

SUBJECT:	HOUSEHOLD RECYCLING REPORT (PART 2 HWRC PROVISION)
MEETING:	CABINET
DATE:	20/12/19
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

This report sets out measures that will be necessary with regard to Household Waste Recycling Centre (HWRC) provision in order to achieve national recycling targets, minimise budget increases and provide sustainable waste services going forward. HWRC provision must continually evolve to meet challenging targets, volatile markets and increasing costs. Interventions that reduce waste and increase recycling at the household waste recycling centres are proven to be effective across Wales. Due to the high tonnage throughput at our sites compared to other local authorities these changes will have the potential to deliver a significant positive impact on recycling rates. Rationalising service provision will allow investment in the service and drive up recycling performance.

2. RECOMMENDATIONS:

- 2.1 To approve the introduction of further recycling separation by members of the public at household waste recycling centres (HWRCs).
- 2.2 To approve investment in a second re-use shop in Five Lanes through Welsh Government funding.
- 2.3 To rationalise the service provision which includes the closure of Monmouthshire's worst performing site at Usk from 31st March 2020 and introduction of revised opening hours at the three other sites from 1st April 2021.
- 2.4 To commence procurement of the HWRC contract based on the revised service model.

3. KEY ISSUES:

3.1 Overview

Monmouthshire's recycling rate peaked in 2016 at 67% and there has been a slow but steady decline in performance since that point. The UK has seen a plateauing of recycling performance and many Councils have seen reductions in recycling tonnages. The all Wales household recycling rate decreased from 61% in 2017/18 to 60.7% in 2018/19 but there has been substantial investments and interventions across Wales and most local authorities are expecting to meet the 64% target.

Monmouthshire are currently predicting this year's recycling performance between 62.5% and 63.4% this will be largely dependent upon the implementation timescales of the recommendations within this report. This will place Monmouthshire in the lower quartile in performance in Wales and facing potential recycling target fines of between £53,400 and £133,500. Welsh Government have confirmed that they will be fining authorities that fail to meet the 64% target with some of our neighbouring authorities fined in 2018.

Monmouthshire has made a decision not to chase waste for recycling tonnages in order to meet targets and instead tries to ensure that focus is given to reducing waste production wherever possible. Promotions and campaigns to reduce food waste, single use plastics, and using returnable milk bottles impact negatively on recycling tonnages but remain the right thing to do for the waste hierarchy and the environment.

Changes to waste reporting regarding Household Waste Recycling Centre (HWRC) wood waste continue to cause issues for many local authorities in Wales. Wood waste that is pelletised for biomass fuels does not count towards the recycling target and there are very limited markets for board manufacture in South Wales. Substantially increasing waste miles and sending wood to the north of England would increase the recycling figure but incur huge additional cost.

Reduced expenditure at national and local government level on promotional campaigns that enforce positive recycling behaviour coupled with increased scepticism and negative media coverage of recycling will have impacted on public participation at the kerbside.

Public awareness of climate change, the rise in waste specific TV shows like Money for Nothing have impacted positively on the public psyche and more waste is being reused. People are moving away from the thought that HWRCs are tips and dumps and more towards re-use and recycling facilities. Future provision needs to offer a wider variety of recycling and reuse options.

There is a statutory duty under Environmental Protection Act 1990 to provide one Civic Amenity site within a county Council to dispose of bulky items and the site must be open on the weekend unless this period is over Christmas. Over the last five years many local authorities have rationalised service provision and focussed investment in fewer, better quality and higher performing sites. Like Monmouthshire most have reduced opening hours with day closures or seasonal hours.

Almost 50% of all domestic waste produced in Monmouthshire in 2018/19 was taken to the sites as single car/van journeys. This is despite Monmouthshire having full kerbside recycling systems for domestic waste streams and a bulky waste collection service operated by Homemakers. The average throughput across Wales is closer to 30% of domestic waste.

Vehicle restrictions including van and trailer permits were introduced in 2016. This saw a reduction of waste from traders using the sites to dispose of commercial waste. An outright ban of commercial type vehicles was deemed impractical and a registration and permitting system was introduced. The system works well but single use permits for one off visits was also introduced and this has seen tonnages increasing again on sites. It is hoped that advances in automation will make the single visit permit system easier to administer going forward.

