

Recycle More – Recycling and Refuse Collections

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<p>Summary:</p>	<p>The report covers the environmental and financial benefits of moving to new Recycle More collection services, which will increase recycling and meet public aspirations to recycle more materials, including plastic pots, tubs and trays.</p> <p>Feedback from partners will be reported to Somerset Waste Board in December 2016, with a view to a final decision then being taken on the new collections, which will also follow negotiations being finalised with SWP's collection contractor, Kier MG CIC.</p> <p>If approved, Recycle More services would then be rolled out to all district areas in Somerset from Autumn 2017.</p>
<p>Purpose of report:</p>	<p>For Somerset Waste Partnership partners to:</p> <ol style="list-style-type: none"> 1. Note the preferred option for future Recycle More collections, with arrangements as detailed in 2.1 and 2.3 and proposed communications plan in 4.6. 2. Provide feedback which will be included in a final report to Somerset Waste Board in December 2016, with a view to delivery of the Recycle More collections as a central part of SWP's Business Plan 2017-22.
<p>Reasons for report:</p>	<p>To allow Somerset Waste Board to take a final decision on a new service model to be adopted for collections in all Somerset districts, with the intention of ordering vehicles and plant early in 2017 for service roll out to commence in Autumn 2017.</p>
<p>Links to SWP Priorities and Impact on Annual Business Plan:</p>	<p>This decision relates to one of the partnership's three priority areas established in the 2015-2020 Business Plan: New Service Model for changes to future kerbside collection services. Action 2.1 in SWP's Business Plan 2016-2021 is for 'implementation of service changes resulting from decisions taken following collection service review'.</p>
<p>Financial, Legal and HR Implications:</p>	<p>The new Recycle More services are estimated to deliver savings of approximately £1.7m per annum, before initial roll out costs</p>

	<p>are taken into consideration. Estimated savings for each partner are set out in confidential Appendix A.</p> <p>Initial roll out and support costs are estimated at approximately £2.2m, which should be fully covered from savings achieved by Summer 2019, so that partners benefit from 85% of the full-year savings in 2019/20 and from 100% of the savings from 2020/21.</p> <p>Arrangements are already in place to provide funding for new recycling collection vehicles in exchange for a contract discount to the net advantage of the partners.</p> <p>The revised agreement with Kier can be covered by a service change notification and contract variation within the original terms of the contract (let to ECT Recycling) in October 2007.</p> <p>The agreement does not involve a further extension to the contract beyond the end date of 1st October 2021.</p> <p>Additional temporary staff resources will be required by SWP and possibly by customer services to support the change process. These costs are included in the communication plan outlined in the report.</p>
<p>Equalities Implications:</p>	<p>An Equalities Impact Assessment has been completed and included in a report to Somerset Waste Board on 21st October 2016. This is attached as Appendix B. A final version of the assessment will be included in the report to Somerset Waste Board in December 2016.</p>
<p>Risk Assessment:</p>	<p>Somerset Waste Partnership has a record of innovation and effective risk management. It is an aspiration of the SWP that we continue to add value through innovation, effective analysis of opportunities and well managed risk.</p> <p>A Risk Management Policy was agreed by the Somerset Waste Board in December 2015 and this sets out our general approach to risk/opportunities and risk management.</p> <p>Specific risks and opportunities associated with this project are set out in section 5 of the main report with additional confidential risks in Appendix A.</p>

1. Background

- 1.1. Most Somerset households recycle but many do not separate all materials and there is potential to still recycle a lot more. Recycling achieves big energy savings and allows resources to be used again. It is also the most effective method for reducing expensive and polluting waste disposal costs, so achieving savings.

