

Taunton Deane Borough Council

Executive - 15 July 2009

Implementation of Sort It Plus Recycling Collections

Report of the Strategic Director (Joy Wishlade)

(This matter is the responsibility of Executive Councillor Slattery)

1. Introduction

- 1.1 The purpose of this report is to seek the Executive's approval to the introduction of a kerb side collection service of plastic bottles and cardboard. This level of service is known as Sort It +.

2. Background

- 2.1 The Somerset Waste Board instituted trial rounds with differing collection frequencies of plastic bottles and card (Sort It +) in 2008.
- 2.2 The Overview and Scrutiny Board of Taunton Deane Borough Council discussed the interim results of the trial in September 2008 and agreed that Service Package 2 (SP2) appeared to be the best value in terms of performance vs cost although it was recognised that SP5 would produce a higher level of performance if it could be made to be affordable.
- 2.3 A new "one – pass" vehicle was used for further SP5 trials earlier this year. These proved successful and significantly lower the cost of SP5. This service package means that food waste and current recyclables (paper, cans, glass) plus card and plastic bottle recyclables will be collected weekly and residual rubbish collected fortnightly.
- 2.4 Somerset County Council County Council has increased the Recycling Credit payments to district councils who plan to implement Sort It + as the increase in recycling will lower the risk of sending waste for disposal in landfill. More recycling lowers the risk of incurring higher tax costs for the residents of Somerset in landfill tax. Thanks are due to the County Council for the increased payment as it has reduced the cost of the new services to the district authorities.

3. Trial Results and Costs

- 3.1 The full report from the Somerset Waste Partnership on the outcome of the trials and the final costs of Sort It + are found at Appendix 1.
- 3.2 The recommendation of Somerset Waste Partnership following the trials is

that SP5 should be the adopted package for Somerset as its extra costs are relatively low compared to the improvement in recycling and customer satisfaction.

- 3.3 It should be noted that Somerset County Council has increased the Recycling Credit payments to District Councils wishing to implement Sort It + as the increase in recycling lowers the risk of sending for disposal in landfill.
- 3.4 The report at Appendix 1 makes clear that there is currently no solution for providing the enhanced recycling service to communal properties. This is approximately 2,600 households in Taunton Deane. May Gurney and Somerset Waste Partnership are in continued discussion looking at options for these properties. However, the current price does not include the communal properties and whatever solution is found would be an increased cost.

4. Financial Implications

- 4.1 The total annual costs for Taunton Deane if SP2 or SP 5 were implemented across the county with all Districts participating are:-

SP2	£181,600
SP5	£210,100

These prices are based on 2009/2010 costs and are net of Recycling Credit payments.

However with less authorities participating at the outset the costs rise. These will reduce as other authorities come on board. Whilst all Somerset districts are considering introducing SP5 only Taunton Deane and Sedgemoor are likely to implement in the current financial year. If both authorities decided to go forward the annual cost to Taunton Deane would be £269,300. The roll out will be phased over the 2009/2010 and 2010/2011 period. There is currently £145,000 in the budget this year and £189,000 in the Medium Term Financial Plan (MTFP) for 2010/2011 giving a total of £334,000. It will therefore be possible to reduce the requirement in the MTFP by £64,700 from 2010/2011 (subject to any further costs arising from services to communal properties). Should only Taunton Deane go ahead on its own, the SWP and May Gurney have confirmed that there will be no added costs.

- 4.2 As the Sort It+ services are rolled out it is recommended that the bring bank sites are removed. Our budgets show that the original budget for bring banks was £101,200 but that this was reduced by £15,000 as part of the DLO savings plans. The Executive agreed as part of its budget to remove bring banks in line with the implementation of the Sort It + services. A further £40,000 has therefore been taken out of the 2009/2010 budget and £46,200 from 2010/2011 in the MTFP. There are therefore no further savings to be made on this budget line. As part of the roll out programme

the SWP will provide a strategy for the removal of the bring banks that fall within the budgetary constraints of the overall programme. It should be noted that there will be difficulties to exactly align the removal of bring banks with the geographical roll out of the new services.

