

Report of: Colin Bailey, Head of City Works

To: Values and Performance Scrutiny Committee

Date: 5 January 2009

Item No:

Title of Report : Issues Report - Review of Waste and Recycling Collection Service

Summary and Recommendations

Purpose of report: Provide an update on options for improving the waste and recycling collection service, including adding food waste collections.

Key decision: No

Risk:

Portfolio Holder: Cllr John Tanner, Cleaner, Greener Oxford Board Member

Scrutiny Responsibility: Values and Performance

Ward(s) affected: All

Report Approved by: Andy Collett, Finance

Policy Framework:

Improve the local environment, economy and quality of life
Tackle climate change and promote environmental resource management
Ensure more efficient and improved services
Be an open and responsive organisation

Recommendation(s): To invite views from Scrutiny Committee members.

Review of Waste and Recycling Collection Services

1. Background

Oxford City Council has been reviewing the waste and recycling collection service. City Works officers have been looking to simplify the current system, address problems with containment, and increase recycling rates. The three-bin system (options 1 & 2, identified in Section 7) would address all of these issues, but may be prohibitively expensive in the current budget climate, particularly given the uncertain state of recycling markets.

Oxford City Council must at some point add a food waste collection service to meet Local Area Agreement II (LAA II) recycling targets and avoid Landfill Allowance Trading Scheme (LATS) penalties. Therefore, this report also outlines options for adding a weekly or alternate weekly collection of food waste to the Council's current waste and recycling service.

2. Objectives

- **Simplicity:** We want to provide a simple system that is easy for residents to understand and use, thereby removing barriers to recycling participation.
- **Address problems with containment for refuse and recycling.**
- **Expand recycling/composting:** We want to expand the materials that we can collect at the kerbside. Most importantly, we are looking to collect food waste.
- **Value for money:** We want to provide a quality service at the best value for our residents.
- **Increase rates of recycling from current 38% to meet LAA II targets (achieve at least 45% recycling and composting rates in 2010/11).**
- **Send less waste to landfill, reflecting increased rates of recycling and avoiding LATS penalties.**
- **Decrease carbon footprint: Target of 5% over existing service including impact of putrescible wastes.**
- **Mitigate risks in volatile recycling markets.**
- **Consider outcomes of the soft-market testing process.**

3. Three-Bin System

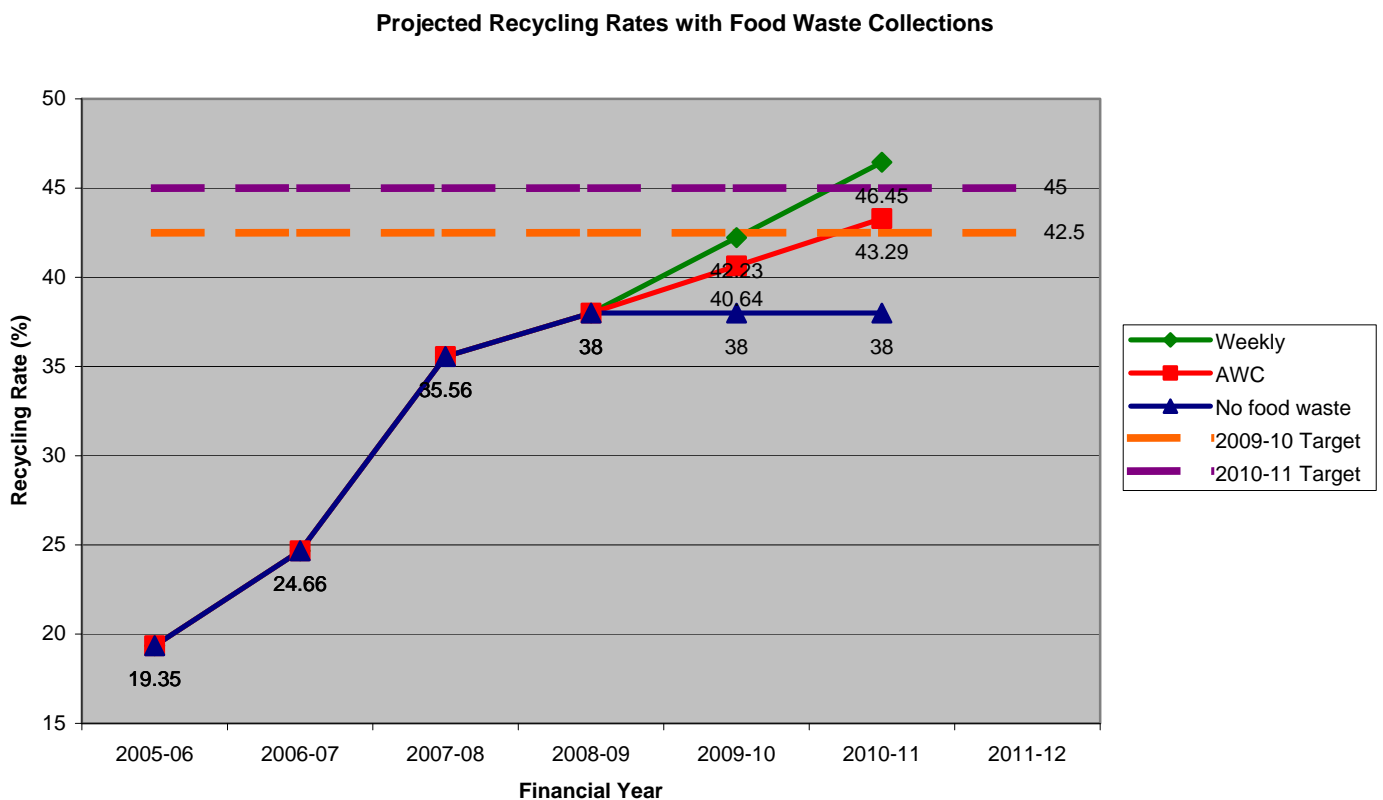
Officers have investigated implementing a three-bin system that would allow the Council to simplify the current recycling system, address containment issues, and introduce food waste collections. The Council would provide all households with a 240 litre blue bin for all dry recyclables (currently separated in blue and green boxes). Residents would also have the option of either a brown bin for mixed garden and food waste or a 21-litre food waste caddy and garden waste bag. However, there are a number of obstacles to implementing this system in 2009/10.

