

TO: **JOINT WASTE DISPOSAL BOARD**
16 OCTOBER 2015

PARTNERSHIP PROGRESS REPORT
Report of the Project Director

1 INTRODUCTION

- 1.1 The purpose of this report is to inform the Joint Waste Disposal Board (JWDB) of progress in relation to the shared re3 PFI Contract since its last meeting on 7th July 2015.

2 RECOMMENDATION

- 2.1 **That Members note the contents of this report.**

3 ALTERNATIVE OPTIONS CONSIDERED

- 3.1 Not applicable.

4 REASONS FOR RECOMMENDATION

- 4.1 This report contains no decisions for Members, only information items.

5 BACKGROUND INFORMATION

Street Sweepings

- 5.1 In 2012, the Environment Agency (EA) provided a clarification of guidance on the waste management processing of street sweepings and gully arisings. The clarification stressed that such material should not be incorporated into a composting process and could not be recorded as being 'recycled'.
- 5.2 The immediate impact of the clarification was significant. In terms of performance the clarification meant a reduction in recycling rate of <3.5%. In terms of financial cost for the re3 councils, it meant an increased cost of disposal of c£150,000.
- 5.3 Along with many other councils, the re3 partnership unsuccessfully sought to challenge the clarification. Since then, officers have sought an alternative and available process by which to treat street sweepings.
- 5.4 The re3 Project Team has recently been in discussions with the EA in order to seek confirmation on two emergent processing options. Alongside the necessity for cheaper processing of this material, it is also extremely important that the process will qualify as 'recycling' or 'recovery' in relation to our statutory reporting.
- 5.5 The clarification received by the re3 Project Team from the EA shows that elements of the composition of street sweepings will be 'recycled', such as sand and gravel, while other elements are likely to continue being 'disposed' of.
- 5.6 Street sweepings are composed of a range of different materials. A trial is commencing in early October in order to determine the exact processing requirements for re3 street sweepings. The trial will also allow the individual councils and their street sweeping teams to make necessary changes in operational practice (e.g. handling and ultimate delivery of street sweepings to the re3 facilities).

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- 5.7 Once the trials are complete, and subject to any operational amendments that are deemed necessary, it is expected that the new reprocessors will continue to receive street sweepings from the re3 area.
- 5.8 Information on the likely impact of this new initiative will be gleaned from the trial and the re3 Project Team will report back on the likely savings and performance implications.

Re3 Material Reclamation Facility (MRF)

- 5.9 The re3 MRF has recently processed 200 tonnes of mixed recyclable material from another of the Contractor's contracts. This opportunity was a temporary one, providing contingency cover. The processing of third-party material by the Contractor reflects the willingness of the councils' JWDB for utilisation of the re3 facilities to increased. As an opportunity to learn what implications there are from processing additional material it has been worthwhile. The outcomes and learning are being assessed and will be reported.
- 5.10 As part of the ongoing maintenance of the re3 MRF, a short period of enforced shutdown is planned for November 2015. Works to replace the steel conveyor chains from the bag splitter will take 7-10 days - though expected to affect only a single working week. Other preventative maintenance is also being carried out during this period. The Contractor is planning to hold re3 material, rather than send recyclables to be processed elsewhere.

Sutton Courtenay MRF

- 5.11 The re3 Project Team have been in discussion with our Contractor, FCC, for some time on the subject of processing re3 material through the FCC MRF at Sutton Courtenay. Commissioning and capacity issues have thus far delayed the prospect of re3 material being processed by the facility.
- 5.12 The Sutton Courtenay MRF is designed to process waste that would otherwise have been sent straight to landfill into a product known as refuse derived fuel (RDF).
- 5.13 RDF is used widely in combined heat and power plants which produce electricity and heat (principally hot water for local heating). The demand for RDF is greatest in continental Europe.
- 5.14 The re3 Project Team is liaising with the Contractor to address the contract administrative requirements of this new service. The re3 Project Team will also ensure that the change meets the requirements of our project sponsors at Defra.
- 5.15 There is a small percentage of material processed by the Sutton Courtenay MRF (currently around 10%) that is recycled, which will count towards the partnership's recycling performance. The remaining material, as described above, is RDF. RDF does not count towards recycling performance but it is of course diverted from landfill, and therefore this change will increase the partnership's recovery rate.
- 5.16 A current trial sending re3 material to the Sutton Courtenay MRF will determine the likely volumes that can be accepted in the future. Current indications are that the new service will save the councils approximately £15 per tonne on such material.

Waste Data Flow

- 5.17 Waste Data Flow (WDF) is the system by which local authorities across the UK submit information in compliance with statutory reporting requirements. The re3 Project Team undertakes this reporting on behalf of the re3 councils as part of the partnership arrangements.
- 5.18 A new section within WDF (Question 100) aims to create a structure (named a 'tree' in WDF) of reprocessors. The intention is to understand the route taken by materials and the role of individual reprocessors.
- 5.19 The creation of a process 'tree' for each authority has taken a considerable amount of time but has been completed in compliance with requirements.

Material Markets

- 5.20 Markets for recycled materials are dynamic. The process of collecting recyclable materials has graduated from one in which principally statutory objectives (achieving government recycling targets) were being addressed, to one in which local authorities are participants in global supply chains.
- 5.21 While the commercial nature of recycling has been a factor for many years, legislation over recent years has brought it to prominence amongst local authorities. The EU Waste Framework Directive establishes the requirement to collect waste suitable for the requirements of commercial material reprocessors. That principle is transposed in the more recent MRF Code of Practice.
- 5.22 The re3 Project Team are working with the Contractor, FCC, to review the role of the re3 PFI Contract in the supply chain. The process is aimed at continuing to ensure that material collected in the re3 area meets the needs of reprocessors (as per the aforementioned legislation) but also that the councils are able to communicate with re3 residents about the supply-focussed perspective on recycling – e.g. in ensuring we can continue to answer questions such as 'what happens to my recycling?'

6 ADVICE RECEIVED FROM ADMINISTERING AUTHORITY

Head of Legal Services

- 6.1 **None for this report.**

Corporate Finance Business Partner

- 6.2 Whilst modest financial benefits should accrue to the Councils as a result of the initiatives described within the report, it is too early to accurately predict the likely level of said benefits and no allowance has therefore been made in either current year budget monitoring figures or budget projections for 2016/17.

Equalities Impact Assessment

- 6.3 None.

Strategic Risk Management Issues

- 6.4 None.

7 CONSULTATION

Principal Groups Consulted

7.1 Not applicable.

Method of Consultation

7.2 Not applicable.

Representations Received

7.3 Not applicable.

Background Papers

Contacts for further information

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