

North Tyneside Council

Report to Cabinet

Date: 25 November 2019

Title: 10 Year Plan for Waste

Portfolio:	Environment and Transport	Cabinet Member:	Councillor Carl Johnson
Report from Service Area:	Environment, Housing and Leisure		
Responsible Officer:	Phil Scott, Head of Environment, Housing and Leisure	Tel: (0191) 643 7295	
Wards affected:	All		

PART 1

1.1 Executive Summary:

The Authority has a statutory duty to collect and dispose of household waste arising within the borough. Annually it deals with around 94,000 tonnes of waste material with an overall cost to the Authority of £11.339million to collect, dispose of and treat.

In October 2013, Cabinet adopted a Waste Strategy 2013-2030 with the overarching strategic aim to reduce waste and use it as a resource. Since then the average waste per household has reduced and more waste is being diverted away from landfill. Over 90% of waste material is either recycled or converted into energy and, following the introduction of alternate weekly household collections in August 2018, kerbside recycling is increasing.

The government published its new strategy for waste in December 2018 and has stated its intention to introduce legislation aimed at creating a 'circular economy': minimising waste and using it as a resource. This will have a direct impact on local authorities.

Within North Tyneside, the number of households in the borough is set to grow in line with the housing requirement within the Local Plan, the Elected Mayor has outlined her ambition to create a borough free of single-use plastics and full Council declared a Climate Emergency in July of this year. All of these drivers will have an impact on future waste management in the borough.

The Authority therefore needs a plan to guide its approach for the remaining 10 years of its waste strategy, an action that was identified in Cabinet's budget proposals which formed part of the 2019-2023 Financial Planning and Budget process.

This report presents the 10 year plan for waste. It sets out the strategic landscape for waste by describing the international, national and local drivers that are shaping our

thinking. It then identifies actions that the Authority will need to take in order to address the future challenges that are anticipated. This includes a proposal to extend the Authority's successful waste disposal contract arrangements over the medium-term to ensure that it has the required flexibility to secure the right decisions for the longer-term.

This report seeks approval of the 10 year plan for waste and to delegate authority to enter into the necessary contractual arrangements to extend the current residual waste contract.

1.2 Recommendations:

It is recommended that Cabinet:

- i. approve the 10 year plan for waste attached as **Appendix 1** to this report; and
- ii. delegate authority to the Head of Environment, Housing and Leisure in consultation with the Head of Law and Governance, Head of Resources, Cabinet Member for Finance and Resources, Cabinet Member for Environment and Transport to conclude and enter into the necessary agreements to extend the residual waste contract with the current waste provider.

1.3 Forward Plan:

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 27 September 2019.

1.4 Council Plan and Policy Framework

The Plan relates to the following priorities in Our North Tyneside Plan 2018-2021; in particular:

Our places will...

- Provide a clean, green, healthy, attractive, safe and sustainable environment
- Be great places to live

1.5 Information:

1.5.1 Background

The Authority has a statutory duty to collect and dispose of household waste arising within the borough. To achieve this, it directly provides a kerbside collection service and contract arrangements are in place to dispose of residual waste, reprocess recyclable material and operate a Household Waste Recycling Centre (HWRC).

The Authority currently has 98,600 households and annually collects 94,000 tonnes of waste in the borough. This consists of:

- 60,000 tonnes of 'residual' waste (waste that cannot be recycled);

- 15,000 tonnes of dry recyclable household waste such as paper, tins, plastic bottles, card and glass at the kerbside via the grey bin;
- 9,500 of garden waste;
- 6,500 tonnes of recyclable material delivered to the HWRC; and
- 3,000 tonnes of other recyclable material delivered to the Transfer Station.

The overall annual cost to the Authority of providing these services is £11.339m.

Overall, 90% of waste material is either recycled or converted into energy - 35% of is recycled and 52% is made into energy using 'Energy from Waste' as a disposal treatment. The remaining 10% is sent to landfill. Since the introduction of alternate weekly collection in August 2018, kerbside recycling has increased by 10%.

Waste generated by households is also decreasing. The average household produces 814kg of waste compared to 918kg in 2015/16.

1.5.2 National Policy Context

The approach to waste is changing across the world and governments are having to react.

In addition to the statutory duties that fall to the Authority to collect and dispose of household waste, there are also a number of European targets that have been transposed into domestic law which apply to local authorities. These are:

- The Waste Framework Directive 2008 - sets recycling targets for member states
- The Packaging Waste Directive 2005 - sets a target for 55% municipal waste to be recycled or reused by 2025, increasing to 65% by 2035
- The Landfill Directive 2018 - limits municipal waste landfilled to less than 10% by 2030.

