

CABINET

4 OCTOBER 2011

RECYCLING CLEAR BAGS

Portfolio Holder: Councillor Phil Filmer, Front Line Services

Report from: Robin Cooper, Director of Regeneration, Community and Culture

Author: Sarah Dagwell, Head of Waste Services

Summary

This report sets out proposals to continue to issue the single use clear sacks to work alongside the reusable bags. In particular, the report sets out:

- the original parameters of the collection system as detailed in Veolia's variant bid accepted by council on 15 April 2010
- how the scheme has been running since October 2011 when the new contract started,
- how residents are currently presenting waste and the current issues with this hybrid system,
- cost implications of continuing to issue the clear sacks.
- the proposed future system and costs.

1. Budget and Policy Framework

1.1 The recommendations proposed in this report are within the policy framework of the council; fitting under the strategic priority of a safe, clean green environment, the core value of giving value for money and within the council plan commitment to increase recycling and reduce waste going to landfill sites. The recommendations have financial implications, outside of the current budget for waste services, that Cabinet will need to consider.

2. Background

2.1 The current system operated is a Hybrid between the old contract where no separation of recyclable products took place at the kerbside and the contracted twin stream collection agreed with Veolia as part of the procurement process (appendix 1). Residents are now using a mixture of:

- Fully separating out their materials in reusable bags
- Fully separating paper and card but putting paper in carrier bags inside the blue reusable bags
- Separating out paper/card from the containers but putting both materials in the separate transparent sacks

- Continuing to use the clear bag as per the old system – i.e. fully commingled
- Using the reusable bags but not separating out materials - fully commingled

2.2 Any changes in waste services are difficult as they affect every household in Medway. It is likely that any scheme that asked for separated materials in reusable containers would be unpopular after the easy to use fully commingled once-use bag.

2.3 Due to the hybrid service mentioned above and Medway allowing residents to still put out material fully commingled the following operational issues are occurring:

- People are not separating anywhere near the amount of paper we need them to. Currently the split is around 25% paper when Veolia modelled it would be nearer to 60%. This means Veolia are using the 30% side of the collection vehicle for paper and card and the 70% side for mixed recycling.
- Residents misuse the reusable recycling bags, i.e. put materials out fully mixed in the blue or white bags, and other residents see these being emptied into 'wrong' side of the vehicle and hence think we are not bothering to recycle properly.
- Veolia are not splitting bags of clean paper, but are putting this into the container mix side of the vehicle – this confuses and causes complaints from residents.
- Split body - 30% side -cannot cope with bulky cardboard so this is being collected with mixed recyclables– this confuses and causes complaints from residents.
- The transition to using the 70% side will be very difficult as it is unlikely that paper capture will increase dramatically in a short period. Until this transition happens, we will continue to lose larger cardboard; will be unable to use a container materials recycling facility (a plant which deals with recyclable products except paper); and there will be little incentive for Veolia to concentrate on getting clean paper.
- Reusable bags need to be heavier to stop the bags blowing around when empty – but this has got better with crews putting one bag inside the other.

3 Options

Three options are detailed below as to how the service could continue:

3.1 Option 1: Veolia's proposal – continued collection of some fully commingled materials

3.1.1 Veolia have proposed that residents be able to continue to place out bags of fully commingled materials, but to facilitate this change Veolia will require 12 additional staff and 1 additional vehicle (this will enable the swap over to the 70% side used of paper/card and 30% for containers).

3.1.2 Medway Council will need to pay for the purchase and delivery of clear sacks; but this is with the understanding that Medway Council encourage separation of paper and card via an intensive education and promotions campaign.

3.1.3 Veolia crews will split any fully commingled bags at the kerbside and sort into different materials – paper/card vs containers – at the back of the vehicle. This will enable Veolia to capture a higher volume of paper and hence reduce any loss of income they may have incurred. This will have a low impact on the residents, with a much gentler approach taken via education of separating out recycling, no bags of

mixed recycling being left on the streets or having to be collected as residual waste. Veolia have confirmed they will ensure any wind blown litter caused by the splitting of bags will be cleared.

3.1.4 Option 1 summary:

3.1.4.1 Paper and cardboard

- Blue reusable sacks/boxes for paper and cardboard or their own containers.
- Veolia split any carrier bags containing paper and place in the paper side of the vehicle.
- Large cardboard will be collected with paper and card in the 70% side of the vehicles.

3.1.4.2 Container Mix

- White reusable bags or clear sacks or their own containers
- Processing costs at £17 per tonne (£2 per tonne increase on Option 3 due to need to 'split' clear sacks at the kerbside).