- 4.3 There are also capital costs for the purchase of extra recycling bins. The cost for Taunton Deane is £163,400 at current prices. However, Somerset County Council is in receipt of Waste Infrastructure Grant and has agreed to assist District Councils in these purchases by offering 75% of the cost. Thus the cost to Taunton Deane Borough Council is £40,900. This funding is available from residual waste reserves.

5. Legal Implications

- 5.1 Taunton Deane will enter a legal agreement with May Gurney to deliver kerb side card and plastic bottle collections throughout the Borough.

6. Implementation

- 6.1 Implementation across Taunton Deane will be phased over 2009/2010 and 2010/2011. SWP and May Gurney will provide a detailed roll out plan that is most operationally and cost effective. A communication plan will be implemented prior to each part of the roll out for both Ward Members and the public involved in that particular area.

7. Recommendation

The Executive is asked to consider the following recommendations:-

1. That Taunton Deane adopts SP5 for Sort It + collections with roll out commencing in 2009/2010 and completing in 2010/2011;
2. That a strategy for the removal of bring banks is developed as part of the implementation of the Sort It + services;
3. That the Council's MTFP is amended for 2010/2011 onwards to reflect the actual costs of Sort It +;
4. That recommendations and options for servicing communal properties are developed as soon as possible;
5. That Full Council is requested to approve an increase to the capital programme of £40,900 for the estimated shortfall in capital funding which is to be funded from uncommitted waste services reserves; and
6. To provide any further comments for consideration by the Somerset Waste Board.

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SORT IT PLUS Recycling Collections

Report of David Mansell, Strategy and Communications Team Leader

1. Introduction

- 1.1. This report provides details of the final prices for SORT IT PLUS collections in Taunton Deane.
- 1.2. SORT IT PLUS is an integrated package of waste collections with a weekly service for food waste, fortnightly for refuse, optional charged service for garden waste and with the 'plus' of adding cardboard and plastic bottles to kerbside recycling collections.

2. Recommendations

- 2.1. Taunton Deane Borough Council adopts Service Package 5 for SORT IT PLUS collections, which provides a weekly recycling service for all materials, including new collections for plastic bottles and cardboard.
- 2.2. The Board notes the information presented in this report and provides any comments for consideration by the Executive and Somerset Waste Board.

3. Background

- 3.1. A series of trials were launched in May 2008 to test a number of options for the provision of SORT IT PLUS collections. These covered 8,500 households in Mendip, Sedgemoor and Taunton Deane.
- 3.2. The SORT IT PLUS trials tested innovative new recycling collection vehicles, involving one or two pass collections for all materials including food waste, and different frequencies of recycling collection, as shown below.

RECYCLING COLLECTION FREQUENCIES	Service Package 3	Service Package 2	Service Package 5
Standard Dry Recyclables*	Fortnightly	Weekly	Weekly
Plastic Bottles & Cardboard	Fortnightly	Fortnightly	Weekly
Food Waste	Weekly	Weekly	Weekly

* Paper, glass, cans, foil, clothes, shoes and car batteries.

- 3.3. Early findings of the trials were reported to the Overview and Scrutiny Board on 4th September 2008 and a final report on the trial results was presented to the Somerset Waste Board on 21st November 2008.

4. Key Trial Findings

- 4.1. Service Package 5 (SP5) achieved the best recycling performance in the trials and was the most popular service package with residents. Service Package 2 (SP2) also achieved a good performance and proved a fairly popular option.
- 4.2. Some of the key findings from monitoring of the trials and from a questionnaire sent to all residents on trial rounds are shown in the table below.

KEY TRIAL FINDINGS MONITORING & SURVEY	Service Package 3	Service Package 2	Service Package 5
Projected Recycling Rate for Taunton Deane	52%	55%	58%
Respondents saying SORT IT PLUS is much better or better than previous collections	69%	75%	87%
Respondents recycling a lot more or more than before	72%	76%	83%
Respondents saying their refuse bin is generally full and with extra refuse sacks	5%	6%	2%

5. Collection Vehicle Design for Service Package 5

- 5.1. The prototype recycling collection vehicle, used by Somerset Waste Partnership's collection contractor May Gurney, on SP5 rounds during the trials proved to be unsuitable as a long-term option, as it was not efficient enough in operation.
- 5.2. However, May Gurney used this experience to help develop a new vehicle design, which they started using on similar recycling collections in Barnet at the end of 2008. May Gurney were soon confident enough in this design to offer this as a solution to Somerset and indicated that it would allow SP5 collections to be provided at a similar cost to those for SP2.

