



## **Waste Management Update**

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### **Report of Corporate Management Team**

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#### **Purpose of the Report**

1. The purpose of this report is to provide an update on progress made against the Council's waste contracts one year on from implementation.
2. Information will also be provided in relation to various aspects of the waste management service as a whole in delivery of the Council's Municipal Waste Management Strategy to 2020 and the future direction of the Government's waste policy & legislation.

#### **Background**

3. Durham County Council is a unitary authority, responsible for waste collection, disposal and treatment of all municipal solid waste within its area. In March 2010 the County Council adopted a refreshed waste management strategy and established a Waste Programme to develop and deliver a major transformational project involving elements of significant restructure procurement and service redesign to deliver this strategy. The strategy places an emphasis on sustainable waste management and prioritises waste reduction reuse and recycling in accordance with the waste hierarchy.

Fig 1: The Waste Hierarchy



4. The work of the Waste Programme was initially focused on delivering a realistic business case for new waste management arrangements that would replace the longstanding but outdated contract with the Council's own LAWDC, Premier Waste Management. The business case was approved by Cabinet in 2011 and in June 2012 an update report to Cabinet set out key contract principles and a timetable towards delivery the following May.
5. In April 2011 the introduction of an Alternate Weekly Collection Scheme was agreed by Cabinet. This project was successfully delivered and the new service rolled out in 2012.
6. In 2013 a review of the County's household waste recycling centres (HWRC) brought efficiencies into the service in advance of a full procurement exercise to bring new operators into the management of sites.
7. The substantial completion of these major elements of the waste programme was achieved in June 2013 when the new arrangements for waste disposal, waste haulage, waste transfer station operation and the operation and management of HWRCs were finally handed over from Premier to the new operators.
8. The following provides an update on the new arrangements after one year of operation and also highlights a number of relevant current issues in the waste management area for information.
9. In the cabinet report of 18<sup>th</sup> September 2013 a commitment was given to revise the waste strategy and provide an update on waste management issues. In the absence of a statutory requirement for a separate waste strategy the strategic targets have now been incorporated in the annual Council Planning process removing the need for a complete revision.

## **Durham County Council - Waste Management Update**

### **Overview**

10. The Waste Programme was substantially completed in June 2013 with the introduction of the new contracts for waste disposal and HWRC operation and the in-housing of the Council's four waste transfer stations.
11. The programme as a whole has delivered significant financial savings of £5m as a result of operational savings, reduced contract costs, elimination of landfill tax payments, increased recycling and energy generation. It has also delivered increased environmental performance through recycling and energy generation through modern, efficient and fit for purpose waste management processes.
12. The following information looks at each aspect of the Council's waste management service in turn and highlights the current arrangements and issues associated with each.