In January 2018, government published its plan for the environment '*A Green Future: Our 25 Year Plan to Improve the Environment*'. In relation to waste it pledged to meet all existing waste targets.

This was followed in December 2018 by government's publication of its new waste strategy '*Our waste, our resources: A strategy for England*'. The strategy sets out how the government plans to minimise waste, promote resource efficiency and move towards a 'circular economy' in England. It reinforces the 'polluter pays' principle such as extending responsibility for producers to cover the full lifetime costs of packaging they produce.

The impact of the government's strategy is currently being shaped by public consultation and the intention to legislate was set out in the Environment Bill introduced on 15 October 2019, following the Queen's Speech.

What is clear now

It is known that the Government intends to:

- extend producer responsibility for the cost of disposal which will cover the collection, transportation and sorting of materials prior to their end of life. This will also be extended to the cost of providing public information about the disposal of products or materials;

- require local authorities to introduce separate weekly collection of food waste. The aim is to have this in place by 2023;
- require local authorities to collect a standard range of materials for recycling as a minimum by 2023. The range of materials comprises of:
 - glass;
 - metal;
 - plastic;
 - paper and card;
 - food waste;
 - garden waste.

This requirement, in some format, will be extended to businesses and organisations that produce waste which is like that of households.

- introduce the principle of a Deposit Return Scheme (DRS) for drinks containers by 2023; and
- implement new charges on single use plastic items, these charges may be made on items that are:
 - single use;
 - made wholly or partially of plastic;
 - supplied in connection with goods or services.

What remains uncertain

The key issues that remain unconfirmed and that the government will explore further through another round of consultations in 2020, include:

- how extended producer responsibility cost will be calculated in detail;
- bin colour standardisation for households;
- a standard method of recycling collection from households based on each stream being collected separately;
- a standard frequency of collections from households for recycling, food, garden and residual waste;
- if, how and when a plastics tax may be introduced;
- extended producer responsibility cost calculations;
- deposit return scheme implementation and regulatory framework;
- targets based on carbon and natural capital impacts.

The mechanisms by which the costs of new obligations on local authorities will be funded has yet to be made clear.

1.5.3 The Authority's Waste Strategy 2013-2030

The Authority has in place its “*Waste Management Strategy 2013-2030: Changing our thinking away from rubbish and towards a resource*”, adopted by Cabinet in October 2013. The strategy includes the following strategic aims:

1. *Work with our residents to reduce rubbish produced by each household;*
2. *Maximise the amount of rubbish that is reused, recycled or composted;*
3. *Put technology in place to recover value from our rubbish and minimise the amount we send to landfill; and*
4. *Reduce our carbon footprint through better management of our waste.*

There is an action plan within the strategy to 2023 with a commitment to review it in 2019.

The Authority has made significant progress in delivering the strategic aims. A summary of the key outcomes are outlined in the table below.

Table 1: Waste Strategy 2013-2030 Progress

Objective	Outcome
<i>Work with our residents to reduce rubbish produced by each household</i>	<ul style="list-style-type: none">• Average waste per household has reduced by 114kg per annum• 'Wash, Squash and Recycle' campaign introduced which has received over 5,500 pledges;• Directly engaged with thousands of residents about the importance of recycling and minimising waste at local events.
<i>Maximise the amount of rubbish that is reused, recycled or composted</i>	<ul style="list-style-type: none">• Introduced alternative weekly collections in August 2018. This has improved kerbside recycling rates by 10%;• Extended the kerbside garden waste scheme by an additional 3,000 households;• Increased the tonnage of reused materials by 120%.
<i>Put technology in place to recover value from our rubbish and minimise the amount we send to landfill</i>	<ul style="list-style-type: none">• Ensured that at least 55,000 tonnes per annum of municipal waste (52%) is converted to energy until the end of the current contract in 2022;• Renewed kerbside recycling contract with access to automated materials recycling facility.
<i>Reduce our carbon footprint through better management of our waste</i>	<ul style="list-style-type: none">• Replaced all diesel fuelled vehicles with 26 new 'Euro 6' emission standard engines;• Reduced the fleet size by 3 vehicles following the introduction of alternative weekly collection;• Route optimisation of waste collection rounds which has reduced the annual distance travelled by the waste fleet by approximately 20,000 miles.

