Appendix One - Waste Strategy Review 2017

1. Introduction

1.1 This document is an update to the Joint Municipal Waste Management Strategy for Dorset 2008 – 2033. It provides a refresher on the following:

- Where we are now?
- What are the challenges ahead?
- What are we aiming for?
- The policy objectives

1.2 The document also provides a framework for future decisions regarding infrastructure, treatment options and transport networks.

2. Where are we now? What are our achievements since 2008?

2.1 <u>Formation of the Dorset Waste Partnership</u>

The Dorset Waste Partnership (DWP) was formed in April 2011 and brings together all seven councils within the shire county of Dorset, including the Waste disposal authority, Dorset County Council, and the six waste collection authorities:

- Christchurch Borough Council
- East Dorset District Council
- North Dorset District Council
- Purbeck District Council
- West Dorset District Council
- Weymouth and Portland Borough Council

The County Council acts as the host authority of the DWP, employing staff and providing support services such as HR, finance, legal, procurement, IT, communications and customer services. Under a single management team, the DWP has created a unified workforce of more than 350 staff delivering waste, recycling and street-cleansing services on its partners' behalf – the first waste partnership to deliver services in-house on this scale.

A key element of the partnership is an innovative cost-sharing approach. The partnership is driving down costs through:

- Joint procurement
- Sharing depots, vehicles and staff
- Cross-boundary collections
- Increasing recycling and reducing the burden of landfill tax
- Generating income through a charged garden waste collection and competitive commercial waste services.

2.2 <u>Introduction of the 'Recycle for Dorset' scheme</u>

The 'Recycle for Dorset' service replaced the 12 previous schemes across Dorset with a 'one size fits all' approach. It is a new uniform recycling and residual waste service which aims to service the entire county (excluding Bournemouth and Poole) using the same collection of materials and frequency of collection for all householders. Even communal properties are offered the scheme in full. The service was rolled out to 200,000 households (rural and urban) across five tranches over a three year period. The tranche areas were not based on district boundaries, they were chosen to provide the most efficient and cost effective service as possible.

The ‘Recycle for Dorset’ service offers the following collections:

- A weekly collection of cooked and uncooked food waste using a 23-litre lockable container.
- A fortnightly collection of recycling using a 240-litre wheeled bin (for paper and card, plastics (pots, tubs and trays), cans and aerosols, a 40 litre recycling box for glass and a reusable bag for batteries.
- A fortnightly collection of rubbish using a 140-litre wheeled bin.
- An optional, charged fortnightly garden waste collection using a 240-litre wheeled bin, provided all-year-round.

Following the roll-out, improvements in customer satisfaction have been evidenced through residents’ surveys. For example, in 2014, the DWP undertook its own survey which demonstrated a 90% satisfaction rate with the waste collection service.

2.3 <u>Recycling performance</u>

In term of performance, the ‘Recycle for Dorset’ service has had a dramatic impact on the DWP recycling and composting rate. The overall recycling rate has increased from 45% in 2007/8 to 58.5% in 2015/16. More specifically, following the roll-out of the new service, the overall kerbside recycling increased from 29% to 52% and the overall kerbside residual waste collected decreased from 71% to 48%.
The graph in figure 1 demonstrates the impact the new ‘Recycle for Dorset’ service has had on the DWP recycling and composting performance and how the amount of waste sent to landfill has decreased year-on-year since 2002. Dorset achieved the joint highest countywide recycling and composting performance in England in 2015/16. The national average for recycling and composting performance in England in 2015/16 was 43.9%, this has decreased from 44.8% in 2014/15.
The two pie charts in figures 2 and 3 compare our current waste arisings in terms of quantities and breakdown to the waste arisings five years ago in 2011/12. As illustrated, the DWP landfill significantly less waste compared to 2011/12 (has reduced from 35% to 20% of the overall waste arisings), collect more garden waste (has increased from 13% to 19% of the overall waste arisings) and treat more residual waste (has increased from 15% to 21%).
However, whilst the figures over a 5 year period demonstrate an extremely positive result, it is worth noting that over the past 2 years, the DWP is experiencing a plateauing of its kerbside recycling rate and an increase in its waste arisings. This is similar to the recent national trend in local authority recycling performance.

