

CABINET

3RD APRIL 2014

REPORT OF THE PORTFOLIO HOLDER FOR ENVIRONMENT AND WASTE MANAGEMENT

Organic Waste Review

EXEMPT INFORMATION

Nil

PURPOSE

To seek Cabinet approval to amend the Organic Waste Service

RECOMMENDATIONS

Cabinet is recommended to approve:

- The removal of all food waste from the Organic (Garden) Waste Bin from 13th October 2014.
- Authority granted to the Director of Assets & Environment to commence the procurement of a contract for the disposal of garden waste, including entering into suitable legal agreement with the preferred supplier.
- The commencement of negotiations with Biffa Waste, East Staffordshire Borough Council and South Derbyshire District Council with a view to securing either the early exit from the existing waste disposal contract for the treatment of co-mingled garden and food waste or a reduction in the minimum tonnage.

EXECUTIVE SUMMARY

The Authority has an opportunity to significantly reduce the cost of delivering the Organic Waste Service without having a major impact on service delivery, public satisfaction and recycling performance. Seizing this opportunity will require residents to make a simple change to the way they use the waste services. We will continue to encourage reductions in food waste but when disposing of it, instead of using their green bin residents would be asked to put food waste into their black bin or alternatively use home composting where this is practical.

This opportunity to reduce the cost of the Organic Waste Service has recently arisen following the commissioning of the County Councils W2R project at Four Ashes. All of the residual waste collected in the black bins by the Joint Waste Service now goes to the Four Ashes plant for incineration rather than landfill. Returning the food waste to the black bin means that it would be burnt and converted to energy along with all the other residual waste.

Garden waste, which is by far the biggest fraction of the mixed organic waste, could then return to being disposed of at a Windrow Composting facility at a much lower gate fee rather than being processed at an In Vessel Composter. In addition further savings on collection infrastructure (Vehicles, manpower and fuel) could also be realised if a local composting facility were procured by the Authority because the travelling distances to the two In Vessel Composters which are currently used is quite considerable. This will also help to reduce the waste miles travelled applicable to the service.

As with other services within the Authority a fundamental review of the Joint Waste Service

with our shared service partner Lichfield District Council has highlighted this opportunity and the significant financial savings it offers to both Authorities. However the financial savings can only be delivered if both Authorities approve the change because a standardised service across both Districts is needed in order to deliver maximum efficiency.

The amount of savings achieved will have to be transitional because the Authority is in a joint contract with two other local authorities for the provision of one of the In Vessel Composters and this contract doesn't expire until 31st March 2017. There is no break clause in the contract therefore the Joint Waste Service will probably have to continue to deliver the minimum tonnage of waste prescribed by the contract at the higher gate fee (Garden waste only) to this facility until the contract expires.

However the Authority could enter into negotiations with both Biffa Waste who are the operators of the facility and our Local Authority Partners about exiting the contract early or altering its conditions in order to maximise savings. The contract for the other In Vessel Composting facility used by the service which was procured by the County Council expires in October 2014.

Changing the Organic Waste Service is not without its challenges and an effective Communication Plan will have to be developed and delivered. Resources would also have to be allocated to the checking of bins and also the removal of any food waste that inadvertently continued to be delivered to the Windrow Composting facility. The costs of these mitigating actions have been factored in when assessing the potential financial impact of the proposals.

A decision on the future of the Organic Waste Service needs to be made as soon as practicable because we have to advise the County Council by April at the latest whether we wish our waste to be included in the retendering exercise for the In Vessel contract which expires in October 2014. There is no provision for extending this contract.

The changes if approved would be introduced on 13th October 2014 in order to tie in with the end of the County Council's In Vessel contract and to allow sufficient time to procure a Windrow disposal facility

Detailed discussions have taken place with Lichfield District Council and the Lichfield and Tamworth Joint Waste Committee who made the following recommendations.

On 5th March 2014 the Leisure, Parks and Waste Management (Overview and Scrutiny) Committee at Lichfield District Council was consulted on the proposal and made the following comments:

"Members asked if the compost produced by the garden waste was available for sale to the public and it was reported that it was for the operator of the facility to sell as they wished. It was noted that the Joint Waste Service did still encourage home composting and would continue to do so.