3.1.4.3 Fully commingled bags

- These will be split at the kerbside by Veolia's crews.

3.1.4.4 Contaminated bags

- Only bags with non-recyclable materials e.g. expanded polystyrene, will be left for collection by the refuse crews.

3.2 **Option 2: Collect all clean and separated paper and continue to issue clear sacks as per the parameters below:**

3.2.1 Paper and cardboard

- Blue reusable sacks/boxes for paper and cardboard or their own containers.
- Enforce Veolia to split any bags, as per contract, of additional paper and cardboard put out clean. This allows residents to present paper in any type of container, and as long as it is clean and segregated from other waste, Veolia have to collect it.
- Enforce Veolia to collect cardboard, regardless of size, with paper
- Veolia have stated they will not be able to accept the burden of the loss of paper income with this option and hence this will be passed back to the Council.

3.2.2 Container mix

- White reusable bags or clear sacks or their own containers
- Processing costs at £17 per tonne (£2 per tonne increase on Option 3 due to need to 'split' clear sacks at processing facility).

3.2.3 Fully commingled bags

- These will **not be collected**. They will be left at the kerbside with a note/sticker to indicate that they cannot be collected unless paper and cardboard is put out separately. **This is key to the success of this scheme.**

3.2.4 Contaminated bags

- Enforce Veolia to follow the contamination policy.

3.3 Option 3: stop issuing clear sacks and only use the reusable blue and white sacks

As above option 2, with the exclusion of issuing clear sacks for additional containers. Processing costs of container mix £15 per tonne. Veolia will not incur (and hence pass on) any loss of income as all paper is collected 'clean'.

3.4 Issues/ Mitigation and Advantages

	Issue	Mitigation	Advantages
Option 1	Low volumes of paper and cardboard separated by residents.	Continue to promote with residents the costs saving associated with collecting paper clean. Veolia to split any fully commingled bags at the kerbside.	Reduced street litter as materials contained in sacks
	Perception that materials are being put in the 'wrong' side of the vehicles if not correctly separated.	This will no longer be the case as the crews will be separating any commingled bags at the kerbside.	
	Loss of paper due to Veolia not 'splitting' carrier bags and other sacks for additional materials.	Veolia take the risk on any loss of income due to not splitting bags or additional processing costs if the materials are not separated properly and a full MRF needs to be used.	
	Increased costs due to higher processing per tonne and clear bag purchase costs.		
	Variation on contract required.		
Option 2	Reusable bags are more likely to blow around if only one is presented, as crews cannot then return bag-in-bag.	Veolia to increase specification of any replacement reusable bags to make them heavier – this will have a cost implication for Medway.	Retains clear sacks that are popular with residents
	Sacks of fully commingled recyclables left on the street.	These bags will be collected as 'fly tipping' if they are not removed. Initially this could be a high level until all residents are fully educated and as such may require some temporary additional resources at both Veolia (collection) and within the waste team (education).	Reduced street litter as materials contained in sacks

	Additional promotion needed to educate/inform the residents of these changes.	Back the changes with an additional promotions campaign and temporarily employ a member of staff to work with the waste team/Veolia for 4 months speak to residents and deliver a targeted information campaign.	
	Increased costs due to clear bag purchase costs and loss of paper income		
	Variation on contract required.	Issuing of a variation is possible and Veolia have agreed to this option.	
Option 3	Unpopular decision with residents to remove the clear sacks.	Clearly explain cost saving by ceasing to issue clear sacks.	No additional costs - within budget
	Additional promotion needed to educate/inform the residents of these changes.	Back the changes with an additional promotions campaign and temporarily employ a member of staff to work with the waste team/Veolia for 4 months speak to residents and deliver a targeted information campaign.	No variation in contract required

4. Advice and analysis

- 4.1 The DIA for the twin stream collection service is attached at Appendix 3.
- 4.2 All of waste services work is aimed towards creating sustainable waste practices. In particular any of the three options will help to protect and enhance the natural world by minimising waste, protecting our valuable natural resources and reducing our contribution to man-made climate change. Option three would deliver economic benefits while minimising damage to the local, national and international environment.

5. Risk management

- 5.1 Risk management is an integral part of good governance. The Council has a responsibility to identify and manage threats and risks to achieve its strategic objectives and enhance the value of services it provides to the community. Using the following table this section should therefore consider any significant risks arising from your report.