## Residual Waste

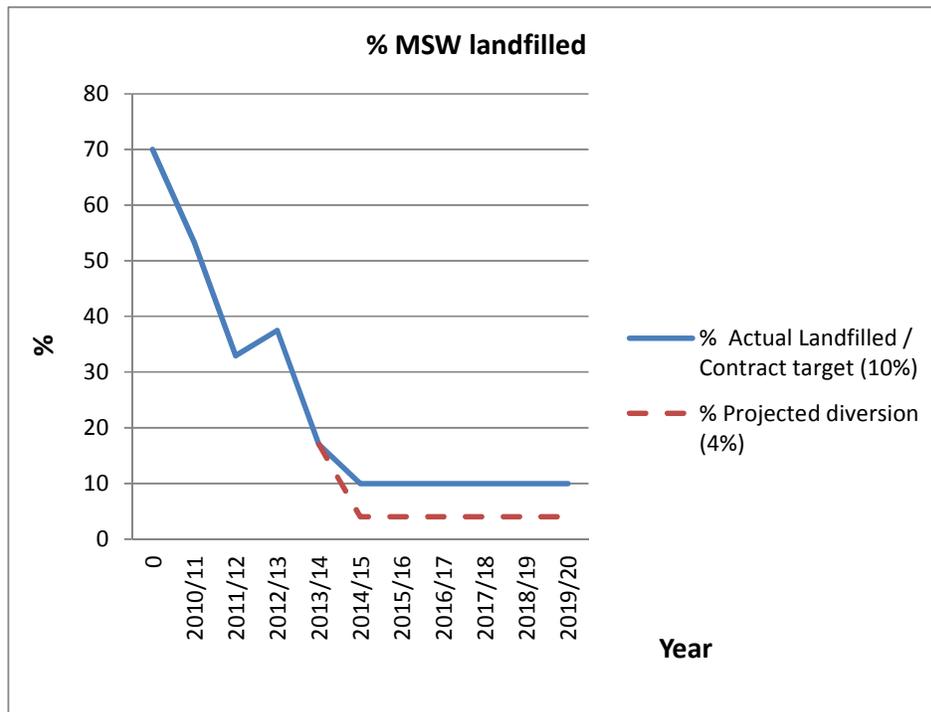
13. SITA UK was awarded the residual waste treatment contract in June 2013 for 8 years (with a 2yrs+2yrs option to extend). Since the award of this contract the Council has achieved significant benefits both financially and in terms of overall performance.
14. Residual waste from County Durham is principally delivered to SITA's newly expanded Energy from Waste (EfW) facility in Teesside. In addition to this contract, SITA UK secured the haulage arrangement for the Council's residual waste contract. From June 2013 the Council also in-housed the four Waste Transfer Stations which were formally operated under contract.
15. Within the first year (June 2013-March 2014), of the residual treatment and haulage contracts, the Council has saved £1,776,740 compared to the previous contract arrangement. This figure has exceeded the anticipated residual waste contract figure saving of £1.2m for year one alone in additional landfill tax savings.
16. The contractual arrangement with SITA allowed for some landfilling in the first year of the contract while the new lines at the Teesside plant were fully commissioned. From year 2 onwards there is a contractual guarantee that no more than 10% of the Council's waste will ever be landfilled, and that the Council has no liability for landfill tax payments. During the first ten months of the contract an average of 12.4% residual waste per month was landfilled however this figure has reduced dramatically to 0.5% from March 2013/14, as the new EfW plant was commissioned allowing greater residual tonnage to be treated, in effect delivering greater levels of diversion earlier than planned. The previous year i.e. during 2012/13, the total percentage of municipal waste (MSW) being sent to landfill via the previous contract arrangement averaged 37.5%.

Figure 2 – Percentage of municipal waste sent to landfill

	2012/13 (Premier)	QTR 1 (premier)	QTR2 (SITA)	QTR3 (SITA)	QTR4 (SITA)	Total 2013/14
<b>Landfill rate</b>	<b>37.5%</b>	<b>32.5%</b>	<b>18.6%</b>	<b>4.8%</b>	<b>6.3%</b>	<b>16.4%</b>

17. Figure 3 below shows the percentage of MSW landfilled over recent years and how going forward Durham County Council's reliance on landfill will be significantly reduced as a result of the implementation of the waste contracts (90% diversion from landfill from 2014/15).

Figure 3



18. The contracts include robust performance mechanisms that can lead to financial penalties for non-compliance and these are closely monitored through the Strategic Waste contract management team.

19. Prior to the end of this contract the Council will carry out an options appraisal in relation to the future service provision for all waste contracts beyond 2020.

### **Household Waste Recycling Centres (HWRCs)**

20. The new HWRC service has seen significant improvement since contractor HW Martin was awarded the contract in June 2013. The contract is for five years with the option to extend for up to two further years. The contract is for the operation of the Council's HWRC network across the County (currently 12 sites in total). This arrangement followed a public consultation carried out between October 2011 – January 2012 and subsequent review of the number of sites and operational arrangements.

21. Since the contract commencement more than 23,668 tonnes of materials has been recycled, reused, composted or treated resulting in overall diversion rate of 97.1% and recycling of 77%. The improved management and performance at the sites has meant that in first year of the contract the financial savings target of £923k has not only been met but exceeded by around £100k.

22. The Council in addition, are also implementing the commitments which it gave to the HWRC service provision as part of the review, these are described below.