To supplement the strategy an action plan has been developed to reduce the use of single-use plastics based on achieving short, medium and long-term goals and good progress is being made. For example, within the Authority it has:

- Replaced single-use plastic cutlery
- Introduced biodegradable hot drinks containers and promoted re-usable ones
- Introduced paper cones at water dispensers
- Trialled the reduction in use of plastic bottles in favour of glass bottles at Quadrant
- Sought to reduce plastics within the supply chain.

Within the borough the Authority has:

- Supported the Young Mayor's campaign to increase the number of water refill stations
- Constructed a mobile water fountain for use at public events such as the 10km road race to reduce the single-use of bottles.

1.5.4 North Tyneside Policy Context

In the Our North Tyneside Plan, the Elected Mayor has set out bold ambitions for making North Tyneside an even greater place to live, work and visit. One of the themes of that plan is the borough will have a sustainable environment. The Authority's approach to managing waste is key to delivering that commitment.

In March 2018 the Elected Mayor voiced her concerns about the prevalence of single-use plastics and the damage it creates to the environment. As a result, she outlined her ambition for a borough free of single-use plastics.

In June 2019, Cabinet recognised the excellent progress being made against the Low Carbon Plan but requested that a Climate Emergency should be declared by Full Council. In July 2019 Council declared a Climate Emergency. Cabinet will be considering an update report on that matter separately. It will be essential that the Authority continues to improve its management of waste as part of its long-standing commitment to protecting the environment.

Although the average amount of waste collected from each household has reduced, the borough is set to grow. Through its Local Plan the Authority has made provision to meet the government's requirement to meet the additional housing requirement. The impacts of this will need to be managed in a sustainable way in accordance with the infrastructure objectives of the plan. The waste management policy within the Local Plan follows the waste hierarchy and aims to minimise waste.

On 20 February 2019, Council approved Cabinet's budget proposals as part of the 2019-2023 Financial Planning and Budget Process. Within that, the proposals included plans to develop a 10 year plan for waste. The efficiency statement concluded that, for ecological and financial reasons, it is imperative that local authorities have long term plans for waste. The proposal aimed to establish a 10 year plan to increase recycling and contain the growth of waste costs as well as developing a post 2022 solution for disposal of residual waste.

1.5.5 Contract arrangements

In the coming years, the type of consumer products that producers place on the market will have a direct impact on what material the Authority will need to collect, reprocess and dispose of. Key to how the Authority does that will be to ensure that it has arrangements in place that remain fit for purpose. As part of that the Authority needs to ensure that the contractual arrangements which supplement in-house operations continue to provide the right fit, deliver value for money, and remain flexible enough to deliver change when it is needed.

The Authority currently has two significant contracts in place to help deliver its waste services for:

- Reprocessing of our kerbside recyclable material: undertaken by J&B Recycling Limited ('J & B'); and
- Disposal of our non-recyclable waste, reprocessing of kerbside garden waste, and operation of our HWRC: undertaken by Suez Recycling and Recovery Limited ('Suez').

Kerbside recycling contract

Following a procurement exercise, on 1 October 2019 the Authority commenced a 2-year contract with J & B to reprocess recyclable material collected in the grey bin. The contract has started well and is already bringing benefits with an increase in the amount material being recovered. Also, joint working is being undertaken to expand the range of materials that can be recycled e.g. pots, tubs and trays.

The Authority has the option to extend this contract on a '1-year plus 1' basis therefore providing it with flexibility on when it may opt to re-procure in response to changes in the market and legislative changes.

Waste disposal contract

The Authority's waste disposal contract is with Suez. On behalf of the Authority, Suez disposes of non-recyclable waste, reprocesses garden waste, and operates the HWRC. Suez also manages the Waste Transfer Station at Wallsend Road, North Shields.

The contract with Suez has been varied during its lifetime and, in its current form, has proven to be effective in both diverting significant amounts of waste away from landfill to create energy (using 'Energy from Waste' facilities) and in supporting improvements with our recycling performance.

The contract began in March 1997 and expires in March 2022. It is therefore necessary to make a decision regarding the future of this contractual arrangement. The incumbent contractor is working with the Authority to determine the extent and terms on which the current arrangement may be extended.

Soft Market Testing

Officers conducted a soft market testing exercise in February 2019. The objective was to seek the views of industry to shape the thinking for the future and consider what procurement routes were available to take for the Authority.

In order to do this, a Prior Information Notice (PIN) was issued to invite the market to informally discuss future options with the Authority around its recycling and residual waste contract. The purpose of this exercise was to ensure the Authority shapes its future contracts to be attractive and realistic to the market.

The soft market testing exercise established that the future direction of waste will be heavily influenced by the way on which the government strategy is delivered. The combined effects of what is being proposed (as set out in Section 1.5.2 above) means that local authorities will need to reconsider their approach to waste collection and disposal at the same time as industry rethinking the way in which it operates.