- Frozen markets and declining prices for commodities, making the recycling market currently very expensive.
- Does not deliver medium-term waste reduction targets without weekly food waste.
- A substantial funding gap when the Council is already facing a tough financial situation

4. Food Waste Collections:

Research shows that the Oxfordshire Waste Partnership needs to implement food waste collections to achieve its medium-term waste reduction and recycling targets.¹ In Oxford City, food waste could either be presented with garden waste on a fortnightly basis, or presented with garden waste one week and the green box the next, which forms a weekly service.

The attached chart shows projections for Oxford City's recycling rates with no food waste collections, alternate weekly food waste collections, and weekly food waste collections. Weekly food waste collections offer the best chance of meeting LAA II and LATS targets.



Alternatively, the Council could phase food waste collections in more gradually by implementing food waste collections by area or providing food waste caddies to residents on a voluntary basis. However, this would affect performance in the short-term and lose economies of scale.

¹ WRAP, The Food We Waste, March 2007

5. Combining the Three-Bin System and Weekly Food Waste Collections

Officers have looked at implementing the three-bin system including weekly food and garden waste collections (see option 2 further in the report). However, this system carries very high capital and revenue costs and may be prohibitively expensive.

6. Consultation

The Council have is conducting a thorough public consultation process, including:

- A complete Talkback exercise dedicated to Waste and Recycling.
- Public survey in the November 2008 issue of Your Oxford
- 2 public meetings in November 2008
- Planned focus groups to be conducted based on types and location of housing (January 2009)
- Planned engagement with members of the Council (January 2009)

Results from the Talkback Panel survey indicate:

- Mixed views on the three-bin system proposal (with alternate weekly collections of food waste): approximately 40% of talkback respondents ranking the system negatively (1-5) and 60% ranking it positively (6-10). The average ranking was 6 out of 10.
- Over 80% of talkback respondents said their understanding of what materials go in which containers was either “very good” or “quite good”, although 26% of respondents reported that they found the system “complex”.
- 64% of respondents had issues with the waste and recycling service in their street, mainly relating to boxes and sacks blowing away or over spilling, or untidiness by refuse collectors.
- 57% of respondents reported that their current recycling containers were sufficient for their quantity of recycling. However, 65% would prefer one wheelie bin for all their dry recyclables to the current system.
- 54% of respondents reported that the three-bin system would work for them.
- 68% would not prefer a wheelie bin for garden waste and only 9% would be prepared to pay for one.
- While the panel was not specifically asked whether they preferred weekly or fortnightly collections of food. However, when asked to provide suggestions for improving the service, the top ranked priority was more frequent collection for refuse and recycling that could cause sanitation issues.

We are awaiting further consultation results before completing a full report for the meeting of the City Executive Board in February 2009.

7. Options

All options are currently based on 45,000 households, excluding flats.

- Three-bin system (holistic approach for those properties with sufficient space to store three wheeled bins)
 - o Option 1: Three-bin system with alternate weekly collections of food. Food waste would be collected on garden waste round for invessel (closed container) composting.
 - o Option 2: Three-bin system with weekly collections of food. Food waste would be collected on weekly garden waste round for invessel composting.
- Food waste collections in addition to existing service.
 - o Option 3: Alternate weekly collections of combined food and garden waste. Food waste would be collected on garden waste round for invessel composting.
 - o Option 4: Weekly food waste collections in addition to existing service. Food waste collected on green box (paper/glass) rounds in week 1 for anaerobic digestion (decomposing in the absence of oxygen) and the garden waste round on week 2 for invessel composting.
- Option 5: Do nothing in 2009/10 and focus on a major change in 2010/11.