### Mobile HWRC

23. A new mobile HWRC service has been launched on 16<sup>th</sup> August, 2014 at Frosterley, in Weardale. The service is being provided by HW Martin on a one year trial initially and operates on a fortnightly basis. The service operates between 9 a.m. and 12 noon at the respective location with time either side of the opening hours to enable set up and clear away.
24. Early indications have shown that this new mobile HWRC service has been well received by the public and has proved to be very popular. This site will be closely monitored over the life of the trial period.

### Stainton Grove HWRC

25. A replacement HWRC site for Stainton Grove is currently being developed and is in the detailed design stage. The site, which is adjacent to the existing waste transfer station, will provide an improved service to the public by offering an increased range of commodities to be recycled and improved access.

### **Collection Arrangements**

26. The Council collects household waste and trade waste (Municipal Solid Waste, MSW) from approximately 235,000 households, from across a population of approximately 515,348 residents.
27. The Council provides its own in-house collection service for all aspects of the waste management service including the refuse and recycling, garden waste, trade waste and bulky waste collection services.

### Refuse & Recycling Kerbside Collection Service

28. In June 2012 the Council introduced the Alternate Weekly Collection Scheme (AWC) to residents across County Durham. The service operates where recycling is collected one week, whilst residual household waste is collected the following week.
29. This kerbside collection scheme has been widely accepted by the public as residents can recycle a range of materials including paper, cardboard, plastics, cans etc., through a 240 litre blue lidded wheeled bin and kerbside box for glass.
30. The introduction of AWC generated immediate savings in operational and disposal costs of just under £1m p.a. and generated a significant increase in the quantity of recyclables collected from the kerbside, which currently remains consistently above 21% against the corporate target of 19%.

### Contamination

31. The public's behaviour and recycling habits influence the quality of the material collected from the AWC kerbside recycling scheme. Last year (2013/14) 47,730

tonnes of recyclate was collected from the kerbside. Of this amount 4,622 tonnes were classed as being 'contaminated' costing the Council approximately £500,000 in terms of additional disposal and haulage costs.

32. As a result, a countywide education campaign called 'Bin it Right' has been launched. This campaign involves placing stickers on every bin in the County, and engaging residents on the doorstep on good recycling practice. The campaign is also followed up with stronger practical measures including the rejection of contaminated bins by loaders at the kerbside. In these instances residents are left a note informing them why the bin has not been collected. In addition rejections are followed up by a letter to the household informing them of the actions to take.

33. In many cases contamination is either through accident or lack of knowledge of the householder and an initial letter helps to change behaviour. In some instances however contamination continues. In these cases letters are repeated in a three stage process. Where necessary, as a last resort, the Council will remove the recycling bin from a household to protect the recycling materials from contamination

34. Between 9<sup>th</sup> June 2014 and 15<sup>th</sup> August 2014 a total of 5,030 letters have been issued to residents in line with this procedure.

Contamination Letters Issued

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
East	1312	117	27	1456
North	952	66	6	1024
South	2331	198	21	2550
	4595	381	54	5030

<b>June</b>	<b>July</b>	<b>August</b>	<b>Total</b>
433	746	277	1456
399	450	175	1024
797	908	936	2550
1629	2104	1388	5030

35. The results demonstrate that where crews are reporting and rejecting contaminated recycling bins, residents who receive a advisory letter generally change their recycling behaviour in a positive way. Residents who continually fail to comply with the recycling scheme (stage 2 & 3) are visited by a Council Officer and can potentially have their recycling bin removed.

36. During the three months of May to July 2014 council officers have conducted 23,973 door knocks across targeted areas known to have contamination issues and 7,742 people have been directly engaged on a face to face basis. To date only 20 residents from across the County have had the recycling bin removed from their property due to contamination issues.

37. In addition to the above activity, further monitoring of the success of the, a 'Bin It Right' campaign is being measured through waste composition analysis which can be benchmarked with the other NE authorities.
38. A longer term procurement for Materials Recycling Facilities (MRF) to deliver the materials to is currently underway assisted by consultants Jacobs and it is anticipated that a new contract will commence from June 2015.