- 1.2.** When Sort It services, with weekly recycling and food waste and fortnightly refuse collections, were rolled out throughout Somerset from 2004-2011, this had the effect of doubling recycling and halving refuse put out for disposal. It also had a welcome impact of reducing total waste arisings, especially for food waste. Both of the collection frequency changes were key contributors to the level of recycling performance achieved, as they made recycling more convenient.
- 1.3.** A study examining the composition of refuse in November 2012 found that half (50%) could be recycled through current kerbside collection services, with recyclable food waste being the largest material in refuse at 29%. Another 9% could be recycled at Recycling Centres and a further 13% were materials with potential to be recycled in future. These findings reflect earlier studies and those in other areas.
- 1.4.** Enquiries and customer surveys show that the most requested additional materials to recycle are plastics, followed, to a lesser extent, by cartons, such as Tetra Pak. It is also worth noting that the composition of our waste materials has been changing, most notably paper is an on-going downward trend and cardboard has been increasing.
- 1.5.** The fleet of recycling vehicles used in Somerset will start coming to the end of their design life and start to need replacing from 2017. This gives an opportunity to introduce new collection vehicles able to accommodate additional materials and also changes in material volumes. Changes to collection depot facilities for storing materials and sorting additional plastics from cans would also be required.
- 1.6.** A series of trials, called Recycle More, were undertaken in 2014 to test changes to collection services, with findings reported to Somerset Waste Board in June 2015. The trials covered 5,213 households in Taunton Deane and tested the recycling of additional materials, including plastic pots, tubs and trays, some container options and different frequencies for both recycling and refuse collections.
- 1.7.** Further work was then undertaken by independent consultants, Eunomia, who were commissioned to assess future collection options, including different systems, such as comingled and twin stream collections with wheeled bins, and their costs, performance and any health and safety implications.
- 1.8.** Following a report on the further assessments, Somerset Waste Board resolved in December 2015 to authorise the Managing Director to:

 - a) proceed to a detailed evaluation of a new service model for recycling and refuse collections with additional materials recycled, the kerbside sort system, continuing weekly food waste and three-weekly refuse collections, and
 - b) commence formal negotiations with Kier regarding the appropriate changes to the contract and service payments required for the above option.
- 1.9.** This new service model was one of the service package options tested during the Recycle More trials in 2014. This covered 1,231 households on two rounds in the small town of Wiveliscombe and surrounding rural area, which has a range of housing types and social characteristics representative of Somerset.
- 1.10.** Before this trial started, residents welcomed the collection of additional plastics but some were concerned that they may not be able to manage with refuse

collections every three weeks. Once underway, this trial proved the most effective of all the options tested in increasing the amount of food waste and dry materials recycled and in achieving a corresponding reduction in refuse put out for disposal.

- 1.11. Recycling plastic pots, tubs and trays greatly reduced the amount of refuse, so that the volume remaining for collection every three weeks was less than most households previously put out every fortnight. This meant that no change was needed to the capacity of refuse containers used.
- 1.12. All households on the trials were invited to complete a survey to provide feedback on the arrangements. The response rate for the Wiveliscombe trial was twice as high as for the other trial areas and over three-quarters (81%) of respondents said the trial arrangements were better than the previous collections. Only 6% said they were worse and 13% said they were neither better nor worse.
- 1.13. 86% of survey respondents on the Wiveliscombe trial said they would prefer for the three weekly collections of refuse to continue with additional plastics recycled, rather than to go back to fortnightly refuse without the extra plastics recycled.
- 1.14. A common comment was that people were surprised by how little refuse was left for collection due to the additional recycling. A few were concerned about nappy waste being collected every three weeks, but others with children in nappies did not report difficulties. Extra refuse capacity was provided on request where households needed it for nappies or absorbent hygiene products.
- 1.15. A number of people, who had expressed concern to SWP about refuse being collected every three weeks before the trial started, provided a different view during or at the end of the trial, when they said that their concerns had not been realised and it had worked better than they had initially expected.
- 1.16. Before the trial, recycling performance on the Wiveliscombe rounds was slightly above the Somerset average. During the trial, the recycling of dry materials increased by 28%, food waste recycling increased by 45% and refuse reduced by 27%. The biggest contributors to the increase in dry recycling was more paper, glass, card, plastic bottles and cans being recycled, which all increased by at least 22%. The tonnage contribution from the extra plastics recycled was much smaller but this had a big effect in reducing the volume of waste remaining for disposal.
- 1.17. There were a few authorities proposing 3-weekly refuse collections when SWP first proposed the Recycle More trials, but none had rolled it out. Falkirk was the first from May 2014, with Bury and Gwynedd following in October 2014. Now at least 14 local authorities have successfully introduced 3-weekly refuse collections in their areas and more are planning to make this change. East Devon undertook a trial in 2015 and awarded a new contract to roll it out in 2017. North Devon will be undertaking a trial in 2017.