The soft market testing indicated that re-procuring the waste contract at this time would not be beneficial as the market would over price risk given the uncertainty in legislation and direction of waste collection.

In terms of waste disposal, an assessment of the future changes which may occur has been undertaken. Advice has been sought as to whether the existing waste contract may be extended. The advice concluded; in accordance with procurement regulations; that the contract can be extended for up to a period equivalent to 50% of its overall initial value.

At its meeting on 1 April 2019 Cabinet agreed to re-procure the kerbside materials recycling contract and this was awarded in July 2019 to J & B on a short arrangement which was deemed to be pragmatic to ensure flexibility given the future changes that are likely to affect the market and therefore secure best value.

In reviewing the contractual arrangements for waste disposal, in-house service delivery has been considered however this is not a viable option for the Authority at this time. Reasons include, the high up-front capital investment costs required to build a suitable facility, the planning and regulatory restraints, and the continuing uncertainty within the market.

1.5.6 The Authority's 10 Year Plan for Waste

The Authority has developed the 10 year plan for waste and it is included as **Appendix 1** to this report.

It is clear from the detail of what has been outlined in the preceding sections of this report that a number of policy, legislative and contractual drivers have had to be taken into account.

In summary, over the next 10 years the Authority expects that:

- The borough will grow in line with the housing requirement projections within the Local Plan
- Government will introduce new legislation which will:
 - change the nature of the composition of waste material that it collects
 - require it to collect, dispose and treat waste in a different way
 - require it to meet more stretching recycling targets
- Contract arrangements for waste disposal and treatment will need to be reviewed and, where necessary, renewed
- The ambition of the Elected Mayor for North Tyneside to be a borough free of single-use plastics needs to be delivered and this will need to involve businesses and other organisations to successfully do so
- The local declaration of a Climate Emergency and the action plan resulting from it will drive innovation in waste management
- Provision will need to be made for the likely additional costs that will be incurred in delivering its waste services (the additional funding that will be made available is yet to be clarified by government).

The Authority proposes that it will need to undertake the actions outlined in the table below to achieve a number of key outcomes.

Table 2: 10 Year Plan for Waste Actions and Expected Key Outcomes

Actions	Expected Key Outcomes
Investigate and implement separate food waste collections	<ul style="list-style-type: none"> • Increase recycling rates • Meet statutory obligations
Upgrade its HWRC to meet changing customer needs	A facility that: <ul style="list-style-type: none"> • Remains fit for purpose • Can address changing customer needs • Promotes the waste hierarchy: prevent, reuse and recycle
Commence new arrangements for materials recycling, waste disposal and treatment	<ul style="list-style-type: none"> • Access the best available treatment technology to recycle more • Secure best value for money • Meet statutory obligations
Refresh its approach to waste awareness campaigns and initiatives to improve recycling and promote the latest thinking	<ul style="list-style-type: none"> • Improve the quality of recycled material • Promote the waste hierarchy of prevent, reuse and recycle with residents • Promote the waste hierarchy with businesses to reduce commercial waste generated within the borough • Innovate within the waste hierarchy. For example, investigating the use of building and highways materials with reused/recycled material content
Deliver the short, medium and long-term goals of its action plan to create a borough free of single-use plastics.	<ul style="list-style-type: none"> • Phase out single-use plastics at Council buildings • Promote the Young Mayor's refill campaign • Update contract arrangements to introduce alternatives to plastics.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet approves the recommendations at Section 1.2 of this report agreeing to the 10 year plan for waste.

Option 2

Cabinet does not approve the recommendations at Section 1.2 of this report.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Approval of the 10 year plan for waste will clearly set out the Authority's approach to waste and meets Cabinet's budget proposals as part of the 2019-2023 Financial Planning and Budget Process to develop it. It also meets the commitment within the Authority's Waste Strategy 2013-2030 to review and update the action plan, which expires in 2023.

Approval of the delegation to extend the waste disposal contract will allow the Authority to achieve best value from the market for the reasons set out in the report.

1.8 Appendices:

Appendix 1 - 10 year plan for waste.

