

Haringey Council

OVERVIEW AND SCRUTINY COMMITTEE MEETING ON 29 JULY 2009

Report Title. Recycling – Source Separated & Co-Mingled Collection methods in Haringey.

Report of Councillor Gina Adamou – Chair of the Scrutiny Review Panel.

Contact Officer : Sharon Miller – Principal Scrutiny Support Officer 0208 489-2928

Wards(s) affected: All

Report for: Non Key Decision

1. Purpose of the report (That is, the decision required)

To present to the Overview and Scrutiny Committee the revised recommendations of the Recycling Review of Source Separated and Co-Mingled Collection Methods in Haringey.

2. Introduction by Cabinet Member (if necessary)

2.1. N/A

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

The Greenest Borough Strategy

The work of this Scrutiny Review links closely to the Council's priorities for a The Greenest Borough Strategy aimed at highlight the key environmental issues that the council needs to tackle.

4. Recommendations

That the Overview and Scrutiny Committee agrees:

1. The Panel recommends that the council commission a report on commingled and source separation collection methods, including separate glass and paper collection, as part of the procurement process for the new Waste Services Contract. The report should consider the costs and benefits, environmental impacts and carbon dioxide emissions of both collection systems. The report should be creative in its approach and explore and provide options that could reduce the need for additional vehicles and staff.

2. The Panel recommends that a report is produced on the impact of the North London Waste Authority's procurement process on Haringey, with regard to co-mingled and source separated collection methods. The report should include analysis of the impact of a crash in the recycle markets owing to the global economic crisis.

5. Summary and Background

5.1 The report and recommendations were presented to the Overview & Scrutiny Committee on 29 April 2009. The Committee recommended that the Council explore the option of collecting paper and glass separately on its recycling services and that (at the direction of the Director of Finance) the Committee receive a further updated report on the Financial Implications of source separated collections for glass and paper.

5.2 The Chief Financial Officer commented on the quality of the financial comments in the report stating that resources issues and value for money did not appear to have been properly considered. The Chief Financial Officer also added that the recommendations of the report request Cabinet to explore various options of different recycling methods without understanding the additional costs of these against the benefit they might bring.

5.3 A revised report on the Financial Implications has now been received from Environmental Services. The cost estimates indicate that the cost to implement separate paper and glass collection immediately would be £1.2M capital and £536K PA revenue costs.

5.4 The Chair of O&S Committee Cllr. Bull and the Chair of the Scrutiny Review Panel on recycling Part 2 Cllr. Adamou have discussed the Financial Implications and are of the view that Recommendations 1 and 2 in the original report should be withdrawn in light of this evidence.

5.5 The Chairs would like comment and agreement from the Scrutiny Review Panel Members and other Overview and Scrutiny Committee Members that given the additional costs involved it is not sustainable to make these recommendations to Cabinet.

Revised recommendations:

1. The Panel recommends that the council commission a report on commingled and source separation collection methods, including separate glass and paper collection, as part of the procurement process for the new Waste Services Contract. The report should consider the costs and benefits, environmental impacts and carbon dioxide emissions of both collection systems. The report should be creative in its approach and explore and provide options that could reduce the need for additional vehicles and staff.
2. The Panel recommends that a report is produced on the impact of the North London Waste Authority's procurement process on Haringey, with regard to co-mingled and source separated collection methods. The report should include analysis of the impact of a crash in the recycle markets owing to the global economic crisis.

6. Chief Financial Officer Comments

Financial Services have reiterated the financial implications [from the January 2007 report to Cabinet] plus produced an additional section on the cost of implementing the scrutiny recommendation on separate paper glass collection. These are attached at **Appendix 1.**

Head of Legal Services Comments

7.1 The Council has a statutory duty to comply with targets for recycling in the Environmental Protection Act 1990, EU Landfill Directives and Government Guidance

Equalities & Community Cohesion Comments

7.1 These are considered throughout the report

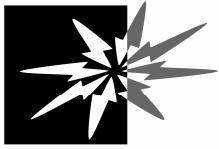
7. Use of appendices /Tables and photographs

8.1 Please see the report.

8. Local Government (Access to Information) Act 1985

Cleaner Environment Act 2005

Overview & Scrutiny Work programme 2009/2010



Haringey Council

APPENDIX 1

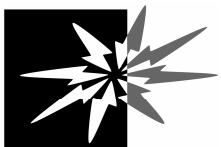
Report from the Assistant Director, Street Scene Urban Environment

Attached is a spreadsheet summarising the cost of setting up a separate collection stream. Also attached for comparison is the collection cost spreadsheet from the original Recycling Strategy Report.