2. New services and costs

- 2.1. Service arrangements proposed for Recycle More household collections are:
 - Continued weekly food waste collections.
 - Continued weekly recycling collections using the kerbside sort method with the following added to materials accepted: plastic pots, tubs and trays,

small electrical appliances and batteries.

- An additional reusable bag with cover provided for plastics and cans.
- Refuse collected every three weeks. Current guidelines for refuse capacity will be applied and, where needed and requested, additional sack or bin capacity will be provided for nappies and adult absorbent hygiene products.

2.2. The photo below shows recycling containers proposed for Recycle More collections. Boxes can be stacked or the reusable bag can be placed partially in or top of a box too. The bag has a weighted base to avoid it being blown away after collection. As detailed in 1.12-1.16, the proposed service arrangements achieved big increases in recycling when trialled in Somerset in 2014 and also where it has been introduced in other areas around the UK.



2.3. Service arrangements proposed for Recycle More communal collections from blocks of flats are:

- Continued recycling collections using shared bins with cardboard and plastic bottles, pots, tubs and trays added to materials accepted.
- Shared refuse bins emptied so that no more than 80% of the refuse capacity on each site has been filled and all bins are emptied at least every fortnight, except where sites require a more frequent collection or a different frequency has been agreed by SWP's Contract Manager.
- Small blocks or groups of flats will be offered the household collection service where this offers improved service and operational arrangements. Where switching from communal collections, the new arrangements will need to be taken up by all residents and existing communal containers removed.

2.4. Discussions with Kier have been underway for some time, including before and after the 2014 trials and 2015 option assessments. Following the December 2015 Board resolution, a specification for service change to the preferred new service model was finalised and issued to Kier for pricing at the end of December 2015.

2.5. Initial prices supplied by Kier in March 2016 were not acceptable and following verification and further negotiation, Kier submitted new pricing in September 2016 and a further improvement on this in October 2016, which is summarised with analysis in confidential Appendix A.

- 2.6.** The new services are estimated to deliver savings, across all SWP partners, of approximately £1.7m per annum, before initial roll out costs are taken into consideration. Estimated savings for each partner are set out in confidential Appendix A.
- 2.7.** It is proposed to roll out Recycle More services throughout Somerset in three phases in Autumn 2017, early Summer 2018 and Autumn 2018. On-going savings will increase as the service roll out expands.
- 2.8.** One-off roll out costs will be incurred for new containers, Kier's transition and roll-out costs, and SWP communications and roll-out support, which are estimated at approximately £2.2m.
- 2.9.** A set of financial principles for Recycle More have been agreed by Somerset Waste Board (18 December 2015), which include:
- District collection partners should not be penalised or rewarded for when they roll out within the programme.
 - Sharing of the additional costs of roll out will be based on household numbers unless there is a District-specific cost.
 - SWP will hold a central earmarked reserve for Recycle More and any balance (positive or negative) on the roll out process at year end to be kept centrally by the SWP to be used or recovered in future years.
 - SWP will retain one-off income received from Kier for extended use of SWP vehicles and the sale proceeds of the old fleet as initial pump-priming for Recycle More.
- 2.10.** Following these principles, roll out costs will be fully covered from savings achieved by Summer 2019, so that partners will benefit from 85% of the full-year savings in 2019/20 and from 100% of the savings from 2020/21.
- 2.11.** SWP's extended contract with Kier MG CIC currently runs to October 2021. The capital costs of new collection vehicles will be financed over 7 years and the capital cost of depot building and equipment for material storage and sorting will be financed over 10 years. SWP will own and finance these assets at the end of the current contract. A new contract is due to be awarded in October 2021 which will require continued use of these assets.