Figure one:

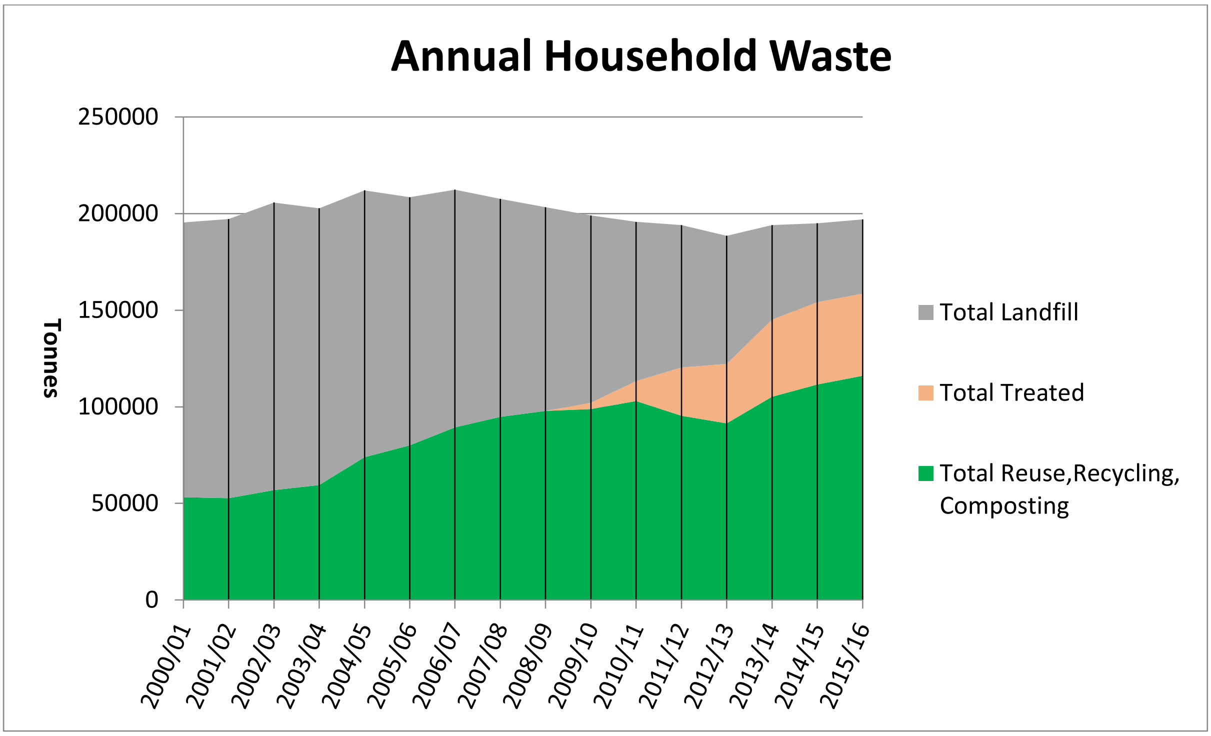


Figure two:

