

SUBJECT:	HOUSEHOLD RECYCLING REPORT (PART 1 KERBSIDE PROVISION)
MEETING:	CABINET
DATE:	20/12/19
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

The waste and recycling service provision across the County must continually evolve to meet challenging statutory targets, volatile markets and increasing costs. This reports sets out measures that will be necessary to achieve national statutory recycling targets, minimise budget pressures and provide sustainable waste services going forward. Formalising recycling and waste collection policies that recognise the important role of education and enforcement in embedding change will give clarity for all users of the services. Change programmes that reduce waste, increase recycling at the kerbside and increase food waste capture through positive recycling behaviour will have the biggest environmental and financial benefits.

2. RECOMMENDATIONS:

- 2.1 To approve the household kerbside recycling and waste collections policy (Appendix 1).
- 2.2 To approve the implementation of a change programme at the kerbside to enhance and support positive recycling behaviour for all residents across the county.
- 2.3 To commission a review of the garden waste service and consider the introduction of wheeled bins from spring 2021.
- 2.4 To delegate the trade waste review to the Chief Officer in order to implement recommended service changes in consultation with Cabinet Member.
- 2.5 To take note of the polypropylene reusable bag trial update.

3. KEY ISSUES:

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 high performing 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.

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 and support positive recycling behaviour coupled with increased scepticism and negative media coverage of recycling impacts on public participation in local services.

It is likely that public awareness of climate change, the rise in waste specific TV shows and the plastic free movement will continue to see a reduction in the available material for recycling. A close to home example of this is shown through the move to returnable glass milk bottles in Monmouthshire's primary schools which removed 437,000 plastic milk bottles out of school recycling bags per annum.

The most recent compositional analysis identifies food waste as the single biggest waste stream in black bags across Wales 24.8% (WRAP 2015). These figures demonstrate that within Monmouthshire, the diversion of all food waste into recycling could capture an additional 1800 tonnes per annum, increasing the recycling rate by 4% and potentially saving £72,000 on treatment costs.

The recycling market conditions have deteriorated considerably over the past year and continue to do so, market intelligence indicates that there will be no improvement in the near future, this therefore has implications on service and forecasted budgets which need to be reviewed in line with the Councils Medium Term Financial Plan (MTFP) on an annual basis.

3.1 Key Issues: Recycling and waste collections policies

The Recycling and Waste Collections Policy (Appendix 1) has been debated in March 2019 and again in October 2019 by the Strong Communities Select Committee. The policy has been endorsed by the Select Committee and formalises many of the common practice processes and procedures that are currently followed.

There is increasing customer expectation being placed on public services and a desire for policies that clearly define service provision and the process for accessing these services. The introduction of in-cab technology will allow the crews to report issues direct from the cab to the back office and contact centre; contaminated bags, bags not presented, blocked roads etc will be live data and this will reduce customer frustrations and allow resources to be used more effectively.

The rurality and ageing population in Monmouthshire is likely to see an increase in requests for assisted collections. These collections enable residents to continue to live independently, remain in their own homes for longer and reduce costs in other service areas. Access to this provision needs to be managed effectively to ensure we are able to support the most vulnerable.

Education remains the primary vehicle for positively improving recycling behaviour and we will continue to work with residents in this way. Enforcement policies that target residents that do not participate in recycling and continue to cause issues for the wider community are crucial in achieving high recycling rates.

3.2 Key issues: Recycling behaviour

There has been a substantial reduction in funding of recycling communications since 2016 at both local and national level. Welsh Government have recognised the power of positive communications campaigns and have commissioned the waste resources action programme (WRAP) to run a national recycling campaign from January 2020.

The Welsh Local Government Association (WLGA) have worked with many local authorities to increase recycling and developed a guide for implementing enforcement campaigns at the kerbside 'Capturing recycling – a guide to behavioural change' (Appendix 2).

Compulsory recycling schemes such as this have been implemented in Rhondda Cynon Taff and Swansea. Both have seen substantial increases in participation in kerbside recycling with Swansea anecdotally reporting a 2% increase in their overall recycling rate attributed to this scheme. WRAP and Blaenau Gwent's "Keeping up with the Joneses" campaign is a similar programme and aims to nudge good positive behaviour through peer pressure.