3. Options considered and reasons for rejecting them

- 3.1.** Alternative recycling collection arrangements, including comingled and twin stream collections with wheeled bins, were considered as part of earlier options appraisal and independent assessments undertaken, as noted in 1.6 - 1.8.
- 3.2.** Comingled collection options had higher costs due to the need to provide separate arrangements for food waste, the provision of new wheeled bins and due to the costs incurred in sorting mixed materials after collection. Comingled materials also have lower market values due to the quality for recycling being lower than achieved by kerbside sort collections.
- 3.3.** The best recycling performance and lowest costs were offered by the Recycle More option preferred by Somerset Waste Board and described in this report.

- 3.4. Potentially, costs could be further reduced by collecting refuse every four weeks, but the 180 litre standard size for refuse bins in Somerset was thought to be too small, whereas analysis showed it was the right size for most households on 3-weekly collections if more plastics were recycled. Experience of 4-weekly collections is also limited. It has been rolled out in Falkirk from October 2016 and trials are underway in Conwy and Fife.
- 3.5. It was hoped, following the Recycle More trials, to include cartons in the additional materials to be recycled. Extensive discussions on collection methods were held with both Kier and with representatives of the carton and cardboard recycling industry. Kier have given a significant additional cost of approximately £250k per annum to collect cartons separately, which would reduce savings for a small gain in recycling. The extra value of disposal savings achieved would only be £25-28k per annum. Therefore, it is not proposed (on cost grounds) to recycle cartons on household collections, but this can be revisited at a future date or included now should all partners wish to do so. The most economic separation method for cartons would not affect the design of collection vehicles proposed by Kier, but it would require additional sorting capability at depots.
- 3.6. Alternative collection arrangements for nappies and adult absorbent hygiene products (AHP) have been considered, as described in Appendix C. These would incur significant additional costs and the availability of additional refuse capacity, as proposed in 2.1, should be sufficient.

4. Outline of communications plan

- 4.1. SWP has an established and proven track record for successfully rolling out new collection arrangements, including the introduction of Sort It collections in three Somerset districts from 2004-2007 and the roll-out of Sort It Plus collections in all five Somerset districts from 2009-2012.
- 4.2. Sort It involved the introduction of weekly food waste collections, change in recycling collection frequency from fortnightly to weekly and change in refuse collection frequency from weekly to fortnightly.
- 4.3. Sort It Plus involved the addition of plastic bottles and cardboard to all kerbside recycling collections and the introduction of Sort It services in the remaining two Somerset districts.
- 4.4. These roll-outs established a successful communication plan for large scale collection service changes, which will also be adopted for the roll-out of Recycle More collections.
- 4.5. The same communication plan was adopted for the Recycle More trials, including in Wiveliscombe. Additional work was done to provide details of collection cycles to householders and to directly target a few households who were not aware when collection cycles were changed for refuse.
- 4.6. The main features of the communications plan that will be adopted to support the roll-out of Recycle More collections in all areas are as follows:
 - The use of Recycle More as the name for the new service package of collections, with a focus on the new arrangements being introduced to increase recycling, which benefits our environment and allows shared

savings on disposal costs.