Members felt that education and communications to residents on the changes would be important and it was reported that it had been budgeted for. It was suggested that a dedicated phone line and up to date bin collection diaries be produced. Members were concerned that having bin inspectors would create negative feelings with residents and it was reported that even with a communications plan, some residents may not know of the change and contaminated bins would be cost to the Joint Waste Service and having people go out inspecting would mitigate this.

It was noted that there would be other changes forthcoming in the future regarding recycling including a focus on the quality of the materials recycled and not just the quantity and so a sustained education policy would be produced. It was noted that a report would be submitted when these changes were known.

Overall, the Committee accepted the proposed changes".

On the 19th March this matter was considered by the Tamworth & Lichfield Joint Waste Committee who recommended that the proposed changes to the Organic Waste Service should be implemented.

Staffordshire County Council who are the Waste Disposal Authority have also been consulted and advised that:

- The proposed changes will result in a financial pressure for the County Council of circa £65,000+ per annum.
- It is anticipated that the additional food waste tonnage mixed in with residual waste will not cause any difficulties for the Four Ashes facility.
- Payment of recycling credits will be in line with the Recycling Credit Handbook and based on the provision of appropriate duty of care paperwork.

RESOURCE IMPLICATIONS

The potential saving to the Authority on its share of delivering the Joint Waste Service would be £6.8k in 2014/15, £179k in 2015/16, £192k from 2016/17 onwards.

A detailed breakdown of the financial implications is attached as Appendix A to the report.

LEGAL/RISK IMPLICATIONS BACKGROUND

Risk	Likelihood/Impact	Countermeasure
Public dissatisfaction with the change	L/M	Robust Communication Plan which explains the rationale behind the decision. Education on the proper storage of waste during warm weather in order to minimise odours. Availability of a number of free home composters.
Residents continue to put food waste in the green bin	M/M	The deployment of a dedicated team to check bins and provide advice and education to residents. The deployment of resource at the Windrow Composting Facility to remove food waste from the garden waste.
The Authority is unable to secure a local Windrow Facility with a low gate fee	L/H	Robust procurement exercise
The Authority is unable to secure the projected savings on collection infrastructure especially as demand on the Organic service is subject to external factors such as the weather. In addition the workforce did transfer from task and finish to fixed hour working in August 2013 which has had an impact on	M/H	Undertake a round review to maximise logistical efficiency. Monitor collection efficiency.

collection efficiency.		
Unsuccessful contract negotiations with Biffa Waste and the two Local Authority partners.	M/M	Continue to take the 4,000 minimum annual tonnage to Etwall until the expiry of this contractual obligation.
Impact of putting the food waste in the black bin on the Residual Waste Service infrastructure	L/M	Promotion of home composting Proposed review of waste rounds should address any capacity issues

SUSTAINABILITY IMPLICATIONS

This proposal is in accordance with the efficiency strand of the refreshed Staffordshire municipal waste strategy the principles of which were adopted by Cabinet on the 20th February 2014.

The services that we provide are important as they enhance the environment for future generations. They also provide value for money.

Cabinet is asked to note that the implementation of this change is also subject to the approval of Lichfield District Councils Cabinet. This meeting is to be held on the 1st April 2014 and the outcome will be presented verbally at Tamworth's Cabinet.

It is not feasible for this service change to be operated only by one partner to the shared service.

BACKGROUND INFORMATION

In 2009 Tamworth Borough Council was able to offer its residents the opportunity to divert their food waste away from landfill by co-mingling it with garden waste in the green bin which was already being sent for recycling. This initiative was supported by the Waste Disposal Authority (Staffordshire County Council) as it helped them meet their Landfill Diversion targets for biodegradable waste. Initially Tamworth only used the Jack Moody Facility as part of the County Council Contract. However when the Joint Waste Service commenced in 2010, Biffa Waste agreed to allow some of Tamworth's organic Waste to be accepted at their Etwall Site.

Alternative disposal arrangements (In vessel Compositing) for the co- mingled garden and food waste had to be secured because this type of waste has to be treated before it can be reused as a soil improver on agricultural or recreational land. In contrast garden waste which does not contain any food just needs to be shredded and composted before it can be reused. Prior to the addition of food, Tamworth's Garden Waste was taken to a local on farm Windrow Composting facility at Wall. Windrow Composting is a very natural and relatively inexpensive process that takes place in the open air and has a typical gate of around £21 - £25 per tonne.

