

Chiltern District Council
Services Overview Committee

SUBJECT:	<i>Review of the recycling performance of the Joint Waste Service</i>
REPORT OF:	<i>Cllr Mike Smith, Cabinet Member for Environment</i>
RESPONSIBLE OFFICER	<i>Chris Marchant, Head of Environment</i>
REPORT AUTHOR	<i>Sally Gordon, Waste Services Manager</i>
WARD/S AFFECTED	<i>All wards</i>

1. Purpose of Report

The purpose of this report is to provide information to the Services Overview Committee regarding the performance of the Joint Waste Service against recycling performance indicators. This report was taken to the Joint Waste Collection Committee on 29th September 2016.

RECOMMENDATION

Members are asked to note and comment on the contents of the report.

Executive Summary

Chiltern District Council (CDC) and Wycombe District Council (WDC) have a joint waste contract with Serco. The contract commenced on 4th March 2013 and the new service was introduced in the Chiltern district in mid-July 2013 and in October 2013 in the Wycombe District. The new service has introduced a wider range of materials collected for recycling than either of the councils had collected before, including weekly food waste collections and also yields annual savings of approximately £1.1m across both authorities. A joint client team, based at CDC, manages the contract and service on behalf of both authorities.

During the procurement process, Serco set aspirational recycling targets for the new service of 59.76%, although the actual minimum target set by the authorities within the contract is 50%. Since the contract start, the performance indicators set for the recycling rate have been closer to the aspirational figure but the service is not achieving that target. The recycling rate for 2015/16 was 52.56%.

This report seeks to provide some clarity regarding the recycling performance when set within the context of national trends. The recycling rate for the joint waste service

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is performing above the national average. Meanwhile, the national recycling rate of 43% dipped slightly in 2014/15 and there are a number of external factors that are impacting on recycling rates across the country.

This report highlights those factors and presents information on what the waste team are doing to have a better understanding of our waste streams, to manage expectations with respect to recycling performance and to target further communication campaigns. Work has been carried out to profile recycling targets across the seasons and to propose a more realistic recycling performance indicator based on the averages of the past two years. The proposed revised performance indicator based on these averages is 52.74%. The actual recycling rate achieved in 2015/16 was 52.56%. The Waste Team will continue to closely monitor the performance of the service against the contracted target of 50%.

This report was taken to the Joint Waste Collection Committee and to WDC's Audit Committee in September, 2016.

2. Reasons for Recommendations

The report was taken to the Joint Waste Collection Committee on 29th September for information purposes. No decisions or recommendation were required.

3. Content of Report

Bid back targets

As part of the procurement process in 2012, Serco were required to bid back to the councils on their anticipated contract recycling and composting targets. Serco would have based their assumptions on a number of parameters:

- Compositional analysis of the domestic waste stream and likely diversion rates based on the increased range of materials to be collected
- Capture rates (the amount of waste within each composition that could be recovered for recycling)
- The overall tonnage of household waste generated
- It is likely that Serco would also have looked at the results of the highest performing local authorities
- Serco would have been keen to submit a keen but challenging recycling target

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The recycling target was submitted at the same level to cover the period of 2013 (the contract commenced in March 2013) up to 2018 and details are provided in *Table 1*.

Table 1 – Serco bid back targets

Dry recyclables	34.51%
Food waste	8.61%
Garden waste	16.64%
Total recycling rate	59.76%

The targets set by Serco were in the same range as those submitted by the other bidders and it must be noted that these are aspirational targets. However, within the contract documents, the authorities set a target of 50% as a minimum contractual requirement.

District recycling targets

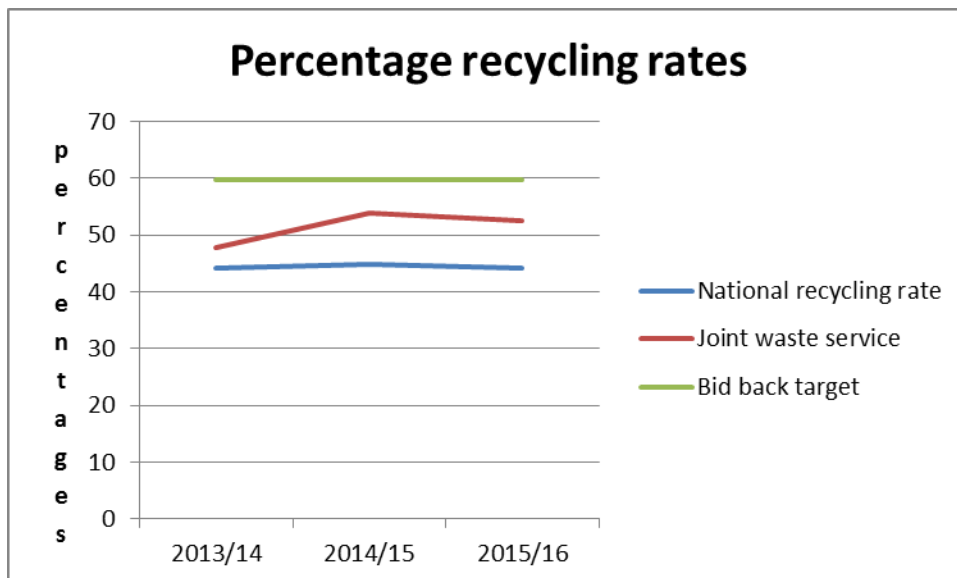
For the purposes of CDC performance indicators, the following targets were set by the Joint Waste Team. It must be noted that the target set in 2013/14 was close to the bid back target.

