

TITLE	Provision of reusable sacks for dry recycling: CALL-IN RESPONSE
FOR CONSIDERATION BY	Overview and Scrutiny Management Committee on 26 th August 2020
WARD	All
DIRECTOR	Chris Trill, Director of Place and Growth

OUTCOME / BENEFITS TO THE COMMUNITY

Due to global market conditions, contaminated wet card and paper is being rejected and therefore, the Council must implement an alternative to the current recycling boxes that enable recycling material to get wet as a result of their open nature. It is estimated that wet waste will cost the Council £600k a year.

Following extensive research and testing, waterproof reusable sacks have been identified as the most appropriate solution to maximise recycling in line with Council's Climate Emergency Agenda and to prevent financial loss due to reduced recycling. Waterproof reusable sacks represent the best option to address wet waste and have the lowest implementation and running costs of all the options considered.

Benefits to the community also include:-

- Recovering 6% of recycling lost due to wet waste
- Additional 20 litres of recycling capacity (based on 2 sacks residents are welcome to more)
- 1.5% additional more recycling will be collected through this new receptacle due to increased capacity and resident awareness
- Sealable sacks will reduce blown litter when boxes are presented on collection day.

RECOMMENDATION

That the Overview & Scrutiny Management Committee uphold the decision of the Executive Committee.

SUMMARY OF REPORT

The decision to challenge the purchase and implementation of these sacks has been called-in by five non-Executive elected Members.

This report provides clarification on the points raised within the call-in.

Background

Waste and recycling services are a statutory key service which every resident uses. In Wokingham Borough, this service has proved to be a successful and well managed evidenced by over 50% of waste being recycled in the Borough in 2019/20 as compared to 40% in 2018/19. The roll-out of the food waste service has contributed greatly to this success and it is evident that resident's engagement in recycling is high and should be encouraged.

The WBC Climate Emergency action plan has challenging targets to achieve (70% recycling rate by 2030 and 100% target by 2050) and every item of recyclable material counts towards these goals. In addition to recovering 6% of wet paper being lost to wet waste, the proposed waterproof sacks will enable an additional 1.5% of recycling due to the extra capacity. This will add approximately more 5,000 tonnes of recycled material (equating to 262.8 tCO₂e).

The pressure of worldwide markets, where the UK's recyclable material goes for reprocessing, has seen a rapid change in quality acceptance criteria over the past year. Televised documentaries, changes in local and regional economies, changes to packaging as well as a drive to deal with waste within individual countries has led to a market which can be selective as to what it wants. This has affected material flows globally and the clear message is for collected recyclable material to be high quality in terms of no moisture and no contamination.

Due to the change of acceptance criteria by the recycling reprocessors, the material in the current open recycling boxes has been adversely impacted. From October 2019 to March 2020 approximately 3,000 tonnes of material had to be sent to the energy from waste plant as this was too wet to recycle. The cost of this amounted to c.£386,000 and it is projected that for a full financial year, over 4,000 tonnes of recycling could be lost with an estimated cost in the region of £600,000 per annum, reducing the recycling rate by 6%.

Over the past three months, a full options appraisal (attached) has been undertaken to determine the best practicable receptacle to use to address the problem of wet waste due to the open nature of the Council's current black boxes. Through this appraisal and in assessing the options available, significant emphasis has been placed on the outcome of the 2017 market testing exercise undertaken by the Council that was overseen by a cross-party task and finish group. This has been to ensure that those key elements of the waste and recycling service that residents feel are important are retained though any change. In assessing the options, officers have researched other Councils' containers and compared criteria including price, health and safety, longevity and carbon impact. The options have been developed and tested in conjunction with the Council's contractors to ensure that the chosen option is implementable and fit for purpose. Through this analysis it has been established that waterproof, reusable sacks were the best option to use.

It is clear from a resident, financial and environmental perspective that the implementation of the waterproof, reusable and sealable sacks is urgently required in order to avoid a further reduction of recycling and the associated costs. Failure to deliver this new system by the autumn and winter months will result in recyclable material going to the energy-from-waste plant which could have otherwise been recycled. As the autumn/winter period accounts for majority of the wet weather in the

UK, it is estimated the financial loss of material due to wet waste will amount to approximately between £13-14K per week and 1% recycling per month.