Risk	Description	Action to avoid or mitigate risk
Resources	Insufficient resources to deliver the project. Likelihood: D Low Impact: 2 Critical	Advance planning and action when required. Monitor regularly
Overspend on budget	More costs are dependant on tonnages collected, i.e. MRF gate fees, and hence the more we collect the more expensive the service (but this should be offset by savings in disposal). Dependant on the option chosen this could also include the loss of 'income' from clean paper and higher than budgeted gate fees. Likelihood: B High Impact: 2 Critical/3 Marginal - dependant on scale of waste arising increasing and option 1-3 chosen	Prudent budgeting. Robust arrangements for management within budget. Prompt and accurate assessment of unbudgeted proposals and developments
Contractor failure	Failure of waste management services contractor to meet contract standards for service delivery to the Council. Likelihood: E Very low Impact: 2 Critical	Adequate contract monitoring and enforcement in relation to operations. In appropriate cases acting on the provisions in the contract by enforcing financial deductions where these standards are not met.
External challenge	Receiving a challenge by an external party to a contract variation. Likelihood: E Very low Impact: 2 Critical	Comply with contract regulations. Be fair, open and transparent in procedures.
National Waste Strategy	Dramatic changes in government regulations form national and EU regulations Likelihood: E Very low Impact: 3 Marginal	Clear ground rules have been incorporated into the contract conditions for negotiating future changes in law.

6. Consultation

- 6.1 Waste Services have consulted with the Kent Association for the Blind (KAB). Running an open discussion session, we worked through some of the issues raised by representatives of KAB regarding the recycling services. All issues were resolved during the consultation with a range of solutions being derived and matched to each person's needs. This forms part of the DIA at Appendix 3.

7. Financial and legal implications

7.1 The first Quarter monitoring report to Cabinet on 2 August 2011 identified a budget pressure of £721,000 arising from contractual price uplift and the cost of maintaining clear sack supply and collection up to the end of July. The latest revised forecast for recycling stands at £450,000 based on the existing arrangements as set out in 2.1 above for the first 7 months of 2011/12.

7.2 The first set of tables below details additional budget pressures, above the forecast of £450,000, for 2011/12 that will be incurred dependent on the option chosen going forward.

2011/12 costs: from November 2011

	Additional (non budgeted) costs	
Stay as is	Full materials recycling facility costs at £39 per tonne for 5 months	£308,206
	Loss of paper income that we would need to pay back to Veolia (for 5 months)	£160,750
	Clear sacks (purchase and delivery – 5 months)	£125,000
	Budget for 5 months	(£160,275)
	TOTAL (additional budget pressure)	£433,680

Option 1	Materials recycling facility costs at £17 per tonne	£164,913
	Veolia enhanced costs to cover, clear sacks (purchase and delivery), staff and vehicles.	£145,833
	Budget for 5 months	(£160,275)
	TOTAL (additional budget pressure)	£150,471

Option 2	Materials recycling facility costs at £17 per tonne	£155,399
	Clear sacks (purchase and delivery)	£125,000
	Loss of paper income that we would need to pay back to Veolia (for 5 months)	£160,750
	Budget for 5 months	(£160,275)
	TOTAL (additional budget pressure)	£280,874

Option 3	No additional cost	£0
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7.3 The second table below details additional costs for 2012/13 for each of the three options. All costs for 2012/13 have been uplifted by RPIx as per contract conditions (assumed 4% as per MTFP).

2012/13 costs: includes RPIx at 4%

	Additional non budgeted costs	
Stay as is (full year costs)	Full materials recycling facility costs at £39 per tonne (vs £15 tonne budgeted)	£769,282
	Full year loss of paper income that we would need to pay back to Veolia	£385,800
	Clear sacks (purchase and delivery)	£312,000
	Budget (full year)	(£384,661)
	TOTAL (budget pressure)	£1,082,421

Option 1	Full materials recycling facility costs at £17 per tonne (vs £15 tonne budgeted)	£376,001
	Veolia enhanced costs to cover, clear sacks (purchase and delivery), staff and vehicles.	£364,000
	Budget (full year)	(£384,661)
	TOTAL (budget pressure)	£355,340

Option 2	Full materials recycling facility costs at £17 per tonne (vs £15 tonne budgeted)	£376,001
	Clear sacks (purchase and delivery)	£312,000
	Full year loss of paper income that we would need to pay back to Veolia	£385,800
	Budget (full year)	(£384,661)
	TOTAL (budget pressure)	£689,140

Option 3	No additional cost	£0
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7.4 In summary, the current hybrid collection system, if retained for the remainder of 2011/12, would create a total unfunded budget pressure of some £885,000. Options 1,2 or 3 above would reduce this deficit to £600,500, £731,000 or £450,000 respectively. Cabinet will need to consider the impact of the chosen course of action as part of the Quarter 2 budget monitoring cycle.