The resident permits were introduced in June 2019, every household was issued with a permit to use the sites. This was in response to increasingly high volumes of cross border waste entering the sites following neighbouring authority restrictions on their sites. This has been very successful and overall waste tonnages are predicted to reduce by over 3000 tonnes in 2019 compared to 2018. The predicted financial savings of £180,000 from the 3000 tonne reduction also contained a high percentage of recycling and this has negatively impacted recycling rates.

3.2 **Key Issues: Further recycling at household waste recycling centres by members of the public**

A growing number of Welsh authorities have introduced compulsory recycling at HWRCs since 2018/19. Black bag sorting stations have appeared in Swansea, Rhondda Cynon Taf, Torfaen and Blaenau Gwent and increased recycling rates of 15-20% at the sites are widely reported. Reducing black bag skips have also allowed for more recycling streams to be separated and hard plastics, mattresses, carpets and other materials are now offered at most of those sites.

Many sites across Wales and the UK are reporting +80% recycling rates compared to Monmouthshire's combined recycling rate of 58% across the four sites as shown in Table 1 below.

	Five Lanes	Llanfoist	Troy	Usk	Total
Residual	3021.89	4288.50	1268.28	680.06	9258.73
Recycle	4622.08	6013.91	1519.99	625.85	12781.83
	7643.97	10302.41	2788.27	1305.91	22040.56
Recycling %	60.47%	58.37%	54.51%	47.92%	57.99%

The recycling rates at the sites are the lowest in Wales and this reduces the positive recycling % being achieved at the kerbside. This is not only due to the high volumes of waste that enter the sites but a lack of capacity at the sites to include additional recycling options.

Welsh Local Government Association benchmarking data highlights issues and the recommendations from 2016/17 included the retendering of the contract with specific recycling targets, rationalisation of facilities to ensure 70%+ recycling and pre/post sorting of blackbags to capture additional recycle.

As can be seen from the WLGA Benchmarking data of HWRC provision below, Monmouthshire is the most expensive service with the lowest recycling rates. This was due to the high cost of operating 4 sites open 70 hours per week compared to neighbouring authorities who only provide the single statutory site. It is also the higher than average % of household waste delivered to the site which meant Monmouthshire had the lowest waste collections cost in 2017/18.

HWRC Sites 15/16 WLGA Benchmarking Data

- *Total net service cost; £32.40 per household.*
- *Ranked 15th lowest cost out of 22, median cost £28.63, lowest cost £13.58.*
- *HWRC sites handled 21,745 tonnes of waste at an average of 528kg per household per annum. (Ranked highest out of 22, median 290kg, highest 528kg). Of this total, 13,695 tonnes was recycled which represents a diversion rate of 63% (Ranked 19th of 22, median 77%, highest 100%).*

HWRC Sites 2017/18 WLGA Benchmarking data

- *Total net service cost; £53.37 per household.*
- *Ranked 22nd lowest out of 22, median cost £30.13, lowest cost £5.58.*
- *HWRC sites handled 16,257 tonnes of waste at an average of 391kg per household per annum. (Ranked 1st highest out of 22, median 221kg, highest 391kg). Of this total, 8,922.05 tonnes was recycled which represents a diversion rate of 54.88%.*

Table 1 shows a slight improvement over 17/18 benchmarked data of 3.11% increase in recycling but also an increase of almost 6000 tonnes of waste. This increase coincided with recycling interventions in neighbouring authorities and the increase in single use van permits.

A trial of mattress recycling will be introduced at the HWRCs early next year, this will need to be followed by hard plastics and carpets. These are high cost recycling materials, typically costing twice that of Energy from Waste treatment. These materials will need to be targeted to meet 70% but can only be offered at Five Lanes and Llanfoist due to capacity and size of Usk and Troy.

Compositional analysis of black bag residual waste going into Usk in Table 2 below is indicative of the issue across the four sites.