The calculations provided are based on the following principles:

- To service 75,000 kerbside collection properties we would mirror the current arrangements for commingled collections which require 10 collection rounds and one narrow access collection round, so 11 rounds in all. Therefore we would purchase 12 vehicles so that one is available as spare to cover servicing, repairs etc.
- Because the paper collection service is only one stream I have assumed that we would require one driver plus only two operatives per round. This compares to the commingled service which requires one driver and four operatives per round, but note that the operatives on the commingled service are required to collect from green boxes, kitchen caddies and green waste sacks, so up to three streams per household. There is a risk that the assumption of two operatives per round is too low and if this proved to be so the collections costs would increase in line with any increase of the number of operatives deployed.
- We would expect to collect around 148 tonnes of paper per week, this equates to 30 tonnes per day, which in turn equates to 2.7 tonnes per round per day. On this basis the suggested vehicle is a small 11 tonne refuse collection vehicle with payload of around 3 to 3.5 tonnes. Capital costs for fleet are based on this level of tonnage.
- To service paper banks at on street bring sites we would allow for 1 collection round. Therefore we would purchase one vehicle and provide spare capacity through short term hire as the type of vehicle required would be freely available from the private sector.
- I have assumed that we would require one driver plus one operative for this round.
- There is a risk that the assumption of one vehicle to service all paper banks at on-street sites is too low. If this proved to be so the collections costs would increase in line with any increase of the number of rounds required.
- We would expect to collect around 12 tonnes of paper per week. The suggested vehicle is an 18 tonne refuse collection vehicle with payload of around 8 tonnes. This provides more than enough spare capacity and in an emergency this vehicle would provide the flexibility to be used to support other parts of the service if required. Capital costs for fleet are based on this level of tonnage.

- We do not have depot space for 13 new RCVs and the proposed new site for a single depot at Marsh Lane is already severely challenged in terms of available space.
- We do not have bulking space for the separately collected paper. We may have to rely on NLWA for this if it became necessary. Therefore there is an area of risk around this issue.
- If we did proceed with a single stream option for paper we would have to look at a depot strategy for vehicles and bulking and there are significant cost implications associated with this.
- The collection cost per tonne for paper looks quite good compared to the per tonne collection costs previously referred to in the Recycling Strategy report. To some degree this is due to the value of paper over other recyclates. However, the knock on effect of separating out paper is that the collection cost per tonne for the remaining mixed multi materials will increase as there is no saving to be made in the existing commingled collection service from the removal of the paper stream.
- The introduction of the paper only stream would increase the carbon footprint from collection services and increase congestion on local roads.



Haringey Council

Revenue cost estimates for the introduction of paper only collections from kerbside and bring bank collection services

	Option 1	
	11 collection rounds to serve 75,000 kerbside properties, 1 collection round to serve on street paper banks	
Revenue costs		Total per annum
Operational Team	11 rounds with driver + 2 operatives, 1 round with driver + 1	£795,000
Vehicle running costs for fleet	£12K pa per vehicle for 13 vehicles, plus £4k per annum for short term hire cover on bring bank vehicle to allow for off road time eg servicing, MOT and repair.	£160,000
Fuel for fleet	£10K pa per round	£120,000
Unfair wear and tear for fleet	£4K pa per round	£52,000
	Total revenue cost of kerbside service	£1,127,000

Income generated from sale of recyclable materials	Sorted paper: -£31 per tonne, assuming 160 tonnes per week.	-£257,920
	Total income	-£257,920
Net Collection Costs	Net revenue collection cost	£869,080
Treatment Savings	Saving of £40/t treatment costs for 160 tonnes of paper per week	-£332,800
Net Treatment Costs / Disposal savings	Net treatment costs / disposal savings	-£332,800
Total Costs	Paper only collection, 148 tonnes per week = 7696 tonnes pa	8,320
	Total (net) cost per tonne	£64
	Net revenue collection & treatment costs / disposal savings	£536,280