### Garden Waste

39. A separate garden waste collection service is currently offered to residents on a fortnightly basis from Spring through to Autumn. Although not statutory, the service is popular with those who use it; however it is not universally available across the county and has been at capacity for some time.
40. The scheme operates via an in-house arrangement and generates approximately 23,000 tonnes of garden waste per year which is currently directly delivered to four contractors either within or near to County Durham. This arrangement operates through an interim contractual agreement procured by the Council.
41. From March 2015 a charge will be introduced for this service which will make it available to around 35,000 additional properties, as well as contribute an estimated £933k of cost savings towards the Council's MTFP savings plan.

### Material Recycling Facilities

42. The Council currently has an interim contractual agreement in place for the acceptance of recycle collected from the kerbside to enter one of three independently owned Material Recycling Facilities (MRF). All facilities are located within the NE region; being; J&B recycling, OBriens, and Sita.
43. Historically MRF arrangements have worked well for the Council, providing significant income from the sale of commodities. More recently however due to commodity prices falling and reducing market demand, income levels have significantly reduced and where levels of contamination are significantly high there are further costs to the Council.

### Landfill & Closed Landfill Sites

44. The Council is responsible for one landfill site Joint Stocks at Coxhoe and 22 closed landfill sites across County Durham. The maintenance of and ensuring these sites are within environmental compliance carry significant budget and responsibility for the Council.
45. Since the Council in-housed the Joint Stocks landfill site in June 2013, the site has ceased to be operational and significant progress in restoring the site and bringing the site back in environmental compliance has been achieved.
46. The Coxhoe site is in the process of being fully restored. Engineering works have commenced and the site itself is in the process of being capped. Twenty two

additional gas wells have been installed and the power generation plant utilising the landfill gas has been substantially overhauled. Excess water and leachate has been extracted from the site.

47. As a result of these works the costs of operating the site are now entirely covered through the sale of the power generated from landfill gas into the national grid. Additionally the site performs better environmentally with significantly improved compliance with the sites environmental permit.

### **Waste Prevention**

48. The Council has a proven track record over the years of delivering high profile waste prevention campaigns via secured WRAP funding in relation to the promotion of the Government's waste hierarchy and the aims and objectives of the County Durham MWMS, these are mainly in the areas of:

- Home Composting
- Love Food Hate Waste
- County Durham Reuse Scheme
- Behavioural Change

49. This year the Council has focused its waste prevention work in the area of reuse by working with Government's Waste Resource Action Programme (WRAP). The Council secured free consultancy support from the programme for the County Durham Reuse Forum. This partnership facilitated by Durham County Council, consists of 6 community projects who offer services to individuals and families on low incomes or who are in social need through the sale of reusable household goods.

50. An application has been submitted on 1<sup>st</sup> September, 2014 to the Government's Innovation in Waste Prevention Fund in relation to this area of work (£50k & 50% partner in-kind funding). If successful, this funding will assist in building further reuse capacity across County Durham. This will not only reflect the Government's aspirations to manage waste as a resource but also provide cost savings to the Council and its partners in a challenging economic climate.

51. The work of the Council on community reuse projects has been recognised by the Association of Public Service Excellence (APSE) who have shortlisted the project in this year's annual awards. The work has also been acknowledged by WRAP as a best practice case study for other local authorities to replicate.

### **Waste Education & Behavioural Change**

52. Waste education and influencing positive behavioural change in residents and the wider community is paramount in terms of increasing recycling and waste reduction habits.

53. For every tonne of waste which can be diverted from EfW and sent for recycling saves the Council approximately £100, and this powerful message is central to many of our education campaigns.

