WORKING

- 3.1 The precise form of the joint working agreements can vary for each WCA. The main goal has to be the achievement of the recycling target. The facilities do not have to be provided through the Councils' IWMSC but if they are the WDA needs to know that the WCA(s) will endeavour to deliver the waste in an agreed manner. The following sets out three broad options for joint working.

Option 1

- Kerbside scheme introduced by WCA
- WCA's waste collection contractor delivers material to IWMSC facilities
- IWMSC contractor processes material for onward recycling

Comment

Subject to public participation recycling will take place and due to the economy of scale best value should be achieved. WCA funds additional cost of kerbside collection service and ESCC underwrites the main additional costs of providing facilities and ensuring recycling takes place. This option would also allow existing recycling arrangements to continue.

Option 2

- Kerbside scheme introduced by WCA
- Waste collection contractor delivers material to WCA arranged facilities
- WCA arranged waste facility processes material for onward recycling

Comment

As Option 1, recycling rate will be dependent on public participation. Recycling will not be guaranteed unless WCA prepared to underwrite costs irrespective of market for recycled material. WCA will need to finance MRF(s) and secure end market processing which may be harder for the reasons discussed above. If WCA scheme has to be closed down and WCA reverts to delivering waste to WDA, it is unlikely in the short to medium term, that there would be sufficient headroom in the facilities provided through the IWMSC for the waste to be processed. The likely outcome would be disposal of the waste untreated to land.

Option 3

- Kerbside scheme introduced by WCA
- Waste collection contractor delivers material to both WCA arranged facilities and IWMSC facilities
- Facilities process material for onward recycling

Comment

This option is a mixture of 1 & 2 and could be for varying proportions. The risks are the same, although, if the IWMSC facilities receive the bulk of the waste there would be more scope for absorbing the waste from any WCA scheme that had to be stopped.

- 3.2 What is needed is a clear position statement from each of the WCAs so that agreements can be drawn up between the WDA and each of the WCAs. The

agreements would be subject to the detail of the precise proposals from the successful IWMSC contract. An in principle position is required now to inform the tendering process for the IWMSC and to enable an integrated waste management service to be adopted in this area.

4 CONSIDERATIONS

- 4.1 A number of the WCAs have not determined their policy on meeting the government's targets under the National Waste Strategy for recovery and recycling of waste. Some of the authorities plan to consider these aspects in their planned best value reviews on waste collection services.
- 4.2 A significant concern for the WCAs is the ability to actually finance the additional collection costs associated with any kerbside collection service.
- 4.3 Another issue that is causing concern is the treatment of recycling credits. In East Sussex it is intended that recycling schemes that are ongoing or future schemes that are agreed with the WDA would receive recycling credits in accordance with the relevant legislation. This is currently covered under the Environmental Protection Act 1990 (EPA). A brief extract of the relevant Sections are included at Appendix B.
- 4.4 It is important that the WDA receives a steer from each of the WCAs on their preferred way forward as soon as possible so as to inform the award of the IWMSC. Agreements between the WDA and WCAs would be subject to the detail of the final proposals from the successful contractor.

BOB WILKINS

Director of Transport & Environment as Chairman of Officers WFSG

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