1.9 Contact officers:

Colin MacDonald, Senior Manager, Technical and Regulatory Services, 0191 643 6620
Sarah Heslop, Senior Manager (Contracts) (0191) 643 5456
David Dunford, Senior Business Partner, Strategic Finance, 0191 643 7027
Claire Emmerson, Senior Manager, Financial Strategy and Planning, 0191 643 8109
Emma Simson, Legal Manager, Commercial & Development, Tel: (0191) 643 5375

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- 1) [North Tyneside Waste Strategy 2013-2030](#)
- 2) [North Tyneside Waste Strategy 2013-2030, Cabinet Report 14 October 2013](#)
- 3) [Waste Framework Directive, 2008/98/EC](#)
- 4) [Circular Economy Package, EU 2018](#)
- 5) [A Green Future: Our 25 Year Plan to Improve the Environment, HM Government 2018](#)
- 6) [Our Waste, Our Resources: A Strategy for England, HM Government 2018](#)
- 7) [Environment Bill, HM Government 2019](#)
- 8) [Household Waste Recycling Centre Operations, Cabinet November 2017](#)
- 9) [North Tyneside Local Plan, 2017-2032](#)
- 10) [Climate Change Emergency Declaration, Full Council July 2019](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no finance and other resources implications directly arising from this report. Finance Officers however were closely involved in the soft market testing exercise that took place in February 2019 and are involved in the on-going work with the incumbent waste disposal contractor, as outlined in the report.

Delivery of the 10 year plan for waste is likely to lead to additional costs for the Authority however the exact detail of the extent of that impact is not yet known. Estimates for the potential impacts are being recognised in the Medium-Term Financial Plan 2020 – 2024

which will initially be presented to Cabinet on 25 November 2019 and will be agreed as part of the 2020-21 budget setting process scheduled for full Council in February 2020.

2.2 Legal

The Authority has a number of statutory duties relating to waste. These include the duty to collect and dispose of household waste arising within the Borough (Section 12 of the Control of Pollution Act 1974, Section 4 of the Environmental Protection Act 1990); the duty to collect at least two types of recyclable waste from all households (Section 1 of the Waste Minimisation Act 1998, Section 45 of the Environmental Protection Act 1990); and the duty to ensure the provision of a commercial waste collection service (Section 45(2) of the Environmental Protection Act 1990).

There are also a number of international and national targets for waste that have been transposed into domestic law, to which local authorities are subject, for example: The Waste Framework Directive 2008 sets targets for member states to recycle 50% of household waste by 2020 and to introduce separate collection of at least four materials by 2015. The Packaging Waste Directive 2005 sets a target for 55% municipal waste to be recycled or reused by 2025, increasing to 65% by 2035. The Landfill Directive 2018 limits municipal waste landfilled to less than 10% by 2030.

The adoption of the 10 year plan for waste will assist the Authority in achieving its statutory obligations.

The variation and extension to the waste contract are permitted pursuant to Regulation 72 of the Public Procurement Regulations. This allows the contract to be extended by 50% of its original value provided that a change of contractor cannot be made for economic reasons. At this time carrying out a procurement exercise for a residual waste provider would significantly increase risk to the Authority given the uncertainty of the legislative changes and is likely to lead to increased costs.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Internal consultation has taken place with the Senior Leadership Team and Cabinet Members on the proposals contained within this report.

2.3.2 External Consultation/Engagement

Engagement has taken place with waste management companies as part of the soft market testing exercise outlined in Section 1.5.5 of the report. The 10 year plan for waste was also presented to a waste and recycling workshop at the State of the Area Event on 8 November 2019.

2.4 Human rights

There are no human rights implications directly arising from this report.

2.5 Equalities and diversity

There are no equalities and diversity implications directly arising from this report. Equality impact assessments will be completed prior to the implementation of the changes proposed by government legislation.

2.6 Risk management

Risks associated with the Authority's delivery of its responsibilities for waste are managed through the established corporate risk management arrangements. Strategic risks have been identified in relation to the impacts of the government's waste strategy (No. 14-1198) and in relation to future waste disposal arrangements (reference No 1-1181).

2.7 Crime and disorder

There are no crime and disorder implications arising directly from this report.

2.8 Environment and sustainability

The 10 year plan for waste takes into account the policy and legislative drivers that will impact on the future approach for waste and what that will mean for the Authority. The changes predicted are aimed at making a positive impact on the environment and moving towards a more sustainable 'circular economy' that uses waste as a resource and raises recycling rates. The report highlights an approach to its waste contracts designed to provide the Authority with flexibility in its ability to respond appropriately to the legislative changes.

Additionally, the 10 year plan supports Council's declaration of a Climate Emergency.

PART 3 - SIGN OFF

- Chief Executive ☐
- Head of Service ☐
- Mayor/Cabinet Member(s) ☐
- Chief Finance Officer ☐
- Monitoring Officer ☐
- Head of Corporate Strategy and Customer Service ☐