Table 2 –Compositional analysis of black bags in Usk HWRC 2019

Food	38%
Textiles	8%
Paper/card	8%
Garden	4%
DIY	3%
Glass	3%
Metal	2%
Other recyclable	1%
Residual	34%

The table shows that making local waste disposal an easy option is not conducive to achieving high recycling rates. It appears that residents are using the site rather than participating in kerbside recycling or adhering to the two black bag limit. Recycled waste at the Usk site has reduced again in 2019 to 45% and is the lowest performing site in Wales.

Black bag sorting as part of a change campaign would increase recycling at the point of delivery in the first instance. Authorities who have successfully implemented these types of intervention have reported that residents pre-sort more waste before coming to the sites and black bag waste reduces substantially. WRAP and the HSE have produced guidance on introducing and operating these types of schemes as the success of early adopters is clear (Appendix 2.1).

Black bag waste sorting is proven to increase recycling on site and offers the potential to increase recycling by 1517 tonnes. This would be equivalent to 6% increased recycling on Monmouthshire sites compared to 15-20% quoted by neighbouring authorities and is evidenced against the WRAP all Wales compositional analysis. If a 20% recycling improvement (based on other local authority data) was achieved, due to the high volume of waste entering our sites this could increase the recycling rate by 9.5% overall. This would meet and exceed the 2024/2025 70% target.

Five Lanes and Llanfoist have ample space to introduce a black bag sorting area. If the other sites accept black bags unsorted there will be a large amount of waste being diverted to Usk and Troy.

Blackbag sorting will be impossible to implement at Usk due to the size of the site and lack of recycling options there. It will be difficult at Mitchel Troy but by reducing black bag capacity there are a greater number of options available for improved recycling options. Sorting at Troy is likely to reduce throughput and potentially reopening an additional day by reinvesting money from the Usk facility would resolve this.

3.3 Investment in additional re-use shop at Five Lanes

The re-use shop in Llanfoist is an overwhelming success with residents and traders and is providing a net surplus profit for investing in climate change emergency projects. A second facility in the south of the county could be equally successful and provide additional income generation opportunities as well as reducing waste and increasing reuse.

Capital funding is being sought from Welsh Government to invest in these facilities as part of the circular economy.

3.4 Rationalisation of HWRC provision

3.4.1 Site Usage

Site usage was monitored during June 2019 and is shown below for Mitchel Troy, Five lanes, and Llanfoist. Usk wasn't included but tonnage data would suggest Usk visits in June would have been less than half of those into Troy.

Mitchel troy	Total number of entrants in June: 7184								
Average	Tuesday	Wednesday	Friday	Saturday	Sunday				
8am - 9am	30	16	24	24	25		Average per day	342.0952	
9am - 10am	26	25	37	49	37				
10am - 11am	30	33	42	38	45				
11am - 12pm	42	30	35	49	52				
12pm - 1pm	30	35	34	49	37				
1pm - 2pm	24	25	20	41	50				
2pm - 3pm	30	36	35	37	43				
3pm - 4pm	32	30	28	41	42				
4pm - 5pm	21	24	18	36	27				
5pm - 6pm	14	20	19	23	18				
Average Total:	277	274	292	387	375				
Five Lanes	Total entrants in June: 9736								
Average	Monday	Tuesday	Wednesday	Friday	Saturday	Sunday			
8am - 9am	20	17	20	22	38	34		389.4533	
9am - 10am	38	27	33	43	43	39			
10am - 11am	41	39	42	50	42	56			
11am - 12pm	39	40	37	36	44	61			
12pm - 1pm	27	36	30	33	45	60			
1pm - 2pm	41	29	39	50	48	49			
2pm - 3pm	46	42	38	53	47	47			
3pm - 4pm	35	30	32	45	42	49			
4pm - 5pm	33	33	28	40	41	38			
5pm - 6pm	21	20	18	25	19	17			
Average Total:	339	311	314	397	407	451			
Llanfoist	Total entrants in June: 16598								
Average	Monday	Tuesday	Thursday	Friday	Saturday	Sunday			
8am - 9am	28	31	76	50	49	35		663.92	
9am - 10am	42	53	98	70	63	63			
10am - 11am	40	65	97	81	76	108			
11am - 12pm	41	50	102	81	82	125			
12pm - 1pm	28	57	85	72	81	131			
1pm - 2pm	41	42	85	69	72	116			
2pm - 3pm	37	42	83	69	71	91			
3pm - 4pm	33	43	75	56	59	81			
4pm - 5pm	27	32	59	60	64	58			
5pm - 6pm	21	22	37	29	36	30			
Average Total:	338	436	796	636	654	839			

3.4.2 Black Bag Sorting infrastructure

The introduction of black bag sorting across the Monmouthshire HWRCs will require rationalisation of the sites as the Usk facility cannot and is not suitable for such a service change.