54. The Council this year has focussed its resources on delivering the 'Bin it Right' campaign as previously described, however other initiatives carried out by the Council to influence behavioural change this year has included a recent student campaign in Durham City and a launch of a school online education resource named Waste Advice and Guidance for Schools (WAGS).
55. In County Durham whilst recycling levels show trends of plateauing, residual waste arisings show that household waste continues to decrease by approximately 1% year on year. This is in contrast to the national trend where signs of recovery, and increasing waste are starting to show. This can be attributed to the regional effects of the economic downturn and the recent recession which have resulted in less waste arisings being generated in some areas. It is anticipated that during 2014/15 125,000 tonnes of household waste will be collected from County Durham residents.
56. Managing waste in accordance with the waste hierarchy is essential and educating both residents and the wider community including school children is essential. The Council will continue to deliver waste awareness messages to the public and wider community in order to continue to offer a holistic waste management service.

### **Government Policy and Implications**

#### *The Waste Prevention Programme for England 2013*

57. The Waste Prevention Programme for England sets out the Government's view of the key roles and actions which should be taken to move towards a more resource efficient economy. As well as describing the actions the Government is taking to support this move, it also highlights actions businesses, the wider public sector, the civil society and consumers can take to benefit from preventing waste.
58. It highlights that waste affects us all and everyone has a role to play in reducing how much waste is created. Using resources more efficiently, designing and manufacturing products for optimum life and repairing and reusing more items could save us all money and provide opportunities for economic growth at the same time as improving the environment.
59. The Waste Prevention Programme is a requirement of the revised Waste Framework Directive.

#### *MRF Code of Practice / Quality Issues*

60. A new MRF Code of Practice will come into effect from April 2015. The code requires operators to carry out more stringent sampling and testing of the materials handled. Sampling and reporting requirements will apply from 1 October 2015.
61. The proposed MRF regulations are intended to ensure that the UK can demonstrate that co-mingled collection of dry recyclates followed by sorting at the MRF can deliver the requirements of European legislation and promote high quality recycling. This comes in the wake of a legal challenge to the way the Directive has been implemented in England and Wales.

62. The code will apply to all MRFs handling over 1,000 tonne per annum and so will apply to all of the suppliers to the Council and compliance will be required as part of the ongoing procurement works.

### TEEP Issues

63. The EU Waste Framework Directive stipulates that “*waste collection authorities must collect waste paper, metal, plastic and glass separately. It also imposes a duty on waste collection authorities, from that date, when making arrangements for the collection of such waste, to ensure that those arrangements are by way of separate collection*”.

64. These duties apply where separate collection is necessary to ensure that waste undergoes recovery operations in accordance with the directive and to facilitate or improve recovery; and where it *is technically, environmentally and economically practicable (TEEP)*.

65. The practical definition of this wording has been subject to some debate and a legal challenge was brought about by a campaign group seeking to legislate against co-mingled collection of waste. A Judicial Review followed and while the outcome supported the rights of councils’ right to retain control over co-mingled recycling collections further duties have been imposed with regard to demonstrating TEEP. These are principally administrative to evidence that TEEP has been assessed and the relevant processes are already in place internally and with current suppliers.

66. The Council will ensure through its current arrangements and future contract arrangements that all requirements of the MRF Code of Practice and TEEP are adhered too from October 2014 and January 2015 respectively.

### **Conclusion**

67. The report has demonstrated the success of the waste programme as evidenced by the performance of the new arrangements after a period of one year.

68. Significant progress, has been made in the areas of

- Residual waste (contract, haulage, waste transfer stations)
- Household Waste Recycling Centres (HWRCs)
- Collection arrangements
- Landfill & closed sites
- Waste Prevention
- Waste education & behavioural change

This progress has brought both financial and environmental improvements.

69. Areas where work is ongoing and future attention will be needed are:

- Garden Waste
- Material Recycling Facilities (MRF) & contamination issues
- Government policy and implications

Plans are in place to address these.

### **Recommendations**

70. It is recommended the progress that the Council has made in this area of significant expenditure be noted.

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**Appendix 1: Implications**

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**Finance** - None

**Staffing** - None

**Risk** - None

**Equality and Diversity / Public Sector Equality Duty** - None

**Accommodation** – None

**Crime and Disorder** - None

**Human Rights** - None

**Consultation** – None

**Procurement** - None at this stage

**Disability Issues** – None at this stage

**Legal Implications** – None at this stage.