7.5 In relation to 2012/13, the Medium Term Financial Plan, recently approved by Cabinet, included a provisional sum of £300,000 for the continued issue of clear sacks. If the current system is maintained, or Options 1 or 2 are selected, further provision will be required of £782,000, £55,000 or £390,000 respectively.

7.6 Within the waste collection contract there is the ability to implement a variation in contract as per Clause 9, Changes in Services.

8. Recommendation

8.1 The Cabinet is asked to approve Option 1, as set out in paragraph 3.1 of the report, to enable the continuation of the issue of clear sacks.

8.2 Cabinet instruct the Director of Regeneration, Community and Culture to report further on options for containing the anticipated overspending in 2011/12 as part of the revenue monitoring process.

9. Suggested reasons for decision

- 9.1 This provides the council with a sustainable approach for recycling collection services, enabling the council to continue to encourage and increase recycling rates whilst providing best value for money.

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Background papers

Report to Full Council – 15 April 2010

<http://democracy.medway.gov.uk/ieListDocuments.aspx?CId=122&MId=185&Ver=4>

Appendix 1

Twin stream proposal as laid out in Veolia's Variant bid

- a) Paper/cardboard collected in one bay and, in another bay, mixed cans and aerosols, foil, carriers bags and mixed household plastic packaging (i.e. bottles, pots, tubs and trays).
- b) Using split compaction recycling vehicles – 70/30 split - paper and cardboard are deposited in a separate section of the vehicle
- c) Veolia model assumes at least 60% of all recyclables materials would be paper and card and this will be collected in the 70% side of the vehicle with glass, plastic, cans etc in the 30% side.
- d) Assists with quality issues associated with full mixed material collections through the separation of paper and card (i.e. provides a more stable market as quality of paper is higher)
- e) Reduced reprocessing costs together with a new income stream generated from the paper and card resulting in savings to the Council of £1.2 million pa. This has already been built into base contract price submitted by Veolia at time of tender.
- f) Use blue weighted Hessian bags for paper and card replacing the blue boxes when they become lost or damaged.
- g) Use a white weighted Hessian bag for the remaining materials.
- h) The reusable bags are cheaper than boxes allowing a further cost saving to the Council.
- i) The recycling crew will utilise two slave bins (wheeled 240 ltr colour coded bins, one for paper/card and another for glass, cans and plastic bottles) to empty the materials into at the kerbside. Using wheeled bins saves resource through reduced trips to and from the vehicle as the bins are emptied into the vehicle when filled.
- j) Crews will return boxes and bags tidily stacked (one bag inside the other).
- k) All recycling will be collected regardless of container type providing it is not any of the following:
 - garden waste placed out the incorrect week; or
 - contaminated recyclables.
- l) The crews visually inspect the materials at the point of collection ensuring that items not suitable for recycling will be left behind.
- m) Where recycling crews are presented with low-level contamination, for example an item of clothing, they will remove it and empty the remaining materials as usual and place the contaminant back in the box or bag.
- n) If the contaminant is of nature that it cannot be safely removed or will present street litter by doing so, i.e. where there is no bin to leave it in, an advisory sticker will be attached to the object and the item will be left. The crews will note the house name, number, street name and route number on their log sheets which will be passed to the Council by 10am the next working day or at the end of the day on a Friday.
- o) Before proceeding, crews will clear any spillages arising from the collection.

Appendix 2

Fully separating out their materials in reusable bags



Fully separating paper and card but putting paper in carrier bags inside the blue reusable bags



Separating out paper/card from the containers but putting both materials in the separate transparent sacks



Continuing to use the clear bag as per the old system –
i.e. fully commingled



Using the reusable bags but not separating out materials -
fully commingled



Appendix 3 Waste Services DIA: new twin stream recycling service

Directorate R&D	Name of Function or Policy or Major Service Change Waste Services: new recycling twin stream system		
Officer responsible for assessment Sarah Dagwell	Date of assessment September 2010	New or existing? New	
Defining what is being assessed			
1. Briefly describe the purpose and objectives	To provide access of new recycling twin stream system to all abilities and disabilities.		
2. Who is intended to benefit, and in what way?	Residents in Medway will al be able to recycle their waste and minimise waste to landfill.		
3. What outcomes are wanted?	Clean, safe and environmentally sound district, where all residents can easily access services.		
4. What factors/forces could contribute/detract from the outcomes?	Contribute Financial Political Legal	Detract Financial Political Legal	
5. Who are the main stakeholders?	Residents; council; contractor		
6. Who implements this and who is responsible?	Council and waste services officers		

