

REPORT TO: Place Scrutiny Committee and Executive
Date of Meeting: 8 March 2018 (Place Scrutiny) and 13 March 2018 (Executive)
Report of: Cleansing and Fleet Manager
Title: Food Waste Collection

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 Reporting on the outcomes of the business case for separate collection and recycling of food waste.

2. Recommendations:

- 1) **That Place Scrutiny Committee supports, and Executive agrees, that Exeter City Council continues to provide the current recycling service (described as the 'baseline' in this report)**
- 2) **That officers provide an annual update on the food waste business case in the Recycling Plan that is submitted to Place Scrutiny Committee**
- 3) **That Place Scrutiny Committee and Executive Committee note the current and planned measures to improve the recycling rate achieved by the current service**

3. Reasons for the recommendation:

3.1 Continuing the current recycling service without a food waste collection (described below as the 'baseline' service) is the service option with the lowest modelled costs and lowest financial risk.

4. What are the resource implications including non financial resources.

4.1 The above recommendations are planned to be achieved within agreed revenue budgets for 2018/19.

5. Section 151 Officer comments:

5.1 There are no financial implications to consider in this report.

6. What are the legal aspects?

6.1 Exeter's recycling scheme is already compliant with the requirement in the Waste (England and Wales) Regulations 2011 for separate recycling collections. There are currently no statutory recycling rate targets applicable to Exeter.

7. Monitoring Officer's comments:

7.1 This report raises no issues of concern for the Monitoring Officer.

8. Background:

- 8.1 Exeter City Council's Corporate Work Programme included a commitment to investigate the business case for separate food waste collections and report on the outcome (ref PH25).
- 8.2 In 2016, Eunomia was appointed as the consultant to assist in the investigation of the business case. Five different recycling and rubbish collection scenarios were modelled, comparing cost and performance against that of the current service (the 'baseline') that we provide (Appendix 1).
- 8.3 The financial modelling included any changes to service revenue costs. The provision of any new vehicles and waste containers, and communications material, were accounted for on an annualised revenue basis.
- 8.4 Option 4 was modelled as delivering the highest recycling rate and best environmental performance (measured in CO₂ equivalent). This option consists of a weekly collection of food waste and other recyclable materials, collected on the same lorry and largely sorted into separate streams at the kerbside. The frequency of rubbish collection would reduce to once every three weeks.
- 8.5 Option 4 was also modelled by Eunomia as being marginally the cheapest option, saving a total over 10 years of £6,000 compared to the baseline service.
- 8.6 Option 3 was modelled as being the next cheapest option, costing an additional £854,000 over 10 years compared to the baseline. A comparison of all five service options against the baseline service is shown in Appendix 1.
- 8.7 Eunomia's project brief was to model the operational resources (costs and income) required for the baseline and five service options. This did not include the additional administration and customer support resource requirements associated with a major service change (any of options 1 – 5). Comparison with other local authorities introducing major service changes indicates that an additional four full-time recycling education officers and two Environment Support Officers would be required for the roll-out period of 6-12 months. This would result in additional expenditure of £68,000 - £135,000 depending on the length of the roll-out (exclusive of the 2018/19 pay award).
- 8.8 It should be noted that Eunomia's report "*represents what one would reasonably expect to happen if ECC implemented any one of those schemes*", and is not a guarantee of actual outcomes. Option 4, while modelled as the cheapest service, represents a radical change to our waste collection service and the actual financial performance could differ from the model in case of:
- Kerbside collection crews not meeting the productivity assumptions in the report
 - Changes in the value of materials collected and sold for recycling
 - Householder participation in recycling services not matching the model
 - Devon County Council choosing not to continue sharing the savings in waste disposal costs beyond 2025/26

- 8.9 This is not in any way a criticism of Eunomia, whose consultants prepared a thorough business case based on the available data and benchmarking against other local authorities.
- 8.10 Taking into account the requirement for additional recycling and customer support staff, all the options for food waste collection would cost more than the baseline service, and come with a degree of uncertainty and therefore financial risk to the Council.
- 8.11 In January 2018 China implemented its 'Operation National Sword', a more restrictive policy towards the import of materials for recycling. Some types of plastic have been banned altogether, and quality requirements for materials that are imported have become more stringent. Exeter has been able to avoid the direct impact of National Sword by operating its own Materials Reclamation Facility. Our plastics are sorted to a quality that enables us to sell to UK and European markets and our cardboard, which is exported to China, already exceeded the new requirements before these were implemented. Nevertheless, National Sword has introduced greater volatility into the commodities markets and any previous assumptions about income from recycling need to be treated with caution.

9. Recycling rate

- 9.1 Food waste is the biggest single component of our non-recycled waste. Significant improvements to our recycling rate, and progress towards the current 50% UK target, will not be achieved without implementing a separate food waste collection.
- 9.2 The annual Recycling Plan Review presented to Place Scrutiny Committee in September 2017 described the measures that are planned or taking place in order to meet our corporate aim of a one percentage point increase in recycling rate per year. Targeted communication and education aimed at low-recycling areas, and promotion of composting at home, remain a priority.
- 9.3 Five spare recycling banks have been converted to carton and coffee cup banks and placed key bottle bank sites in the city. A capital funding bid for 'recycle on the go' bins in Exeter City Centre will be prepared in 2018.
- 9.4 During Spring 2018 all households in Exeter that use a wheelie for rubbish will have a tag attached to their bin reminding them of what to recycle and promoting the use of the garden waste collection service or the Recycling Centres instead of putting garden waste in the grey bin. This project is funded by Devon County Council
- 9.5 From February 2018, where collection crews or recycling staff have identified grey bins that contain glass bottles or jars, 'No Glass, please' stickers are being attached to the bin encouraging the use of bottle banks.
- 9.6 While our recycling rate of 33% is below average for England, it is worth noting that Exeter's total waste collected per head of population is the fourth lowest in the country, and the lowest of any authority outside London. This encouraging result supports the waste reduction policies that have been implemented in Exeter.