The positive change campaign and processes that are being recommended within this report consists of four stages: (detailed information is included in the guidance at Appendix 2):

- Stage 1) Educational letter – issued on first occurrence
- Stage 2) Informal action letter – issued on repeated occurrence
- Stage 3) Formal action letter – final warning on third occurrence
- Stage 4) Fixed penalty notice – issued at fourth occurrence

Other local authorities that have already introduced such a campaign report that a high number of stage 1 letters are issued (in the thousands), a much lower number of stage 2 (in the hundreds) and then an extremely small number of stage 3 & 4, with Swansea, for example, reporting that they have only had to issue two fixed penalty notices.

It seems that this approach has been highly effective elsewhere and we firmly believe that the introduction of such a change programme is necessary within Monmouthshire in order to reach our target of 70% recycling in order to support and encourage people to recycle or to recycle more. We estimate that 50% of what is contained within black bags at kerbside is recyclable within our current service offering with food waste making up around half of this.

If agreed, a comprehensive communications campaign including leaflets, vehicle livery, press releases and social media will be introduced from January 2020 to be backed up and supported with the four stage kerbside education and enforcement process outlined with implementation in April 2020.

Meeting and exceeding 70% will need everyone to do more, this includes the hard to reach non-recyclers and this proposed approach with the four stage education and enforcement process will mean that we have the ability to address issues that have previously been too difficult to tackle through education alone.

3.3 Key Issues: Delivery of garden waste service

The chargeable garden waste collection service has now been in operation for over 7 years. The service commenced at £8 per permit per annum and is now £18 for a nine month seasonal service and is planned to remain so for the 2020/21 season. The price increases have reflected a reduction in grant funding from Welsh Government that helped subsidise the scheme and a better understanding of cost of delivering the service over several years.

The garden waste service is highly regarded by the 11,600 customers and provides a cost effective alternative to taking garden waste to the household waste recycling centres.

Prior to December 2018, garden waste was co-collected and mixed with food waste and sent to in-vessel composting. Costs were apportioned by an estimated percentage. In 2018 the council secured a long term food waste treatment contract with a substantially lower gate fee, producing electricity at a Bridgend Anaerobic Digestion plant. A separate garden waste treatment contract with a local Abergavenny based company was also secured in 2018. This means that both material streams have been collected separately in 2019 for the first time and therefore collection costs can be accurately determined.

This year's garden waste service collection costs have been calculated at circa £630,000 per annum against income generated at £330,000. Subsidising garden waste collections across Wales is common place. For many authorities it is the only way of achieving the recycling targets and as such services are heavily subsidised. For many residents without transport it is the only way of sending garden waste for treatment. Balancing the potential recycling fines against the cost of providing the service is clearly important as is providing a highly regarded service at an affordable price.

These figures along with the modelling included in Appendix 3 demonstrate that in order to fully cover collection costs using the current reusable bag and permit scheme we will need to invoke a charge of £34.56 per permit.

Appendix 3 also models a comparative fortnightly wheeled bin service. It shows that the introduction of a fortnightly service using wheeled bins would prove comparatively less expensive - £31.71 p/a as we would be able to reduce the number of collection vehicles and crew members and therefore costs.

A risk must be noted though, as whether the service is delivered with bags or bins, with any price increase, a percentage of customers will drop out of the service potentially leaving a shortfall in income once again. The modelling also assumes that customers will continue to purchase the equivalent volume receptacle/s that they purchased this year.

It has been identified that delivering garden waste collections as a stand-alone service with reusable bags requires very large rounds with increased manual handling for crews, which could become a potential concern for their health and well-being. Prolonged exposure could bring increased risk of muscular-skeletal injury for our collection crews and we need to mitigate this as far as possible. Fortnightly collections using 240l wheeled bins would reduce this manual handling for crews therefore reducing risk of injury whilst providing adequate storage for residents.

Consultation with service users in 2018 was 50/50 on the acceptance of wheeled bins as an option, they are likely be more acceptable in comparison to any increased costs of permits for the bagged service.

New vehicles for the garden waste service need to be procured as soon as possible to replace our current 2012 plate Refuse Collection Vehicles (RCVs) in time for delivery March 2021 therefore a decision is pressing.

More work needs to be done on the modelling of the collection rounds to ensure certainty in achievability and levels of subsidy needed. Once this has been completed we aim to report back to Strong communities to consider and scrutinise the options for the service and Cabinet early next year for consideration of a revised service model.

