

SUBJECT: Recycling Contract
DIRECTORATE: Operations / Waste & Street Services
MEETING: Strong Communities Select Committee
DATE: 10th November 2016
DIVISION/WARDS AFFECTED: All

PURPOSE:

1. For Members to receive an update on the kerbside dry recycling reprocessing contract.

BACKGROUND

2. In light of the Recycling Review Committee has asked for an update and overview of the contract with Suez for the reprocessing and onward management of the dry recycling currently collected at kerbside by MCC.
3. Since 2009 MCC has collected dry kerbside recycling in red and purple bags containing:
 - Red:- paper, card & tetrapaks (fibres)
 - Purple:- glass, cans/metals, plastics (containers)
4. The material is collected together in the back of a Refuse Collection Vehicle (RCV) and has been sent under contract to various reprocessors who sort the materials through a mechanical mechanism (Materials Recycling Facility (MRF)) into their original constituent parts and then market those material for recycling and conversion into new products.
5. To put the kerbside recycling tonnage into context, below is a table for 2015/16:

Total kerbside collected	9,083 tonnes
--------------------------	--------------

MRF Residual (rejects)	1,486 tonnes
Total MSW Collected	50,364 tonnes

6. In 2015/16 kerbside recycling constituted 15% of total waste managed by the authority and is one part of the overall 39% of recycling performance. The above data shows a high level of reject material – 16%. In summer of 2015 MCC’s previous contractor struggled to source a suitable reprocessor for the processed glass and instead laid it as part of aggregate over their landfill. Due to the definitions of recycling aggregate over a landfill is classed as “capping” and not recycling. If the aggregate had been used in road construction it would have been classed as recycling. However in terms of the Waste Hierarchy glass to aggregate is not as environmentally beneficial as glass to glass recycling. We do however fully acknowledge that there is always an element of contamination as the recycling cannot be 100% perfect 100% of the time. With a new contractor on board from February 2016 our contamination/reject rate has been running at c.7-8%. This is completely in line with industry practice and previous performance of the MCC service. Therefore for the first half of 2016/17 the kerbside recycling contribution to MCC’s overall recycling performance has been 18%.

The Current Contract

7. MCC undertook an OJEU procedure over 2015 to award a new reprocessing contract which resulted in SUEZ being appointed. Suez began the contract at the end of January 2016 and they reprocess the material at their modern MRF in Avonmouth. The requirements for the contract are:
- a) Provision of stand trailer at Five Lanes Transfer Station
 - b) Haulage of recyclate
 - c) Reprocessing of recyclate
 - d) Onward marketing and management of both recyclates and any residual waste
 - e) Must achieve a recycling rate of at least 90% (supported through pay mech)
 - f) Robust reporting of “end destinations”
8. The contract was let at a time of great uncertainty in the recycling market due to the global down turn. In recent months this has been further exacerbated with the uncertainty created around steel (TATA) and the glass market has also struggled. Paper too has declined as two mills in the UK have closed in recent years as paper use substantially changes with the rapid transition to an electronic based economy and lifestyle. For certainty and to protect the authority from risk the contract has a fixed price. Whilst this means the authority may not

receive any financial benefit if the market turns good, it also protects the authority should the market decline during the contract period. In recent months MCC has definitely benefitted from this fixed price.

9. In light of point (f) above to demonstrate that the recyclate is actually recycled Councils in Wales have to go through a rigorous process of following each point which manages or handles the recycling. SUEZ obviously handle many millions of tonnes of recyclate from all over the UK so tracking MCC's actual waste is an art as well as a science e.g. once there is a pile of paper going off to 5 different markets it has to be estimated how much of MCC's is in the 5 loads. Due to the reprocessing industry it isn't easy to say that MCC material ends up in a certain factory producing a certain product. However Members can have confidence that our reporting has been identified as best practice by WG for its robustness and our attempts to break down barriers within the commercial market to give us the information to provide assurance we are recycling what we say we are.

Moving Forward – The Recycling Review and the Contract

10. The contract has a term of 14 months +7 months + 7 months. The intention being it ties into the dates when any changes to the recycling service would be implemented following a decision through the Recycling Review.
11. MCC has worked well and closely with SUEZ on the Recycling Review to date. They understand and support the recognition MCC has given to removing glass from the recycling stream and have already provided market intelligence about price should glass be fully removed. Whilst this information remains commercially confidential the value appears significant enough on reprocessing costs to potentially cover the cost of more complex collection vehicles and still deliver a saving to the authority. This is what the pilot is now fully investigating and will report to Select Committee on 16th January 2017.

Recommendation

12. Members note the above report.

Report Author

Rachel Jowitt
Head of Waste & Street Services
racheljowitt@monmouthshire.gov.uk
01633 748326 / 07824 406356