The Authority uses two In Vessel Composting facilities to treat co-mingled garden and food waste, one of which is at Shareshill near Cannock and the other is at Etwall near Derby. Use of the Shareshill facility was procured by the County Council who have a contract with the owner Jack Moody Ltd and which is due to expire in October 2014. The Etwall facility is operated by Biffa Waste Ltd and Lichfield D.C. jointly procured the contract with both East Staffordshire Borough Council and South Derbyshire District Council. This Contract doesn't expire until 2017 and joint service is committed to take a minimum of 4,000 tonnes per annum to the facility.

The systems employed in "In Vessel Composting" ensure that composting takes place in an enclosed environment, with accurate temperature control and monitoring. However In Vessel

Composting is twice as expensive as Windrow Composting because of the capital cost of the infrastructure with the typical cost being around £40 -£50 per tonne. However at the time mixing the food waste with the garden was the only affordable and practical way of introducing food recycling.

The Joint Waste Service collects in excess of 20,000 tonnes of Organic Waste per annum however it is estimated that less than 1,500 tonnes of the material is food waste.

The opening of the Four Ashes Incinerator means that the Authority no longer has to rely on In Vessel Composting as being the only option for diverting food waste from landfill. Returning the food waste to the black bin means that it would be burnt and converted to energy along with all the other residual waste.

The garden waste could then return to being disposed of at a Windrow Composting facility at a much lower gate fee. However the savings on the gate fee can only be realised if the Authority procures the disposal facility for garden waste itself or in partnership with other Waste Collection Authorities (WCA). This is because of the way that the economics of recycling work between WCA's and Waste Disposal Authorities (WDA). The Joint Waste Service may also have to continue to pay the higher gate fee on the 4,000 tonnes it is contracted to deliver to the Etwall facility until 2017.

The two In Vessel facilities which the Joint Waste Service currently uses for tipping off the co-mingled food and garden waste are not ideally located. In particular this puts a considerable strain on the operational infrastructure and the budget during the peak summer months when the collection vehicles have to tip off three times per day. There is however two Windrow Composting facilities located in the operation area which could receive garden waste if a decision was made to remove food waste from the green bin. Whilst it is not possible to pre-empt the outcome of any procurement exercise the authority can take into consideration the cost of tipping away when evaluating tender bids. An initial assessment has revealed that if a local Windrow facility could be procured then it may be possible to take the equivalent of one truck and crew off the road once the contract with Biffa Waste expires in 2017, which would save the Joint Waste Service approximately £150,000 per annum. A local Windrow facility would still save money on collection infrastructure prior to 2017 but this would be nearer to £120,000 per annum.

The changes if approved will need to be handled very carefully as there are a number of risks which need to be mitigated. A Communication and educational Plan which explains both the reasons for the change and the new arrangements will need to be prepared and delivered. Lichfield and Tamworth do however have a very good track record when it comes to managing changes to their Waste Services, this being borne out by the seamless transfer to the shared service back in 2010.

It is anticipated for the first few months of the service that resources will have to be allocated to checking garden waste bins in order to identify residents that continue to mix food waste with their garden waste. This will initially be quite an onerous task as there are in excess of 70,000 bins presented across both Districts every fortnight. Feedback from the crews and the composting facility will be used to target resource.

The Service will have to work very closely with the owners of the Windrow Composting facility to ensure that any food which continues to arrive on site is picked out of the garden waste and disposed of correctly. Ultimately if the problem persisted for a long time the Authority would run the risk of having loads rejected which would have financial and recycling performance implications.

Residents will be able to receive advice and education on the use of home composting. This would also satisfy the Waste Minimisation Agenda which is a key principle contained in the recently refreshed Joint Municipal Waste Management Strategy for Staffordshire and Stoke on Trent.

Removing food waste from the green bin and adding it to the residual waste stream will only have a modest impact on the recycling performance of the Authority. The anticipated reduction in the headline recycling rate is two percentage points.

In addition to removing the food waste consideration was also given to suspending the resulting Garden Waste Service over the winter months. However further savings would be minimal because the level of infrastructure on the service is already scaled back considerably during the cold weather.

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

APPENDICES

Appendix A – detailed financial appraisal