3.4 Key issues: Trade Waste Services

Welsh Government are currently consulting on legislation that would introduce compulsory trade waste recycling for all businesses (Appendix 4) with a potential implementation date of April 2021. All trade waste service providers must offer recycling to businesses but as yet it is not compulsory that businesses participate. The new legislation would put the onus onto the business to recycle and also increase the materials that must be recycled. The suggested materials are paper, card, glass, food, tins, plastic, textiles and waste electrical equipment. It should be noted that the public sector will have the same responsibilities as businesses, therefore these changes will affect all of the council's buildings and it is likely to have a financial impact through increased collection and disposal costs to provide separate collection and disposal options in order to meet the legislation.

Monmouthshire's trade waste and trade recycling service currently consists of:

- a) Stand-alone trade waste collections (non-recyclable waste for incineration).
- b) Trade recycling - Red bag (paper and card), purple bag (plastics and cans), glass box/bin and cardboard collections all of which are currently co-collected on the domestic lorries.

The MCC trade waste service performs well in benchmarking terms and provides a competitive service for businesses as evidenced in WLGA benchmarking data 2017-18 (Appendix 5). The trade waste service is on target to net a surplus of £120,000 this year. The 1400 tonnes of black back (residual) trade waste we collect per year does negatively affect our recycling rates. Without this tonnage, Monmouthshire's recycling rate would increase by approximately 2% as we would have less residual waste affecting our overall totals however there would be a loss of income which would create a budget pressure.

Local Authorities do have a statutory duty to arrange trade waste collections for businesses, but due to the negative impact that they can have on recycling rates many have priced themselves out of the market in order to meet recycling targets and have moved away from prioritising this service offer. Some Local Authorities have also outsourced the recycling element to meet the statutory duty to provide this service as it is not cost effective to provide the service themselves.

Once the legislation is introduced our current trade recycling service will be non-compliant and we will no longer be able to collect trade recycling on the domestic recycling lorries. Investment will be required in order to introduce a new compliant trade recycling service model this will include:

- New (and extra) vehicles for recycling the more separate and additional material streams and extra tonnage
- More staff to make the collections
- The service may need to be subsidised to reduce the impact on smaller high street businesses.

As with the garden waste service, vehicles need to be procured in the very near future to hit procurement and manufacturer timescales for delivery before April 2021.

As a result of the issues highlighted, we have already started work with WRAP to identify solutions for delivering the future trade waste and recycling services. Early proposals include entering into discussions with recycling companies to partner with us to provide a holistic service. Newport Wastesavers already provide recycling services in Monmouthshire but others may be interested. Legal advice regarding the selling of the service as a going concern is being sought.

The inclusion of the trade waste collection service in the household waste recycling centre tender could be an attractive option which will be considered by officers. It would give

potential tenderers an additional income stream and help MCC meet its recycling targets by reducing overall residual waste as the tonnage would not be included in our figures.

Cabinet would not normally be informed of operational changes to the trade waste service but it is necessary to highlight the potential impact of this legislation across the organisation, businesses and other public sector bodies.

3.5 Update: Polypropylene reusable bag trial

The polypropylene bag trial started on the 18th November 2019. The trial includes areas around Caerwent, Llangibby and Overmonnow. The trial includes approximately 2,000 households. The trial is proposed to last at least 8 weeks before further decisions are taken but it is already clear that capacity on the vehicles is an issue. Public acceptance of the scheme so far has been widely positive, participation in the recycling scheme has remained high and call volumes low.

The introduction of polypropylene bags was agreed by full council as a budget mandate decision. They make a positive contribution to reducing single use plastic bags and a cashable saving was attached to their introduction of £45,000 per annum. It therefore should be noted that there will be a negative budget implication if the roll-out is postponed.

The recent 'March on for recycling changes' service change separated the dry recycling into red (paper and card), purple (plastic and cans) and glass recycling streams and during 2019 we have tested the market with the more separated recyclate.

We are not currently in contract with a recycling processor, we therefore were able to test options with the market and saw financial benefits in the commercial decision to 'spot price' the recycling in the first few months. Unfortunately the market deteriorated through the year and gate fees have steadily increased over the autumn and are continuing to rise. Commercial partners with close market intelligence are not predicting an improvement in conditions in the near future.