3.4.3 Infrastructure

Both Mitchel Troy and Usk require funding to improve infrastructure at the sites.

Mitchel Troy

Investment in Mitchel Troy is being investigated and external advisers Eunomia have been commissioned to identify options of moving the HWRC site from its existing position into the lower site which is currently occupied by the operational waste and grounds departments as a depot.

The lower area is substantially larger and could house a suitable modern facility that allows skips to be exchanged without site closures and provide a wider range of recycling options. This would require capital investment but would provide a long term solution and give Monmouthshire better facilities in more densely populated areas.

Usk

The Usk site does not meet current best practice guidelines due to the steps and gantries that are used at the site. The gantries make the site unsuitable for disabled or infirm residents and poor lighting of the gantries leads to complaints and potential slips, trips and falls.

Lighting and electrics on site need investment and recent power surges have knocked out lighting in the St Maryport Carpark several times in November.

The loss of 18 car park spaces improved access and egress for the large vehicles but issues with traversing through a busy carpark with a 44t vehicle remains a substantial risk.

A review of service provision based on site use, tonnages and capacity to improve carried out by Eunomia in 2017 (Appendix 2.2) clearly identifies the need for further investments in Usk and Troy with particular concerns regarding drainage and Health and Safety at Usk. Even with investment in the drainage required to meet NRW standards, investment in gantries, surfacing and lighting improvements estimated at over £30,000 the site would still be the lowest performing recycling centre in Wales due to the capacity constraints that the site presents.

A reduction from 4 sites to 3, with the closure of the Usk facility is recommended with investment in the Mitchel Troy facility moving forward. The closure of the Usk HWRC would also mean additional capacity on the skip exchange vehicles to provide a full clearance of skips on a single closure day which would also benefit the operation at Mitchel Troy.

3.5 Tendering for the HWRC and Transfer Stations

The existing Dragon Waste contract has been operational since 1992 and needs to be retendered. Viridor have worked with the Council in this partnership and have been instrumental in increasing recycling on sites and reducing operational costs despite the original contract being based on landfill payments.

Cabinet agreed to retender the service in 2016 and soft market testing was carried out with a good level of market interest. It was clear from the market that clarity of service provision in the tender documentation was very important. The tendering process was due in 2017 but changes to the service provision as a result of the MTFP budget processes including day closures, rationalisation, household permits and profit sharing mechanisms meant we were unable to give absolute clarity of required service. Ambiguity in tenders can lead to risk pricing, legal challenges or low numbers of tenders.

Viridor have agreed to reduce the management of sites fee by £40,000 with no indexation of contract. This is on the understanding that the contract will be retendered during 2020 and the existing contract having been extended until March 31st 2021

Officers have reviewed the costs and identified options for insourcing. This would give the Council flexibility in service provision going forward but the recent crashes in the recycling market have identified the wider risks of predicating running costs against income generation from recycling. Monmouthshire's total tonnages are very small and the buying and selling power of larger waste management companies offer far less risk in volatile markets.

Within the tender documentation options for the tender process will include seasonal opening hours with shorter opening hours during the winter as a bid back item from tenderers. For example, Minimum 40 hrs per week in the summer and 30 hrs in the winter i.e. 10am – 6pm summer/ 10am to 4pm winter. Other mechanisms for cost and risk sharing for recycling income will be included. A decision on the number of facilities that will be operating across the County must be specified and included as part of the tender and is crucial at this stage.