Options Appraisal

Objective	Option 1	Option 2	Option 3	Option 4
Simplicity	Yes	Yes	No	No
Containment	Yes	Yes	No	No
Expand recycling / implement food waste	Yes	Yes	Yes	Yes
Value for money	£132.66/tonne recycled	£194.77/tonne recycled	£15.50/tonne recycled (lowest cost)	£59.14/tonne recycled (lowest cost while meeting LAA II targets)
Meet LAA II recycling rate targets (45% in 2010/11)	No (43.3%)	Yes (46.5%)*	No (43.3%)	Yes (46.5%)*
Send less waste to landfill	2500 tonnes food waste	4000 tonnes food waste	2500 tonnes food waste	4000 tonnes food waste
Decrease carbon footprint	Decrease fleet by 3 vehicles, divert 2500 tonnes food waste	Maintain vehicle fleet, divert 4000 tonnes food waste	Maintain vehicle fleet, divert 2500 tonnes food waste	Increase vehicle fleet by 2 vehicles, divert 4000 tonnes food waste, half tonnage processed by anaerobic digestion
Mitigate risks in recycling market	No - dry recycling market/outlet uncertain	No - dry recycling market/outlet uncertain	Yes - food waste outlet more certain than dry recycling market	Yes - food waste outlet more certain than dry recycling market

Adopt outcomes of soft-market testing	Yes	Yes	Yes	Yes
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*Recycling rates are based on the assumptions that weekly food waste collection result in 37.5% more food waste collected than fortnightly food waste collections (4,000 tonnes for weekly collections, 2,500 tonnes for fortnightly collections). Weekly collections assume approximately 1.7 kg food waste per household per week, while fortnightly collections assume 1.07 kg food waste per household per week.

9. Costs

Oxford City Council operates from a relatively high cost base for waste and recycling services. Any additional service should be introduced with caution without a holistic review.

Indicative costs based on 45,000 households. Prudential borrowing calculated at 6 years for vehicles, 7 years for food caddies, and 15 years for wheeled bins.

Costs Appraisal

	Option 1	Option 2	Option 3	Option 4	Option 5
Capital Costs	£1,468,750	£1,813,750	£168,750	£413,750	£0
Revenue Costs (Oct 09-Mar 10)*	£295,600	£519,325	£157,825	£287,625	£0
Revenue Costs (Apr 10-Mar 11)	£331,640	£779,090	£38,746	£236,546	£0
Projected Recycling Rate in FY 10-11 (Target 45%)	43.3%	46.5%	43.3%	46.5%	38%

*Includes both start-up and general operating costs

These options do not include flats. The inclusion of flats would involve indicative costs of:

- Capital costs:
 - £50,000 for sealed wheelie bins
 - £135,000 for additional RCV for food/garden waste
 - **Total: £185,000**
- Revenue Costs:
 - £2,000 for delivery of the bins
 - Estimated £4,500 per year in prudential borrowing for bins (over 15 years)
 - £52,000 for vehicle maintenance/prudential borrowing
 - £22,050 fuel
 - £27,700 driver
 - £49,200 loaders (2 at £24,600)
 - **Total: £157,450**

However in practice the costs maybe less because not all flats would be included. Implementation would be difficult and complex at this time, given that all flats have not yet been converted to alternate weekly collections and have not been surveyed for the provision of food waste. In particular, there may not be enough space for food waste containers if the City Council does not choose a commingled option with glass, which would minimise any containment issues.

There are possible opportunities for external funding through the Oxfordshire Waste Partnership's New Initiatives Fund. This could provide a nominal figure of £50,000 towards any of the schemes but has yet to be formally confirmed. Other possible funding sources are being explored.

The responsibility for LATS penalties associated with domestic waste are the responsibility of the County Council and will not be levied directly on the district authority. However, as the host authority for the Oxfordshire Waste Partnership, Oxford City should help mitigate exposure to LATS penalties on behalf of its partners and Council Tax payers. All of the Oxfordshire Waste Partnership authorities intend to implement food waste collections by 2009/10.

10. Risks:

- An outlet for the disposal of food waste will definitely be available in 2009. This will be a County-procured outlet and will be cost neutral to Oxford City Council. The availability of a local outlet for commingled recycling (including glass) specifically for options 1 and 2 is less certain, and the gate fees are volatile in the current market. Therefore, implementation of food waste collections is a lower risk option than implementing the whole three-bin system.
- There are substantial consequences for missing the LATS or LAA II targets. All reward grants (£20/tonne) are linked to meeting our LAA II targets (45% for 2010-11). Additionally, Oxfordshire County Council will face up to £150 per tonne fines from 2009/10 if it misses the LATS targets. However, this is unlikely to be levied in the first year 2009/10) judging by current OWP performance. Officers believe weekly food waste collections are more likely to meet both targets.

11. Recommendations

- To invite comments from Scrutiny Committee members.

Background papers: Project Brief - Review of Waste and Recycling Collection Services

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