A longer term fixed contract with profit sharing mechanisms may offer a better solution when the decision to roll-out or postpone the polypropylene bags is taken.

In terms of the decision to roll-out the polypropylene bags, we know the material is still more marketable and valuable loose but unfortunately due to the poor recyclate values the differential between the bagged and the loose material is not enough at this time to warrant additional investment in vehicles and staff that early results are indicating we would need.

Early next year, following the trial and once data is collated we will report back to Strong communities for consideration and scrutiny on the options and Cabinet with the results and a recommendation on the way forward.

4. OPTIONS APPRAISAL

4.1 Recycling and Waste Collections policies

Without formalisation of many of the common practices, processes and procedures that are currently followed within the waste and recycling collections department, officers currently have no policy to back up decision/practices when the need arises. With the introduction of formal policies, reference can be made, practices aligned and common approaches to scenarios more easily adopted.

4.2 Recycling behaviour

With Monmouthshire in real danger of failing to hit the 64% target this year and in subsequent years, with the absence of a kerbside communications campaign to change behaviour the authority will be hit with significant fines year on year and the 70% target for 2024/25 will quickly become completely unachievable.

Investment in such a campaign is the right thing to do environmentally (in terms of increasing recycling), financially (in terms of fine avoidance) and for the reputation of Monmouthshire County Council.

4.3 Delivery of garden waste service

A full Options appraisal will be included in the forthcoming report next year

4.4 Trade Waste Services

A full Options appraisal will be included in the forthcoming report next year

4.5 Polypropylene reusable bag trial

A full Options appraisal will be included in the forthcoming report next year

5. EVALUATION CRITERIA

An evaluation assessment has been included at Appendix 6.

6. REASONS:

Recycling targets have become increasingly challenging and many authorities have introduced policies for kerbside collection to drive improvements.

Positive recycling change programmes and communication campaigns have varied success but there are many good examples of good practice available. Taking the best of all the recent campaigns and delivering a suitable programme in Monmouthshire is overdue.

Investment in positive recycling campaigns will be critical in driving up recycling rates to meet and exceed the 70% target by 2025. The communications team is supporting the

service area in developing a programme of activity that can “piggy back” the national campaigns in 2020.

The green waste service needs a review due to the costs and manual handling risks.

The trade waste service review is essential due to forthcoming legislation changes and the significant change that will be required to the service provision by April 2021.

7. RESOURCE IMPLICATIONS

Positive communications, marketing and the introduction of targeted campaigns should assist in driving up recycling and reducing residual waste disposal. With the exception of food waste the cost of reprocessing recycling materials is currently similar to the costs of Energy from Waste as a treatment option. Specific targeted campaigns to increase food waste recycling participation, if successful, should cover the costs of a campaign but is unlikely to provide a net saving for several years. The cost of a positive recycling campaign to improve recycling behaviour will cost approximately £155,000. The cost of this campaign could be met (wholly or partially) through Welsh Government grant if the service is successful in securing such funds. If capital grant funding is unsuccessful a business case will be prepared and submitted into the 2020/2021 Capital Programme.

The budget for buying new vehicles is part of the ongoing operational costs built into existing budgets. The capital costs of buying bins will be similar to ongoing revenue costs for annual replacement of bags and permits. There would be a revenue benefit if capital could be secured and delivered through Welsh Government waste grants.

The costs of providing waste collection services continues to rise, the recycling market is particularly volatile, treatment costs have increased and income opportunities have reduced. Decisions taken now will influence service provision for the future and the vehicle procurement. The vehicles procured have a lifespan of 8 years and this commitment to service provision may reduce opportunities for MTFP savings or future service changes.

Trade waste will continue to provide a net surplus during 2020 but the proposed legislative changes will impact base line budgets.

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:

Enterprise DMT 2nd Dec 2019

Strong Communities Select Committee March 21st and 15th October 2019

Cabinet member

10. BACKGROUND PAPERS:

Appendix 1 – Collections policy

Appendix 2 – WLGA ‘Capturing recycling – a guide to behavioural change’

Appendix 3 – Garden waste service cost modelling

Appendix 4 – Welsh Government consultation document ‘Increasing business recycling in Wales’

Appendix 5 – WLGA Commercial waste & recycling benchmarking 2017-18

Appendix 6 – Evaluation Criteria

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