4. OPTIONS APPRAISAL

Restricting the quantity of black bags allowed per visit is an approach taken by Newport Council. Their maximum of 4 black bags per visit is the equivalent of a fortnights waste if the collections were missed. The difficulty with this approach is that residents often make several visits per day when clearing out attics and sheds and each visit would allow 4 unsorted black bags to be deposited. Many residents use the sites on a daily/weekly basis and limits are unlikely to be effective.

Recycling only facilities were looked at as options for Mitchel Troy and Usk but the relatively low tonnages through the sites would not justify the costs of managing the facilities. The 625 tonne recycling throughput at Usk would equate to a HWRC staff cost £115 per tonne compared to £10 per tonne in Llanfoist. Over 60% of the black bag contents, being disposed at Usk, could easily be recycled at the kerbside.

Insourcing the services has been fully investigated and remains an option dependant on the final tender costs received and the prevailing risks associated with volatility of recycling markets. The flexibility benefits in the Council managing the sites would be reduced if officers are able to negotiate favourable service and variation of provision terms with tenderers but this is not guaranteed.

5. EVALUATION CRITERIA

An evaluation assessment has been included at Appendix 6 for future evaluation of whether the decision has been successfully implemented will be evidenced through increased recycling tonnages.

6. REASONS:

The recycling targets set out by Welsh Government are extremely challenging. It is recognised that increasing recycling can only be achieved by reducing easy options for waste disposal.

The HWRCs in Monmouthshire are key to increasing overall recycling rates due to the higher than average volumes of waste that enter the sites. Diverting some of this waste into the domestic kerbside recycling collections will benefit the climate change emergency work with fewer car journeys. Segregating black bags on site will change behaviour and increase recycling.

The costs of providing four recycling sites across the county places huge budgetary constraints on the waste section. A review of service provision based on site use, tonnages and capacity to improve carried out by Eunomia in 2017 (Appendix 2.2) clearly identifies the need for further investments in Usk and Troy with particular concerns regarding drainage and Health and Safety.

7. RESOURCE IMPLICATIONS:

Black bag sorting on site at the lowest predictions could provide a net surplus of cashable savings of £27,000 and increase overall recycling by 3.18%. There are one off staff and communications and marketing costs associated with the roll out of the changes in the order of £115,000 that would be provided by the Capital programme if applications for grant funding support are unsuccessful. Posts would be fixed term and include additional recycling wardens and project manager to support the procurement process.

An additional re-use shop at Five Lanes is dependant Welsh Government funding. If successful, the income generation and subsequent profit should be invested in climate change emergency projects.

The closure of Usk would provide a cashable saving of £40,000 in reduced management fees and at least £30,000 unbudgeted costs in reviewing the drainage and upgrading lights, gantries and surfacing.

The renegotiated contract with Viridor will provide a cashable saving of £40,000 and equally important does not put the Council at risk of indexation on contract.

Retendering the HWRC and Transfer stations will need resources from legal, finance and procurement. At this stage the financial costs are unknown but it is anticipated that a like for like service provision would increase costs for management. Greater flexibility at the contract negotiation stage over opening hours and risk share for recycle will be more favourable to the market and will provide the most economically advantageous tender position for MCC. The procurement of a 10 year contract with an estimated value of £15m and complex negotiations are likely to need external legal and financial support estimated at £100,000 also from the Capital programme.

8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

- 8.1 The changes to the services proposed or to be considered further as a consequence of this report have significant positive contributions to make to the Wellbeing Goals. In particular it has strong benefits for a Prosperous Wales, by supporting the ongoing development of a low carbon economy. There is also potential to contribute to Cohesive Communities, by working collaboratively and in partnership with our communities to reduce the impact that waste has upon our communities. There are no negative impacts on the Well-being Goals.
- 8.2 There are no significant positive or negative impacts on the protected characteristics, safeguarding or corporate parenting. The principles of Long term, Prevention, Integration, Collaboration and Involvement have been used throughout the development of these proposals (see Appendix 6).

9. CONSULTEES:

Cabinet Member
Strong Communities Select
Soft market testing of the Market
All Member waste awareness days

10. BACKGROUND PAPERS:

WLGA Benchmarking Finance Data 2015/16 and 2017/18
Eunomia Study into Monmouthshire County Council HWRC provision
WRAP and HSE – Black bag sorting guidance

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