

Overview and Scrutiny Briefing Note
Renewal of Recycling Contract 2019/20

Introduction

Overview and Scrutiny Committee requested to know what ideas / initiatives / changes are being pursued for the next contract (direction of travel) so that they can make suggestions and have real input into what gets agreed for the renewal of the contract. The Committee want to pre-scrutinise “direction of travel” well ahead of any report going to the Executive. They only want to deal with the recycling element of the contract.

The procurement of the major contracts which includes recycling is due to commence formally in May 2019. Over the next 12 months the Council will need to decide the delivery model, the desired quality of services, alternative service options, budget, and engage with a number of stakeholders (Housing, WCC, Members, Cultural Services, Town and Parish Councils, Friends of Groups etc.).

Existing Contract

The current contractor SUEZ provides the collection services for recycling, general refuse, green bins, domestic clinical waste, bring banks, bulky waste, schools recycling, and commercial waste from Council buildings. There are circa 55.5k residential properties which they provide the kerbside collection from. The individual cost for the recycling element of the contract £1m, although this is discounted by £450k due to the contractor taking all the income from the sale of recyclable material. Due to the volatility in recycling markets the current actual income received from the sale of recycling material is circa £200k, however the contractor is bound by the original figure for the period of the contract.

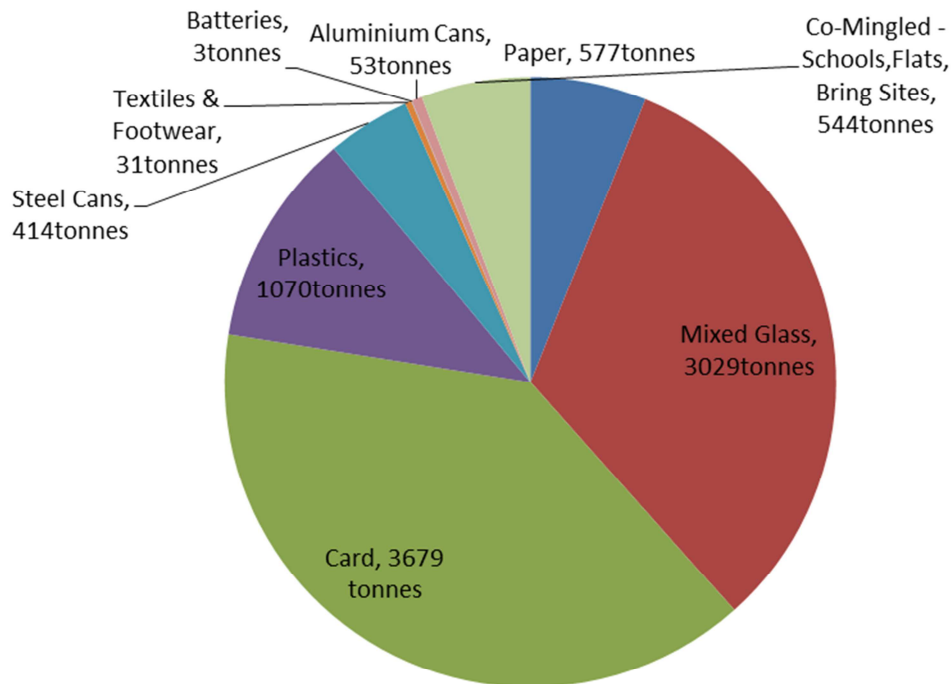
The kerbside collection consists of using red boxes and red or white reusable bags. There is no limit on the amount of recycling a resident can present as long as it is contained and presented properly but there are limitations to the types of recycle we can collect.

Each month we collate performance data relating to the individual waste and recycling streams and below details the overall figure for data from the 1st quarter of 2018/19 compared against the same period last year.

Warwick	Q1 2017/18	Q1 2018/19
Recycling Rate	2,598 tonnes 19%	2,463 tonnes 17%
Composting Rate	5,342 tonnes 38%	5,569 tonnes 40%
Recycling, Composting and Re-use Rate	7,941 tonnes 57%	8,032 tonnes 57%
Residual	6,075 tonnes 43%	6,052 tonnes 43%
Total	14,016 tonnes	14,084 tonnes

The chart below indicates the type of recyclate collected and the total collection tonnage from financial year 2017/2018.

Kerbside Dry Recycling Collection 2017/2018



The rate of recycling is affected by a number of external factors such as local/national campaigns, the economy, packaging, consumer trends, changing technology etc.

In terms of the overall trend in the District the below indicates that recycling tonnage and the average total tonnage per household has not altered significantly in the last 5 years and even with the District household numbers.

Warwick District Council	2017-18	2016-17	2015-16	2014-15	2013-14
Total Waste	50958.47	52695.2	51067.04	51305.81	49804.95
Total Dry Recycled Waste	10939.04	11469.84	10259.63	10254.67	10428.6
% Dry Recycled Waste - BVPI 82a	21.47	21.77%	20.09%	19.99%	20.94%
Total Waste Collected for Composting	16265.48	17353.96	17792.98	18566.74	17074.51
% Waste Composted - BVPI 82b	31.92%	32.93%	34.84%	36.19%	34.28%
TOTAL RECYCLING PERCENTAGE (%)	53.39	54.7	54.93	56.18	55.22
Tonnage per household	0.806	0.847	0.829	0.842	0.820

Recycling Collection Models

There are generally two types of collection models for recycling which are kerbside sort collection or co-mingled. Kerbside sort allows for the best quality in terms of recyclate to be collected, and in an increasingly difficult recycling market gives the best return in price. The co-mingled option has changed substantially in the last 5 years, previously Councils we're being paid per tonne of recyclate deposited. This position has now changed so that Councils now have to pay to for comingled waste to be processed at a Material Recovery Facility (MRF), with the average gate price of around £55 per tonne.

In March this year Warwickshire County Council commissioned a report to model the best type of collection and disposal options for Warwickshire. They used the Kerbside Analysis Tool (KAT) developed by WRAP (Waste and Resources Action Programme) and in respect of the recycling found the kerbside sort collection at present offered the best value.

Service Review

With early analysis indicating that the procurement of the major contractors will see a much higher cost base due to the impact of the National Living Wage, and fall in the value of recyclate. There will be a necessity to carry out a full review of the recycling service in order to minimise budget increases from April 2021. This will include;

- Benchmarking current best practice across the country
- The scope of the services to be included in the contract.
- An analysis of kerbside sort versus co-mingled.
- A review of the types of recyclate currently collected.
- Risk sharing relating to recyclate income.
- Impact of property growth.
- Future payments of Recycling Credits by WCC.

Next Steps

That the Overview and Scrutiny Committee note this report, and form a view as to whether they wish officers to undertake any further investigations or actions.