Table 2

Year	%recycling/composting target	Performance achieved
2013/14	58%	47.90%
2014/15	56%	54%
2015/16	57%	52.56%*

National recycling rates

An appreciation of the recycling rates of the joint waste service must be set within the context of the national recycling rates and national trends. The following graph depicts the recycling rates for England since 2011/12. The national recycling rates only increased very slightly between 2011 and 2014 and in 2015/16, actually dipped by 0.7%.



It can clearly be seen that the recycling performance of the joint waste contract is higher than that of the national rate although the rate dipped in 2015/16 from 54% to 52.56% and that the bid back target can be seen as aspirational.

Factors affecting recycling performance

There are a number of factors that can affect performance and the same factors have been attributed to both the national performance and the performance of the joint waste contract, some of which are positive:

- Increased efforts from brands and the packaging industry to create more eco-friendly or reusable packaging/reduced packaging – less packaging to recycle
- Trend towards light weighting of packaging materials, eg moving from glass to plastic (plastic recycling rates increased by 11.9% in 2014 but is a lighter weight material than glass) – impacting on recycling rates
- Paper consumption has reduced as more residents read the news on tablets or phones, rather than through traditionally purchased newspapers
- Demographics of district areas will have either a positive or negative impact on recycling rates. For instance, South Oxfordshire DC which has consistently performed within the top 3 authorities in terms of recycling rate over the last few years, has few flats with communal bulk bins and often properties with large gardens.
- Local authorities with weekly recycling collections tend to have higher recycling rates.

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- Weather effects on garden waste – if there is a dry summer, garden waste tonnages will be lighter but if the weather has a prolonged wet season or wet growing season, the garden waste will be heavier or more prolific, all of which affect recycling rates
- The Waste Regulations for England and Wales, 2012, introduced the MRF Code of Practice which has placed more rigorous controls on MRF (materials reclamation facilities) operators to measure recycling contamination rates, in order to support recycling markets with improved quality. This results in more material being rejected at the MRF.
- From 2015/16, the Joint Waste Service has submitted figures to DEFRA based on joint reporting.

Material quality

At a local level, the Joint Waste Service will have been affected by all of the above factors.

In terms of the impact of material quality on recycling rates, the regime for monitoring the quality of recyclables which pass through Viridor's sorting facility (MRF) is being applied much more rigorously. In addition to this, a project was undertaken in October 2015 with approximately 10,000 households in High Wycombe to increase awareness of which materials are acceptable for the collection. This involved the use of bin stickers, bin tags and the monitoring of bins prior to collection. Following this, collection crews now regularly receive refresher training on what materials are acceptable in the recycling bins and are instructed not to empty recycling bins that contain the wrong items. The Joint Waste Team have produced improved bin tags to make residents aware when this takes place and further communication work is planned. The work to improve quality will have resulted in a higher number of bins being rejected due to contamination.

In line with market forces, Serco are now charged a gate fee for the recyclable material that they deliver to Viridor. Therefore, it is doubly important that we are not delivering items to the MRF that are not permissible and not recyclable, as this will impact on our reject rates, impact on our recycling rates and recycling credits and will increase the gate fee payable by Serco.

The following table compares the impact of increased reject rates since 2014/15 and based on the reject rates of Qtr 1 for this year, it can be assumed that if this level continues, this will impact on the recycling rate for 2016/17.

Table 4

Year	Total tonnes recyclables rejected
2014/15	442.76 tonnes
2015/16	511.96 tonnes
2016/17 – Qtr 1	210.51 tonnes

What are we doing about this?