- 5.3.** The new vehicle design allows all SORT IT PLUS materials for recycling, including plastic bottles, cardboard and food waste, to be collected by the same vehicle on a single pass. Loading capacity, especially for light bulky materials such as plastics and cardboard, is greatly increased by lowering the position of material stillages and allowing light materials to be mechanically lifted to new compartments at a higher level. The new design offers a number of manual handling improvements by lowering loading heights and removing the need for stepping up on to the vehicle. It is also designed to reduce noise arising from the loading of glass.
- 5.4.** Testing of the new vehicle design was required to confirm that it could be adapted to provide sufficient capacity for recycling yields in Somerset and to include food waste, which is not collected in Barnet. This testing started in March on Mendip trial rounds and continued in Sedgemoor and Taunton Deane from April.
- 5.5.** A few minor issues arose with the use of the new single pass vehicle design in Somerset, all due to differences in materials collected in Barnet. May Gurney have identified modifications that will be made to the single pass vehicle for collections in Somerset, which include increasing capacity for cardboard and food waste and improving containment for cans collected mixed with plastic bottles. These modifications will allow May Gurney to provide a bespoke single pass collection vehicle designed for use on SORT IT PLUS collections in Somerset.

6. SORT IT PLUS Implementation

- 6.1.** A second black recycling box will be provided for SORT IT PLUS collections, so that residents will have two boxes for recycling: normally, a green one for paper, glass and foil and a black one for plastic bottles, cans and cardboard. These boxes are designed so that they can stack one top of each other.
- 6.2.** Communication arrangements would be the same as adopted for the trial rounds in Taunton Deane. There would be a notice issued in advance to the local media and affected Ward Members and Parish Councils. Boxes with a clear instruction leaflet would then be issued 1-3 weeks before the new collections start to households covered by each roll-out phase.

7. Collections for Communal Properties

- 7.1.** May Gurney have not proposed a method for collecting plastic bottles or cardboard from the 2,600 households (approximately) living in communal properties in Taunton Deane. These are normally served by micro-recycling centres with wheeled bins for different materials, but the current collection vehicles used for this service are not suited for collecting cardboard.
- 7.2.** Further work will be undertaken to identify options for adding plastic bottles, cardboard and food waste to recycling collections from communal properties.

8. End-Use Markets

- 8.1.** Last November, when the final report on the trials was presented to the Somerset Waste Board, there had been a downturn in prices paid for some materials, such as cardboard and plastic bottles, due to the global economic crisis unfolding at that time. Consequently, May Gurney were not willing to add these new materials to kerbside recycling collections in Somerset, unless they could revise their collection prices to reflect the exceptional market conditions and reduced values of these materials.
- 8.2.** Since that time, Somerset Waste Partnership contractors, including May Gurney, have continued to be able to supply materials collected in Somerset to good end-use markets and there has not been any need for stockpiling. In part, this is due to the high quality of materials collected for recycling in Somerset, with high standards of source separation.
- 8.3.** Some materials, such as paper and glass, were largely unaffected by the market downturn and were secured under long-term supply contracts in any case. The markets for other materials, including plastic bottles and cardboard, have since stabilised and have shown signs of recovery, with improved prices paid. As a result, May Gurney will now add plastic bottles and cardboard to recycling collections in Somerset with prices based on achieving values for all material as originally tendered.

9. Increased Recycling Credit Payments

- 9.1.** To provide support for the adoption of SORT IT PLUS collections and reflecting increased costs of sending waste for disposal to landfill, Somerset County Council has offered to increase Recycling Credit payments to District Councils by £20 per tonne for the additional material collected for recycling by SORT IT PLUS. This additional income has been included in calculations for the latest prices, provided below, for SORT IT PLUS collections in Taunton Deane.

