



CABINET (SPECIAL MEETING)

4TH DECEMBER 2014

AGENDA ITEM (6)

NOTICE OF MOTION - COLLECTION OF TETRA PACKS AT KERBSIDE

Accountable Member	Councillor Sue Coakley Cabinet Member for Environment and Communities
Accountable Officer	Monica Stephens Shared Head of Customer Services Interim Shared Head of Environment and Commercial Services 01285 623000 monica.stephens@cotswold.gov.uk

Purpose of Report	To provide Cabinet with background information to enable it to consider the Motion submitted to Council on 23 rd September 2014 which called for tetra packs to be recycled on the kerbside as soon as possible.
Recommendation(s)	That the Cabinet considers the Motion but, in light of the business case, costs and limited impact the collection of cartons will have on recycling performance, takes no further action pending a future business case on depot development.
Reason(s) for Recommendation(s)	<p>The Motion requesting the collection of tetra packs (cartons) at kerbside assumed a boost in overall recycling performance across the district. Even assuming a higher than average collection rate of cartons of 35 tonnes per year from CDC residents, the annual recycling performance would only increase by 0.1%.</p> <p>The minimum annual cost anticipated to collect cartons at the kerbside would be £22,200 p.a. However, this figure could rise if the scheme was successful, to up to £100,000 p.a. if an additional vehicle was required due to the volume of cartons placed for collection. An additional one-off cost of up to £60,000 for additional containers and delivery would also be required.</p> <p>The Council is currently finalising negotiations for the purchase of a permanent depot. A future business case for the development of a permanent depot might be able to consider bulking, which could include a requirement to sort plastic, cans and cartons. Without further in-depth work, the financial impact is not currently known but this could be considered as part of a future report to Cabinet, at which time the collection of cartons at kerbside could be revisited.</p>

Ward(s) Affected	All
Key Decision	No
Recommendation to Council	No

Financial Implications	<p>Co-mingling carton collection with plastics and cans could be the most cost-effective option at an additional annual cost of approx. £22,200 per year. However, if annual arisings of cartons is significantly higher than the predicted 35 tonnes, this may affect Ubico's ability to collect this material using the current fleet of collection vehicles.</p> <p>If an additional vehicle was required, operating costs could increase by approximately £75,000 per annum. This would not be known until the service was up and running.</p> <p>In view of the potential carton volume that could be collected, an additional container of some sort would be required for some properties. A one-off cost of £2.00 per container for half of the properties in the District has been assumed and added to the costs as well as one off delivery costs of approximately £15,000. This gives a total of £60,000 (see Table 1 for further details).</p>
Legal and Human Rights Implications	<p>None</p>
Environmental and Sustainability Implications	<p>The Council's annual Greenhouse Gas emission report includes the carbon emissions calculated from household waste to landfill and from the distance travelled by the waste vehicles. Therefore, an increase in recycling rates (although very minimal) would reduce the amount of waste going to landfill.</p> <p>However, if an additional vehicle was required, then an increase in carbon emissions from waste vehicles could potentially outweigh any reductions achieved through reduced landfill.</p> <p>In short, there would be an implication, but more detail would be required to determine what the impact of each option would be on the Council's carbon emissions.</p>
Human Resource Implications	<p>None</p>
Key Risks	<p>Income achieved for recycling materials can fluctuate considerably, which could have a significant effect on the income levels predicted in this report.</p> <p>If any changes approved made sorting the materials more difficult or time consuming than expected at the bulking facility, then there is a high likelihood that forecast handling charges would increase.</p> <p>Where applicable, if the current bulking facility were not able to sort the cartons from the other material streams, this could result in the collected material stream having no value and/or not being desirable on the open market and therefore reducing income to the Council.</p> <p>It costs approximately £75,000 p.a. to run and operate a recycling vehicle. If the volume of cartons collected exceeds the current capacity of the vehicles, this additional cost will apply.</p> <p>Residents currently take c. 11 tonnes of cartons to recycle/bring sites across the district. It is reasonable to assume that a proportion/all of this would 'move' to kerbside collection, thereby increasing the risk of requiring an additional vehicle and therefore increasing the overall cost of kerbside collection.</p>