- Initial press releases to announce in advance the changes to Recycle More and how these will be communicated, including the benefits from improved recycling and savings that benefit other public services.
- Supporting information provided on SWP and partner websites and by social media posts. SWP's website will include full guidance on the new collections, including answers to common questions.
- Notification packs delivered to all households to explain forthcoming services changes, how to find out more and how to raise any questions. In advance of which information will be sent to district and county councillors for these areas and to parish councils.
- Roadshows will be held which are accessible to all communities, so residents can find out more about the new collections and speak directly to SWP officers.
- Notification packs will include options to order replacement containers for current services, primarily on-line but by hardcopy form for those for whom this would be difficult. Also to request other services, such as assisted collections.
- Leaflets to fully explain arrangements for the new services will be delivered to all households at the same time as new and replacement collection containers are delivered prior to the start of the new collections.
- Residents will be able to download a smartphone app to notify them of collection days and sign up for e-mail alerts for service information. Collection calendars will be available to download and print and paper copies provided where required. Improvements will be made to look up collection days online.
- There will be a small amount of advertising to support the new service roll-outs in local papers and on local radio and inserts in Your Somerset.
- Within 2-3 months of each roll-out, a newsletter with feedback form will be delivered to all households. This will report the change in recycling that has resulted from the new collections, highlight the benefits of recycling and address any concerns that have arisen. This will also be an opportunity for residents to feedback their views on the new collections. For previous Sort It roll-outs and the Recycle More trial, this confirmed that a large majority preferred the new arrangements.
- Communication materials will include photos and images to illustrate how to use the new collections and clear plain English will be used.
- Press releases and online posts will continue to provide information as the services are rolled out.
- Good planning will ensure roll-out problems are avoided. The aim will be to quickly rectify any that do occur.
- During the roll-outs, SWP will have additional officers to support roll-outs, including on the ground, additional resource will be funded for Customer Service centres and Kier will have additional crews deployed to ensure any collection issues that arise are swiftly addressed.
- SWP officers will directly monitor new collections when refuse cycles change, so any identified households putting their refuse out on the wrong

cycles are visited or have a leaflet delivered to ensure they understand the new collections and that they have the information and support they need.

- 4.7. SWP will consult with partners on communications for the new collections.

5. Risks

- 5.1. SWP maintains and updates a risk register which covers broader financial, political, operational, health and safety and reputational risks. This project is proposed within the overall risk appetite of the partnership:

“We will be confident with risk, identifying risk and managing risk in order to optimise opportunities to achieve corporate objectives, value and service excellence.”

SWP generally seeks out opportunities to be innovative in approach to improving recycling and waste diversion and the Recycle More project is very much in line with that ethos.

- 5.2. As detailed in this report, Recycle More collections offer a number of positive opportunities. Plastic pots, tubs and trays would be added to materials collected for recycling, which is the most requested service improvement by residents. The new service would significantly increase recycling and divert waste from costly disposal and it would achieve a high level of savings on overall collection costs.
- 5.3. One of the principal risks around this project is reputational – ensuring the majority of residents understand and are appropriately encouraged to get behind the reasons for the change. This will be in large part influenced by the effective management of the change process. These risks are potentially amplified by undertaking the roll out in three large phases. The principal means of mitigating these risks are through meticulous project planning for operational change and the delivery of a robust communications plan.
- 5.4. Although there has been unanimous agreement by all partners at Somerset Waste Board and some have indicated they are very keen to make the change as soon as possible, there may be a risk that not all partners will agree to implement the service change to Recycle More at this time in their areas. Other options for savings on collection services have been considered and Recycle More is the most effective means of achieving savings on collection services needed by partners, while also offering improvements to recycling collections, which are the source of the savings. If the majority of District partners wished to implement Recycle More, those wishing to remain on Sort It Plus collections may face higher contract costs, due to lost operational efficiencies from not offering a common service package across all partners. The best outcome for SWP partners as a whole is for all partners to agree the adoption of the same service model.
- 5.5. There is a potentially significant financial risk that the Recycle More initiative does not perform as well as predicted in terms of capture of recyclable material, thereby eroding the forecast savings from waste diversion and improved recycling credit income to district partners. Based on available evidence, a reasonable and prudent estimate has been made, which is lower than achieved on the Wiveliscombe trial, and it is possible that the scheme may over-perform.
- 5.6. The risk on changes in material values and quantity of material to end-use

markets will continue to rest, contractually, with Kier. This provides an incentive for the contractor to work towards the same objectives as SWP in terms of maximising capture of quality material.