10. Cost Comparison for Service Packages 2 and 5

- 10.1.** If all districts in Somerset adopted Sort IT PLUS collections and once fully rolled out, annual revenue costs for Taunton Deane would be:
Service Package 2 - £181,600
Service Package 5 - £210,100
- 10.2.** These prices apply to 2009/10 and are net of Recycling Credit payments from Somerset County Council.
- 10.3.** Somerset Waste Partnership recommends that SP5 is adopted for SORT IT PLUS collections due to the improved performance and customer service that it offers over SP2 for relatively little extra cost.

11. Final Prices for Service Package 5

- 11.1.** Sedgemoor District Council and Taunton Deane Borough Council made provisions in their budgets for 2009/10 to introduce SORT IT PLUS collections in their districts.
- 11.2.** SP5 collections fully rolled out in Sedgemoor and Taunton Deane would have an annual revenue cost for Taunton Deane of £269,300.
- 11.3.** This cost applies to 2009/10 and is net of Recycling Credit payments from Somerset County Council. It is less than the prices estimated at the end of the trials in November 2008, which were £292,000 for SP2 and £356,000 for SP5 in Taunton Deane.
- 11.4.** Costs would reduce with more Somerset districts adopting SORT IT PLUS, due to increased economies of scale that arise, which are reflected in service prices provided by May Gurney. Cost shares for further district groupings and for years with partial roll-outs are in the process of being prepared, using prices submitted by May Gurney.
- 11.5.** If Sedgemoor District Council decided not to adopt SORT IT PLUS from 2009/10, the costs for Taunton Deane Borough Council proceeding alone would be no more than reported above in 11.2. Roll-out costs would also not increase.

12. Capital Costs

- 12.1.** The total capital cost for the provision of a second recycling box, together with a small allowance for some households requiring provision of the first box and/or food waste bins, will be £163,400 at current prices. Somerset County Council has offered to pay 75% of this cost from a DEFRA Waste Infrastructure Grant, leaving a capital cost to Taunton Deane Borough Council of £40,900.
- 12.2.** This capital cost is £3,000 lower than when last reported due to boxes now being available at lower prices.

13. Roll Out Costs and Timetable

- 13.1.** Costs during roll out years are in the process of being calculated and will be reported to Taunton Deane Borough Council as soon as these are available.
- 13.2.** Working within the budgets planned of £145,000 for 2009/10 and £189,000 for 2010/11, it is expected that this will allow SORT IT PLUS collections to be extended to 5,000 households in November 2008, to a further 15,500 households in March 2010 and with Borough-wide roll-out then completed during 2010/11.
- 13.3.** This includes continued provision of SORT IT PLUS collections to the five trial rounds and roll-out communication costs.

14. Risk Assessment

Risk	Likeli-Hood	Impact	Mitigation	Residual Risk
Increase in district capital costs for boxes or food bins.	Medium	Low	Costs recently updated to reflect current prices. Possibility of obtaining better prices through planned new procurement process based on high numbers required for SORT IT PLUS.	Low
Recycling Credit payments will fall due to tonnage projections not being achieved.	Medium	Medium	Sensitivity analysis undertaken of impact. SORT IT PLUS tonnage increases maintained at levels recorded during trials, but now on lower base levels for 09/10 with reduced tonnages due to recession. Possibility that yields will increase when economy recovers.	Low
May Gurney net costs exceed those estimated for SWP prices.	Low	Medium	May Gurney have taken a cautious approach, with prices approved at director level, and are contractual bound to new prices submitted.	Low
Capital cost of new depot infrastructure exceeds estimates.	Low	Low	An initial site survey has been undertaken. A full survey will be undertaken shortly and full development plans prepared.	Low

15. Background Papers

- 15.1. SORT IT PLUS Trials – Early Findings, 4 September 2008 to Overview and Scrutiny Board, Taunton Deane Borough Council
- 15.2. SORT IT PLUS Trials – Final Report, 21 November 2008 to Somerset Waste Board

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