Equalities Analysis	Any change to the collection service by Ubico will undergo the appropriate equalities analysis.
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Related Decisions	Notice of Motion - CL.23 (i) - Council - 23 rd September 2014
Background Documents	None
Appendices	None

Performance Management Follow Up	Waste performance figures are monitored monthly and quarterly and reported to Portfolio Holder and Members through quarterly performance monitoring reports.
Options for Joint Working	All aspects of the paper are being delivered in partnership with Ubico Ltd and the Joint Waste Team.

Background information	
1. <u>General</u>	
1.1 At the Meeting of the Council held on 23 rd September 2014, the following Motion was Proposed by Councillor PR Hodgkinson and Seconded by Councillor Ms JM Layton:	
"This Council notes the recent missed targets for recycling. At present, tetra packs can't be recycled on the kerbside. As a way of boosting recycling rates across the district and to help the environment, it calls for tetra packs to be recycled on the kerbside as soon as possible."	
1.2 In accordance with Council Procedure Rule 12, the Motion, having been Proposed and Seconded, was referred to the Cabinet for consideration. In the light of such referral, the Proposer and Secunder of the Motion are entitled to attend the Cabinet Meeting and present it formally to Members. The Proposer of the Motion will also have an opportunity to respond to the Cabinet debate, immediately prior to final comments by the accountable Cabinet Member and the formal vote.	
2. <u>Information provided by Ubico Ltd.</u>	
2.1 Current service/collection of recyclable material by Ubico on behalf of the Council:	
<ul style="list-style-type: none"> • Ubico Ltd currently collect mixed plastics, cans, paper, card and glass from the kerbside. • The different materials are pre-sorted by the resident into the appropriate receptacle and placed at the kerbside for collection. • With the exception of the plastic and cans, all materials are kept separate on the collection vehicles by sorting each into dedicated 'stillages'. • The plastics and cans are collected together and are later mechanically separated at the materials bulking facility. This allows best use of the capacity of the vehicles for these very lightweight yet bulky materials. 	
2.2 <u>Cartons in the Waste Stream</u>	
<ul style="list-style-type: none"> • Information from the Alliance for Beverage Cartons and the Environment (ACE) UK, states that cartons make up 0.2% of the household waste stream. • Based on the residual household waste tonnages for this Council for 2013/14, this equates to approximately 25 tonnes of cartons per year. 	

- Although this seems an insignificant tonnage when compared to the annual arisings of other materials collected at kerbside, cartons, like plastic and cans, take up considerable volume, a factor which must not be underestimated when determining the impact of collecting this material.
- The Council has a long history of achieving higher than average recycling rates - therefore Ubico Ltd., in their calculation of the potential arisings of Food & Drink (F&D) cartons, have assumed the approximate figure of 25 tonnes per year described above to be low and a figure of 35 tonnes per year has been used instead.

2.3 Kerbside Collection Options

(i) Collecting cartons with cardboard:

- On heavy collection days, the collection vehicles are currently at full capacity in the cardboard stillages and on such days collections are completed only as the result of smart round scheduling and crewing.
- Collecting the cartons in with the card would therefore have a significant impact on the number of tips required, adding approximately 44 additional tips each month, or circa two per working day, adding cost and eating into available operating time.
- This would require an additional vehicle and crew at a cost of £75,000 per year.

(ii) Collecting cartons with plastic bottles and cans:

- There is currently capacity available within the plastic and cans stillages throughout the full fortnightly collection cycle, and this is sufficient to accommodate the forecast additional cartons tonnages.
- Crews report that it is unusual to find all sacks completely full; therefore it is not anticipated that all households would need additional sacks.
- Residents could be instructed to place cartons into their existing white sacks with their mixed plastics, if there is capacity, or be supplied with new additional receptacles for cartons, plastics and cans where required. The business case has assumed up to half of the residents would require an additional receptacle and delivery.