10. What risks are there and how can they be reduced?

10.1 There are no additional risks associated with implementing the recommendations in this report.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

11.1 The collection, recycling and disposal of waste all have an environmental impact. That impact could be reduced by 1,727 tonnes CO₂-equivalent per year if Option 4 for food waste collection were introduced.

11.2 No other impacts have been identified.

12. Are there any other options?

12.1 The other option is to implement one of the service options 1-5 for food waste collection. The reasons for not doing so are outlined in this report.

Simon Hill – Cleansing and Fleet Manager

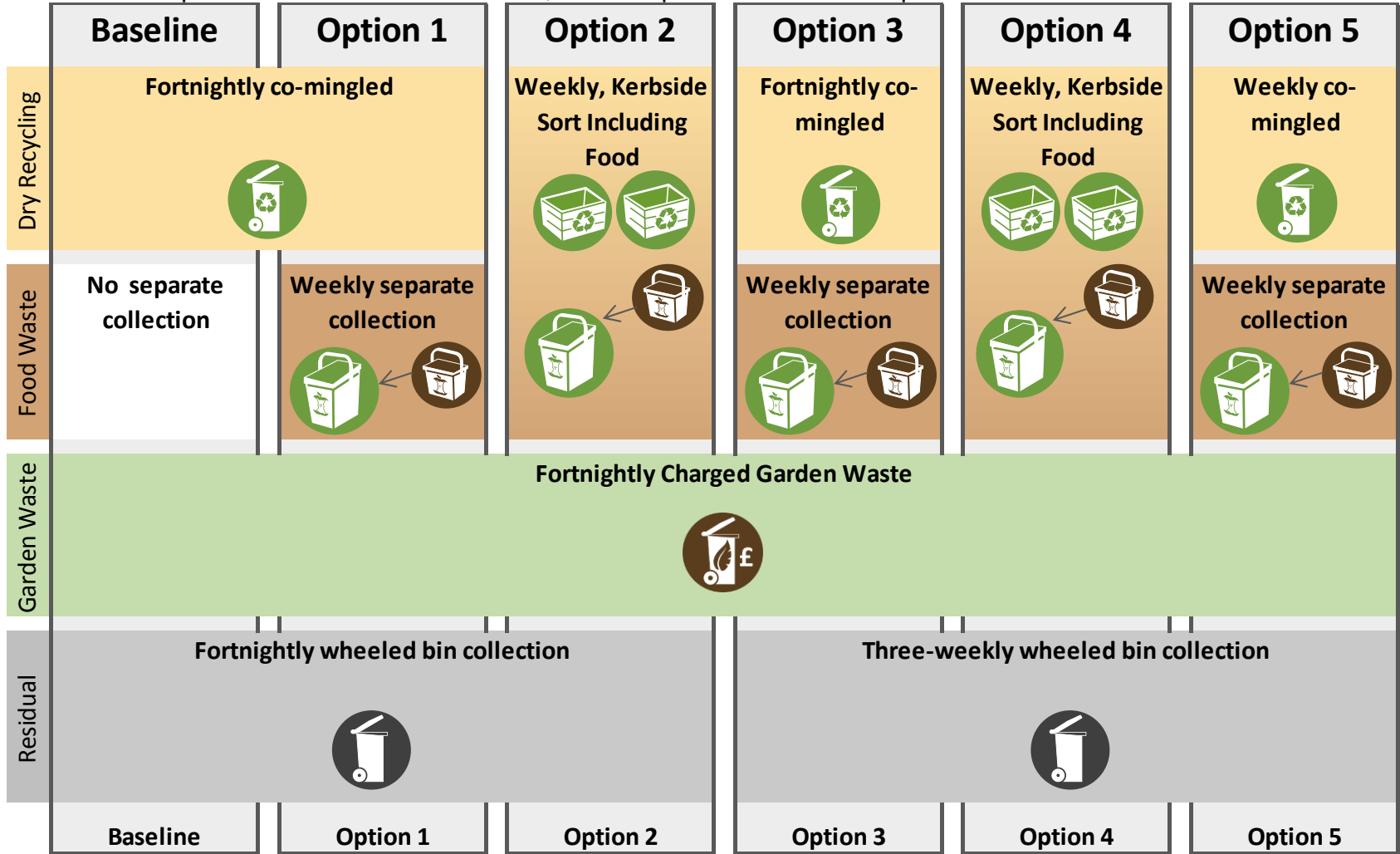
Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

Eunomia: Business Case Investigation of Options for Collection of Household Food Waste, 2017

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Appendix 1: service options for food waste collection, and comparison of modelled performance



Options 1-5: cost increases compared to current service baseline

Baseline (total)		Option 1	Option 2	Option 3	Option 4	Option 5
£1,227,000	Annual revenue (million)	£240,000	£130,000	£9,000	-£164,000	£394,000
£0	Start up cost (million)*	£476,000	£1,167,000	£467,000	£1,167,000	£476,000
£10,564,000	10-year total cost NPV (million)	£2,756,000	£2,456,000	£853,000	-£6,000	£4,169,000

* Start up cost: £2 per household for communications + supply and delivery of new containers

1,770	Carbon savings (tonnes CO ₂ /yr)	2,004	2,201	2,764	3,497	2,888
33%	Recycling rate	41%	43%	47%	49%	48%