Recycling Strategy Report, Appendix B

Table 1 - Cost Analysis of Different Kerbside Recycling Collection Systems

	Option 1			Option 2			Option 3		
	11 collection rounds comprised of 6 mixed multi-material rounds and 5 kerbside sort rounds			11 collection rounds comprised of 9 mixed multi-material rounds (borough-wide service), 1 street-facing blocks of flats round & 1 estates doorstep food waste round			28 collection rounds comprised of 16 kerbside sort rounds (borough-wide service), 2 kerbside sort support rounds, 8 green/food waste rounds; 1 street-facing blocks of flats round & 1 estates food waste round		
Revenue costs		Total per annum	Impact on level of service		Total per annum	Impact on level of service		Total per annum	Impact on level of service
Operational Team	11 rounds with driver + 4 operatives	£1,155,000	Multi-material rounds serve 6,600 properties per week each, Kerbside sort serve 7,000 properties per week each. No change - 40,000 hh receive mixed multi-material service; 35,000 receive	9 rounds with driver + 4 operatives, 2 rounds with driver + 2	£1,075,000	Multi-material rounds serve 8,300 properties each per week, blocks of flats round serves 5,000 properties per week, food waste round serves 3,000 properties per week. 80,000 households (inc blocks of flats)	24 rounds with driver + 4 operatives; 2 support vehicles with driver + 1; blocks of flats round driver + 2; and food waste on estates round driver + 2.	£2,740,000	Kerbside sort rounds serve 4,600 households per week each, green/food waste rounds serve 9,400 households per week each, blocks of flats round serves 5,000 households per week, food waste round serves 3,000 properties. 80,000 households (inc. blocks of flats) receive a kerbside sort collection
Vehicle running costs for fleet	£16K pa for mixed material rounds, £7.2K pa for stillage	£148,000		£16K pa per vehicle	£224,000		£10K pa per vehicle	£280,000	
Fuel for fleet	£15K pa for mixed material rounds, £6K pa for stillage	£135,000		£15K pa	£210,000		£15K pa for green waste vehicles, £8K pa for stillages	£291,000	
Unfair wear and tear for fleet	£5K pa for mixed rounds, £2K pa for stillage	£45,000		£5K pa per vehicle	£70,000		£3K pa per vehicle	£75,000	

Support costs	Communications and staffing to support service changes	£0	kerbside sort service with limited materials collected. Service is not equitable across the borough. No service for blocks of flats.	Communications and staffing to support service changes	£100,000	receive the multi-material service including plastic bottles and cardboard, so service is equitable across the borough.	Communications and staffing to support service changes	£100,000	including plastic bottles and cardboard so service is equitable across the borough. 2 vehicles instead of 1 are required to collect same range of materials as option 2.
	Total revenue cost of kerbside service	£1,483,000		Total revenue cost of kerbside service	£1,679,000		Total revenue cost of kerbside service	£3,486,000	
Income generated from sale of recyclable materials	Sorted paper: -£40 per tonne, assuming 30 tonnes per week.	-£62,400	All materials are mixed, so no income generated	Total income	£0.00		Sorted paper: -£40 per tonne, assuming 148 tonnes per week.	-£307,840	
	Sorted glass -£15 per tonne, assuming 18 tonnes per week.	-£14,040					Sorted glass -£15 per tonne, assuming 74 tonnes per week.	-£57,720	
	Sorted cans -£950 per tonne aluminium -£40 for steel, assuming 1.23/0.4 tonnes respectively per week.	-£22,738					Sorted cans -£950 per tonne aluminium -£40 for steel, assuming 2.5/5.5 tonnes respectively per week	-£134,940	
							Sorted plastic bottles - £100 per tonne, assuming 10 tonnes per week.	-£52,000	
							Sorted cardboard -£45 per tonne, assuming 15 tonnes per week.	-£35,100	
	Total income	-£99,178					Total income	-£587,600	
Net Collection Costs	Net revenue collection cost	£1,383,823		Net revenue collection cost	£1,679,000		Net revenue collection cost	£2,898,400	
	Extra revenue required	£0		Extra revenue required	£295,178		Extra revenue required	£1,514,578	

Treatment costs	Mixed materials: £48.35 per tonne, assuming 135 tonnes per week.	£339,417		Mixed materials: £48.35 per tonne, assuming 255 tonnes per week.	£641,121		No mixed materials		
	Green/ food waste: £53 per tonne, assuming 65 tonnes per week.	£179,140		Green/ food waste: £53 per tonne, assuming 125 tonnes per week.	£344,500		Green/ food waste: £53 per tonne, assuming 125 tonnes per week.	£344,500	
	Total Treatments costs	£518,557		Total Treatments costs	£985,621		Total Treatments costs	£344,500	
Disposal Savings	Saving of £50/t disposal cost for 250 tonnes of recyclables per week	-£650,000		Saving of £50/t disposal cost for 380 tonnes of recyclables per week	-£988,000		Saving of £50/t disposal cost for 380 tonnes of recyclables per week	-£988,000	
Net Treatment Costs / Disposal savings	Net treatment costs / disposal savings	-£131,443		Net treatment costs / disposal savings	-£2,379		Net treatment costs / disposal savings	-£643,500	
Total Costs	Multi-material rounds 200 tonnes per week, 50 tonnes for stillage	13,000		380 tonnes per week	19,760		380 tonnes per week	19,760	
	Total (net) cost per tonne	£96		Total (net) cost per tonne	£85		Total (net) cost per tonne	£114	
	Net revenue collection & treatment costs / disposal savings	£1,252,380		Net revenue collection & treatment costs / disposal savings	£1,676,621		Net revenue collection & treatment costs / disposal savings	£2,254,900	