(iii) Collecting cartons with paper:

- There is currently capacity available within the paper stillages throughout the full fortnightly collection cycle, and this is sufficient to accommodate the forecast additional cartons tonnages.
- Residents could simply be instructed to place cartons into their kerbside box with their paper and glass.

2.4 Reprocessing options

- Collecting the cartons with other materials has an impact for the materials reprocessors, either because the two streams must be segregated at the materials bulking facility prior to onward sale, or because an outlet must be found which can accept the materials in their 'mixed' form.
- If segregated prior to onward sale, this results in additional costs being incurred in the form of handling charges at the bulking facility.
- If sold on as a mixed grade, the income that can be achieved from the sale of that material is reduced.

2.5 Cartons co-mingled with cardboard

- If the cartons were collected with the card, the bulking facility would not separate the materials but would look to sell these on as a mixed lower grade.

- This would therefore result in a reduction in income rather than an increase in handling charges.
- The current income paid to the Council is £60 per tonne and this would reduce by £40 per tonne to £20.
- Based on 2013/14 tonnages (1372 tonnes), this would result in a loss of income for the Council of around £53,000 per annum.

2.6 Cartons Co-Mingled with Plastic Bottles and Cans

- The bulking facility would need to sort the cartons from the other streams before selling on.
- This would result in an additional charge from the current bulking facility of £25,000 per annum.
- Assuming that the full 35 tonnes of cartons were collected, recycling credits of around £2,000 would be paid for these, which would result in a net additional cost to the Council of around £23,000 per annum.
- Under this option, a manual pick line is required to sort plastic, cans and cartons.
- If the current bulking facility were no longer able to sort the cartons from the other material streams, this could result in the collected material stream having no value and/or not being desirable on the open market and therefore reducing income to the Council.
- This option has to assume that an additional receptacle for the collection of cartons would be required by some households. The business case has assumed up to half of households would need one at a cost of c.£2 per container, equalling £45,000 + c. £15,000 delivery costs. The actual cost would not be known until the collection and delivery was completed.

2.7 Cartons Co-Mingled With Paper

- The bulking facility would not sort the cartons prior to onward sale, and this would have the effect of making this mixed grade highly undesirable in the market with a predicted value of £0.00.
- The current handling charge of £20.00 would remain in place - therefore the net value of the material would be £20.00 per tonne, where it is currently £62.50.
- The recycling credit would remain in place but, despite this, the total annual reduction in income would be approximately £203,000.

3. Costs

Table 1

1	2	3	4	5	6
	Current income received (no cartons)	Proposed new income with cartons	Total reduction in income	Impact on operational costs	Total approx. additional cost to the Council pa
Option 1 - Cartons collected with card	£107,200	£53,600	£53,600	£75,000	£128,600
Option 2 - Cartons collected with cans/plastic	£87,200	£65,000	£22,200	One-off cost £60,000	One-off cost £60,000
				Up to £75,000	Min.£22,200 - up to c. £100,000
Option 3 Cartons collected with paper	£285,800	£83,000	£202,800	£0.00	£202,800

3.1 Column 2 of Table 1 shows the current income the Council receives from the collection of recyclable material, so excludes the collection of cartons kerbside.

3.2 Columns 3 and 4 detail the financial impact of collecting cartons kerbside.

3.3 Column 6 shows the approximate total additional cost to the Council each year by collection method, should it decide to include cartons in its kerbside collection.

4. Alternative Options

Alternative options could be:

- (i) To consider increasing the number of carton/tetra recycling sites across the district as part of the overall Recycle Site review being undertaken by the JWT. Printwaste Ltd has recently won the contract for the management of carton banks across Gloucestershire providing a new opportunity to re-negotiate the number of carton recycle banks.
- (ii) To re-consider the kerbside collection of cartons as part of the business case for the permanent depot site in 2015.

(END)