- Working to understand our waste streams
- Looking to manage expectations
- Further communication campaigns

i) Understand our waste streams - commodity analysis

The Joint Waste Team is currently undertaking work to analyse the trends across the various commodities which are collected. Understanding this will help to inform the direction that further communications work and campaigns should take. This work is not yet complete but *Table 5* sets out the percentage split between dry recyclables, food and garden waste as compared with the bid back targets submitted during procurement. Please note that 2015/16 data is still going through the Waste Data Flow validation process. It can be seen that garden waste tonnages are outperforming the bid back targets but food waste and more specifically, dry recyclables, are performing below.

Table 5

Year	Total dry recyclables	Total food waste	Total garden waste	Total combined recycling rate	Total residual
2015/16	25.29%	8.57%	17.79%	51.65%	48.35%
2014/15	26.09%	10.13%	17.57%	53.79%	46.21%
Bid back targets	34.51%	8.61%	16.64%	59.76%	40.24%

ii) Managing expectations - profiling performance indicators

Work has taken place to profile performance indicators to take account of the impact of seasonal fluctuations. For instance, garden waste tonnages always decline during quarters 3 and 4 while residual waste tonnages increase during quarter 4 and the excesses of the Christmas period. Both of these factors have a negative impact on recycling rates. Graphs at *Appendix 1* illustrate the seasonal impacts and trends over the last two years for residual waste, compostable waste, recyclable waste and reuse materials.

This recent work has prompted the setting of a recycling target that is more realistic and achievable given the current influences that are impacting on recycling rates around the country and is based on looking at the average performance over the last two years.

Appendix 2 provides the detail of the work that has taken place to calculate the profiled targets for 2016/17. The summary is provided below in *Table 6*.

Table 6

Commodity	Annual target
Residual waste	47.26%
Compostable waste	27.04%
Recycling	25.56%
Reuse	0.13%
Total diversion from landfill (combined recycling, composting and reuse rate)	52.74%

Appendix 3 illustrates how the profiled targets have been adjusted to take account of seasonal impacts and also the contrast between composting rates and residual waste in Quarter 4.

iii) Further communication campaigns

Garden waste

Clearly, the garden waste tonnage contributes significantly to the overall combined recycling/composting rate. The waste team will undertake some work to look at the impact of reducing the charge for a second green bin, set against any issues of available vehicle capacity. A report will be brought back to Joint Waste Collection Committee when this work has been completed.

Food waste/mixed recyclables

More work is planned to increase food waste participation and to increase both the quality and volume of recyclables collected. The Waste Partnership for Buckinghamshire was awarded over £800,000 by DCLG to drive up participation rates in food waste based on a recycling reward scheme and there are many best practice examples that the partnership can adopt through this project.

Paper and cardboard continues to represent a significant element of the total recycling element and also represents an income stream for Serco. Therefore, efforts will be made to optimise participation in those services as much as possible, through communications and awareness raising.

Further work will be undertaken to analyse individual waste streams in order to target future communication campaigns. The DCLG funding will also be used to focus on improving recycling rates and the quality of material collected. A project manager has recently been recruited by the Waste Partnership to lead a programme of projects to deliver against this funding and this is due to commence soon. The projects will be delivered within each of the four Buckinghamshire districts and will be supported by district officers.

While a project plan has yet to be developed which will set out anticipated outcomes and timescales, information on the work streams to deliver against that plan will be brought back to the Joint Waste Collection Committee when it is available.

Meanwhile, the Joint Waste team continues to work with Serco to promote quality issues with residents and to increase recycling rates.

Conclusion

A close review of national trends and performance must be maintained to ensure that any contract targets are reasonable, realistic and achievable.

4. Consultation

Not applicable

5. Options

Options for improving recycling rates are covered in the section above regarding further communications campaigns.

7. Corporate Implications

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- 3.1 *Financial – District Councils receive recycling credits for materials that are collected for recycling, providing the material is not rejected due to low quality. Recycling credits are used to offset waste costs. Working to encourage higher levels of recycling of an appropriate quality will continue to underpin those costs.*
- 3.2 *Legal – The Environmental Protection Act, 1990, sets waste collection authorities (District Councils) a duty to collect waste. The Waste Framework for England & Wales has set national recycling targets of 50% by 2020.*

8. Links to Council Policy Objectives

This work supports the corporate objective to 'strive to conserve the environment and promote sustainability', supporting 'Chiltern residents to reduce waste and increase recycling'.

9. Next Step

The Waste Team will continue to monitor the recycling performance of the Joint Waste Service.

Background Papers:	It is a legal requirement that we make available any background papers relied on to prepare the report and should be listed at the end of the report (copies of Part 1 background papers for executive decisions must be provided to Democratic Services)
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