A Capital Monitoring report was submitted to Executive on 30 July 2020 and the Executive agreed the funding to purchase the sacks and implement this in Autumn 2020. This decision has now been called-in by five non-executive elected Members. Within the call-in and in line with the Council's constitution, the challenge has been made on the following grounds:

- Due consultation and the taking of professional advice from Officers (Ground b);
- A presumption in favour of openness (Ground d);
- Clarity of aims and desired outcomes (Ground e);
- Details of all options and reasons for decision have not been recorded (Ground f)

Analysis of Issues:

Below are the stated reasons for the Call-In and the Council's response to each:

Reasons:

Ground b) The decision has contravened Section 1.4.2 b) of the Council's constitution, in that due consultation and the taking of professional advice from officers has not occurred.

Response:

There has been consultation and options have been fully assessed by officers in advising the most appropriate solution to the wet waste issue. In 2017, Wokingham Borough Council undertook waste and recycling market testing to gain insight about resident views of the waste and recycling service and this was overseen by a cross party Task and Finish Group. 95% of respondent residents stated that it was important to increase recycling and reduce landfill and a further 97% stated that it was important to reduce the impact on our environment. This consultation also asked residents about the current service and approximately half of respondents said that they were happy with the current collection system. On this basis officers have continued to work on the continuous improvement of this service. The issue of wet waste has prompted consideration of the most waterproof option as well as customer desire for greater capacity to recycle more. Going forward there will be further consultation on longer term options towards the end of the current contract.

Significant work by has been undertaken to ensure the proposed option meets the required outcomes. This has involved engaging an external consultant to undertake a full appraisal of appropriate options that can be implemented as early as possible in the Autumn/Winter period. Officers informed and reviewed the extensive options appraisal, as well overseeing the process of testing these informed by their experience and knowledge of Wokingham's waste service. Officers have been integral to ensure the selected receptacle is cost-effective, will keep recyclable material dry and is durable.

Ground d) The decision has contravened Section 1.4.2 d) of the Council's constitution, in that openness has not been observed.

Response:

Transparency of the process has been undertaken in accordance with the Council's constitution. A full independent options appraisal report (Appendix 1) has been undertaken to determine the best practicable and financial short-term solution to the wet waste issue and this has been subsequently ratified by officers. The finance to enable this option to be implemented was included in the Capital and Revenue Monitoring Reports to the Council's Executive on 30th July 2020.

Ground e) The decision has contravened Section 1.4.2 e) of the Council's constitution, in that clarity of aims and desired outcomes has not been achieved.

Response:

The desired outcome is to find a cost-effective, practical solution that can be implemented as soon as possible in the Autumn to enable recycling material to remain dry so that it can be recycled.

The available effective short-term solutions were assessed through the consultant's options appraisal (see table below) and significant research with officer involvement has determined that waterproof reusable sacks are the best practicable and effective option to achieve the desired outcome. Introduction of waterproof sacks will enable the Council to address wet waste, increase the ability to recycle waste material, minimise the cost of recycling and maximise financial returns.