- 5.7.** The market for post-consumer plastic pots tubs and trays (PTT) is still immature and currently the main outlet for these materials is export to the Far East. The proposed collection and sorting methodology will help to ensure Somerset materials are among the highest quality available but it cannot be guaranteed that all the PTT will secure an end-use for materials recycling. SWP can however be confident that the fall-back route will be energy recovery and therefore value will still be obtained and landfill avoided. The demand for plastic bottles remains good and they should continue to be sent for material recycling.
- 5.8.** There is a risk of a small amount of additional fly-tipping following the roll-out of Recycle More and budget provision has been made for district partners to cover this, as noted in Appendix A. However, fly-tipping has not been reported as a significant problem by other authorities who have already rolled out 3-weekly refuse collections and no incidents were observed during the 2014 trial in Wiveliscombe. SWP and partner officers work together to deter fly-tipping, which is closely monitored and will be kept under review.
- 5.9.** There are no significant adverse environmental, safety and health implications of the scheme. The new scheme will reduce the total number of collection vehicles on the road by around 18, although the new style recycling vehicle will be larger to accommodate the new materials and the online shopping driven growth in cardboard in recent years. The 'footprint' of the new recycling vehicles will be similar to a standard sized refuse collection vehicle. The reduction in vehicles required will reduce risks around recruiting and retaining HGV drivers. The total number of loaders will increase slightly as more recycling vehicles will operate with two loaders. This should in many instances also help reduce total time taken to traverse narrow lanes and streets.
- 5.10.** Additional risks are described in confidential Appendix A.

6. Consultations undertaken

- 6.1.** Consultation on the new service model has been undertaken with all SWP partners as part of the consultation on SWP's Business Plan 2016-2021 and at also at a series of other meetings with committees of all partners in late 2015.
- 6.2.** Many reports and updates on Recycle More and other collection options have been considered by the Somerset Waste Board, which consists of two representatives, including the Portfolio Holder, from each partner. The main reports are listed under background papers below, all of which can be viewed or downloaded online. Somerset Waste Board unanimously agreed that the present Recycle More proposal was their preferred option in December 2015 and in October 2016.
- 6.3.** Consultation was undertaken with all households on the Recycle More trials, including the two collection rounds in Wiveliscombe. The feedback from most people was positive and the new collections were preferred to current pre-trial arrangements.

- 6.4. As part of the planning for the Recycle More trials, a focus group of service users was held to discuss collection containers and frequency and new materials that could be added to recycling collections. Findings from this were followed in designing the Recycle More trial arrangements, with reusable bags provided as a third recycling container as many users said they would prefer this to using another box.
- 6.5. SWP regularly receives feedback and comments from residents on improvements that could be made to collection services. The biggest request by far is to collect more plastics for recycling.
- 6.6. In 2015 a representative survey was undertaken in all five Somerset districts to measure service satisfaction and ask about improvements and changes to SWP services. The findings were reported to Somerset Waste Board in February 2016. The most suggested improvements for recycling and refuse collections were to recycle more plastics and cartons.

7. Background papers

- 7.1. All of the following reports to Somerset Waste Board are available online via a link to board papers at: www.somersetwaste.gov.uk/about/board/
- 7.2. Report to Somerset Waste Board on 22 February 2013: Somerset Waste Composition Study (Agenda Item 5, Appendix B)
- 7.3. Report to Somerset Waste Board on 21 February 2014: Business Plan 2014-2019 (Key Aims and Priorities for 2014/2015 and Action Table reference 6.4 – high diversion options and trials)
- 7.4. Report to Somerset Waste Board on 19 June 2015: Towards a New Service Model for Collections
- 7.5. Report to Somerset Waste Board on 18 December 2015: Draft Business Plan 2016-2021 (Appendix on New Service Model for Future Collections)
- 7.6. Report to Somerset Waste Board on 18 December 2015: Draft Budget 2016/2017 (Appendix 1 – Financial Principles for Recycle More)
- 7.7. Report to Somerset Waste Board on 18 December 2015: SWP Risk Management Policy
- 7.8. Report to Somerset Waste Board on 26 February 2016: Customer Survey Results
- 7.9. Report to Somerset Waste Board on 21 October 2016: Recycle More Project Update