Assessing impact		
7. Are there concerns that there <u>could</u> be a differential impact due to <i>racial groups</i>?		
	NO	
What evidence exists for this?	All residents receive the same waste collection services/cleansing regime; In developing the Municipal waste management for Medway, we consulted with a very wide range of stakeholders including councillors, parish councils, other local authorities, internal officers, waste and recycling organisations, charities, resident groups churches and interested parties, including Medway diversity forum, Medway ethnic minority senior citizens association. No issues were raised.	
8. Are there concerns that there <u>could</u> be a differential impact due to <i>disability</i>?	Yes	Could be problems for identification of the different bags for the different materials for blind or partially sighted.
What evidence exists for this?	<p>The new service relies on residents sorting paper and card into a separate bag for the mixed containers. As the bags for the new service are the same size and texture we are in discussions with our suppliers to identify what can be done to assist with identification such as Braille labels or issuing a box and bag instead.</p> <p>Where a resident is less able bodied we offer an assisted collection where we collect their waste from their front/back doors, this applies for black bags waste, recycling and bulky items. This can be either temporary or permanent.</p> <p>In developing the Municipal waste management for Medway, we consulted with a very wide range of stakeholders including councillors, parish councils, other local authorities, internal officers, waste and recycling organisations, charities, resident groups churches and interested parties, including Medway disability forum. No issues were raised.</p>	
9. Are there concerns that there <u>could</u> be a differential impact due to <i>gender</i>?		
	NO	
What evidence exists for this?	Opinion poles asked to all genders, as was the questioners associated with the development of the waste strategy. Analysed and no significant differences in responses in respect of gender.	

10. Are there concerns there <u>could</u> be a differential impact due to <i>sexual orientation</i>?	NO	
What evidence exists for this?	All services are offered to all people.	
11. Are there concerns there <u>could</u> be a have a differential impact due to <i>religion or belief</i>?	NO	
What evidence exists for this?	In developing the Municipal waste management for Medway, we consulted with a very wide range of stakeholders including councillors, parish councils, other local authorities, internal officers, waste and recycling organisations, charities, resident groups churches and interested parties, including various churches and religious groups. No issues were raised.	
12. Are there concerns there <u>could</u> be a differential impact due to people's <i>age</i>?	NO	
What evidence exists for this?	Assisted collections are offered to the elderly who are not able to handle wheeled bins or bags. Opinion poles asked to wide variety of ages, as was the questioners associated with the development of the waste strategy. Analysed and no significant differences in responses in respect of age groups. The team also works with the youth parliament to ensure the views of young people are also considered.	
13. Are there concerns that there <u>could</u> be a differential impact due to <i>being transgendered or transsexual</i>?	NO	
What evidence exists for this?	All services are offered to all people.	
14. Are there any <i>other</i> groups that would find it difficult to access/make use of the function (e.g. people with caring responsibilities or dependants, those with an offending past, or people living in rural areas)?	NO	Which group(s)? Boats/ Very rural properties Residents who are non-literate.
What evidence exists for this?	Rural areas and caravan parks and boats are offered same service but we have to work with them regarding reasonable collection points. Not all residents can read English due to literacy problems or English as a second language. We have translation facilities as and when required	

	and use picture to explain messages whenever possible. Working with social regeneration team to ensure we aware of areas where there is a concentration of non-English speaking residents so that we can target appropriate communication materials as and when needed.	
15. Are there concerns there <u>could</u> be a have a differential impact due to <i>multiple discriminations</i> (e.g. <u>disability and age</u>)?		
	NO	
What evidence exists for this?		

Conclusions & recommendation		
16. Could the differential impacts identified in questions 7-15 amount to there being the potential for adverse impact?		
	NO	
17. Can the adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or another reason?		
	NO	
Recommendation to proceed to a full impact assessment?		
NO	<p>This function/ policy/ service change complies with the requirements of the legislation and there is evidence to show this is the case.</p> <p>Work under taken during the development of Medway's Municipal Waste Strategy to consult with different racial, age and disability groups exist.</p>	

Action plan to make Minor modifications		
Outcome	Actions (with date of completion)	Officer responsible
Public convenience DDA	Review provision of disabled facilities at the remaining toilets and when the APC contracts expire	Michelle Chambers

Planning ahead: Reminders for the next review		
Date of next review	2011 summer (before wheeled bin introduction)	
Areas to check at next review (e.g. new census information, new legislation due)	Place survey Census Waste Strategy review docs Impact of wheeled bins	
Is there <i>another</i> group (e.g. new communities) that is relevant and ought to be considered next time?		
Signed (completing officer/service manager)	Date	
Signed (service manager/Assistant Director)	Date	