Category	Weighting	Considerations	Guide				
				1 Do nothing (baseline)	2 2 x loose lids per property for existing boxes	3 2 x weighted reusable sacks for all properties receiving a kerbside	4 2 x shower caps per property for existing boxes
Recycling performance	40.0%	Impact on recycling rate	Recycling rate for each option considering potential impacts on wet waste. Maximum recycling points added = 10 points, baseline = 0 points.	0.0	6.0	10.0	6.0
Financial	30.0%	Annual revenue impact (Best)	Annual revenue impact for each option, including the Baseline. Scored as deviation from the maximum (0 points) and minimum (10 points) annualised operational cost calculated for each option.	0.0	4.3	10.0	5.5
	30.0%	Annual revenue impact (Worst)	Annual revenue impact for each option, including the Baseline. Scored as deviation from the maximum (0 points) and minimum (10 points) annualised operational cost calculated for each option.	7.8	0.0	10.0	0.9
	10.0%	Capital cost (Best)	Cost of implementation, with the Baseline (Option 1) scoring the highest (10 points), and most costly option scoring 0.	10.0	0.5	0.0	5.2
	10.0%	Capital cost (Worst)	Cost of implementation, with the Baseline (Option 1) scoring the highest (10 points), and most costly option scoring 0.	10.0	0.0	3.4	1.5
Political + public acceptability	10.0%	Number / type of containers	Points system based on number and type of container, available capacity and communications required. See "Political and public acc."	6.0	1.7	6.7	2.6
Health and safety	5.0%	Maximum weight possible	Weight of empty container plus full possible weight of contents based on average bulk density of comingled recycling. Heaviest scores 0, lightest scores 10.	10.0	9.2	0.0	5.3
Carbon impact	2.5%	Assessment of potential carbon (Best)	Points system based on impact of extra vehicle resource, and diversion of 'wet waste' to recycling. Baseline =5, with options scoring higher or lower in comparison.	5.0	7.0	9.0	7.0
	2.5%	Assessment of potential carbon (Worst)	Points system based on impact of extra vehicle resource, and diversion of 'wet waste' to recycling. Baseline =5, with options scoring higher or lower in comparison.	5.0	3.0	4.0	3.0
Equality impact assessment	2.5%	Potential to affect persons in the protected characteristics group	A high-level impact assessment of how each method of containment has the potential to affect persons in the protected characteristics groups. Baseline =5, with options scoring higher or lower in comparison.	5.0	4.0	6.0	4.5
Best Case Total Score (unweighted):				36.0	32.7	41.7	36.2
Best Case quantitative assessment weighted score:				2.3	4.6	8.0	5.4
Best Case quantitative assessment rank:				4	3	1	2
Worst Case Total Score (unweighted):				43.8	23.9	40.1	23.8
Worst Case quantitative assessment weighted score:				4.7	3.2	8.3	3.5
Worst Case quantitative assessment rank:				2	4	1	3

Ground f) The decision has contravened Section 1.4.2 f) of the Council's constitution, in that the details of all the options and reasons for the decision have not been recorded

Response:

A comprehensive report has been formulated by the external consultants and was fully appraised by officers. This informed the inclusion of the funding for the most appropriate solution to wet waste in the Revenue and Capital Monitoring Reports to the 30 July 2020 meeting of the Executive. The Council's waste and recycling service will not fundamentally change as a result of the introduction of the sacks. The methodology of weekly collections remains the same, the material that can be recycled will be unchanged, the days of collection will remain, and residents will present the waste as currently on the day of collection. The only change is that we will be asking residents to place their recycling in the waterproof reusable sacks and to seal these to keep the waste dry.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

Other Financial Information:

Do nothing

- To do nothing would result in a major budget loss which would amount to around £600k per annum. This is calculated through lost income (30%) and an increase of disposal costs (70%) (using Oct –Mar actuals of c.£400k) = £600kp.a

To implement waterproof reusable sacks

Cost of sack solution (two parts)

Part 1:

- Cost of sacks £288k for 5.5 years (£52k MRP + £8k interest) = £60k p.a.

Part 2:

- Cost of new vehicle and crew needed to compensate for the extra time taken to empty new receptacles (based on previous costs and depreciated over 5.5 years) = £235k p.a. (time difference is approximately 3 seconds per property which equates to 55 hours extra per week)

Total = Sacks per annum = £60k (Part 1) and vehicle/crew = £235k (Part 2) = £295k p.a.

Benefit of sack solution

- The implementation of the sack solution will avoid (30%) increase disposal costs (70%) (using Oct –Mar actuals) of c.£400k or c.£600k for the full year which will impact the budget significantly.
- Increased recycling as a result of increased capacity of 1.5% = £98k p.a. income

Cost of sack solution

Therefore, the cost of implementing the sacks would be £295k p.a. – £98k p.a. = £197k cost per annum. However, this is a significant improvement relative to the likely position (see below) of c.£600k budget loss if nothing was changed.

Total net benefit of sacks

c.£600k – £295k (sack costs) + £98k (increased recycling due to awareness and increased capacity) = £403k

Benefit of sacks relative to open bins = + £403k per annum

Other financial information relevant to the Recommendation/Decision

None

Cross-Council Implications (how does this decision impact on other Council services, including properties and priorities?)

This decision will have minimal impact on other Council services

Reasons for considering the report in Part 2

N/A

List of Background Papers

None

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