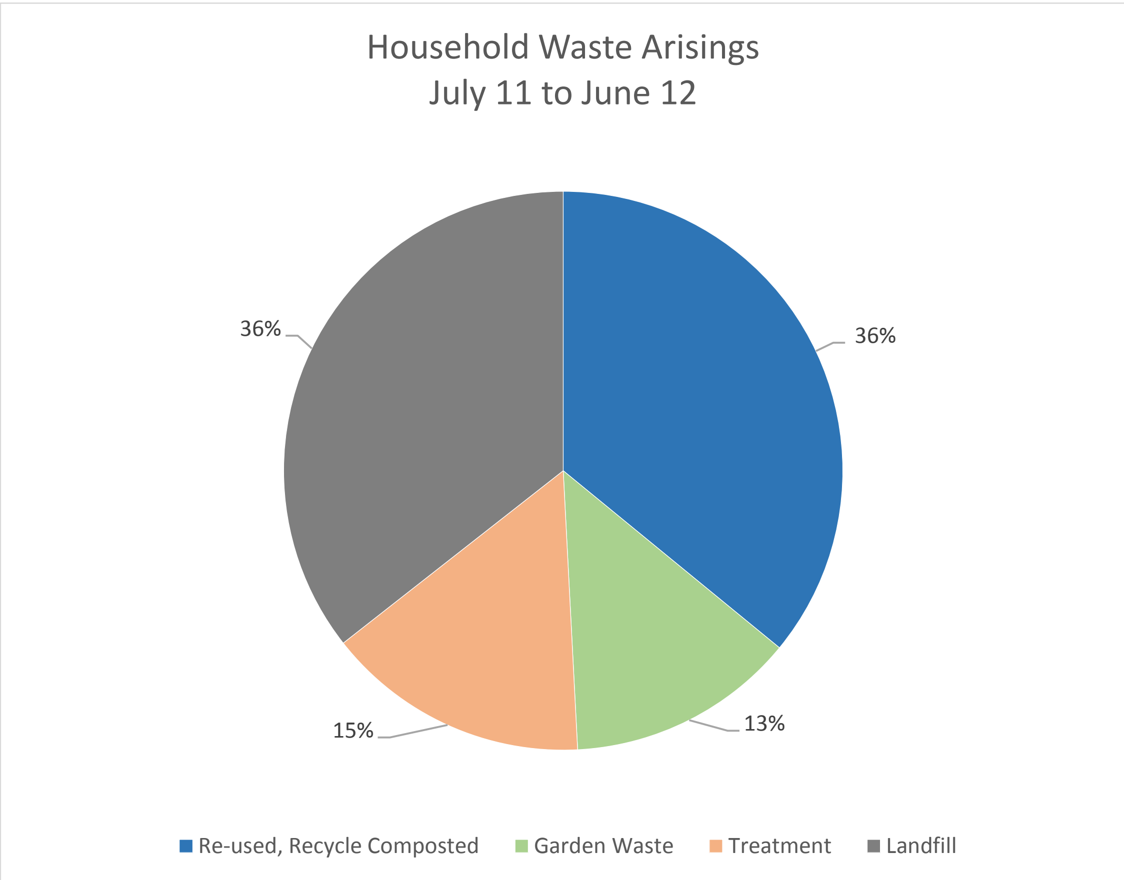
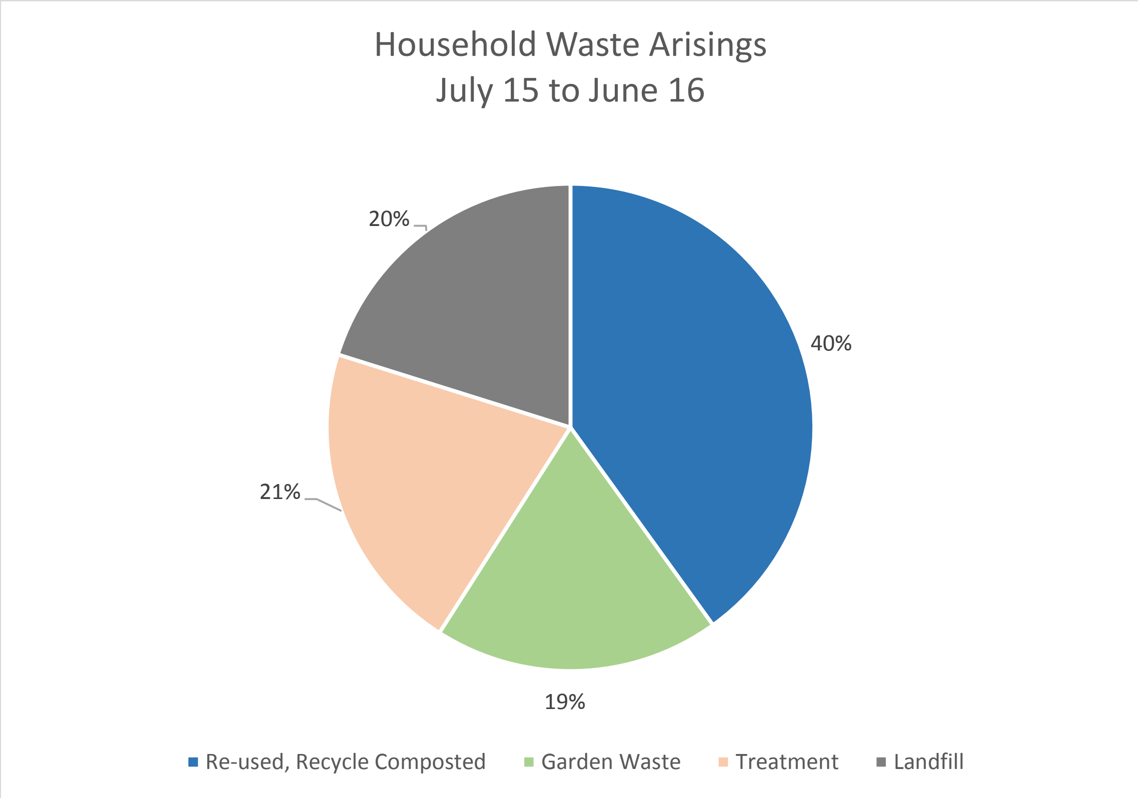
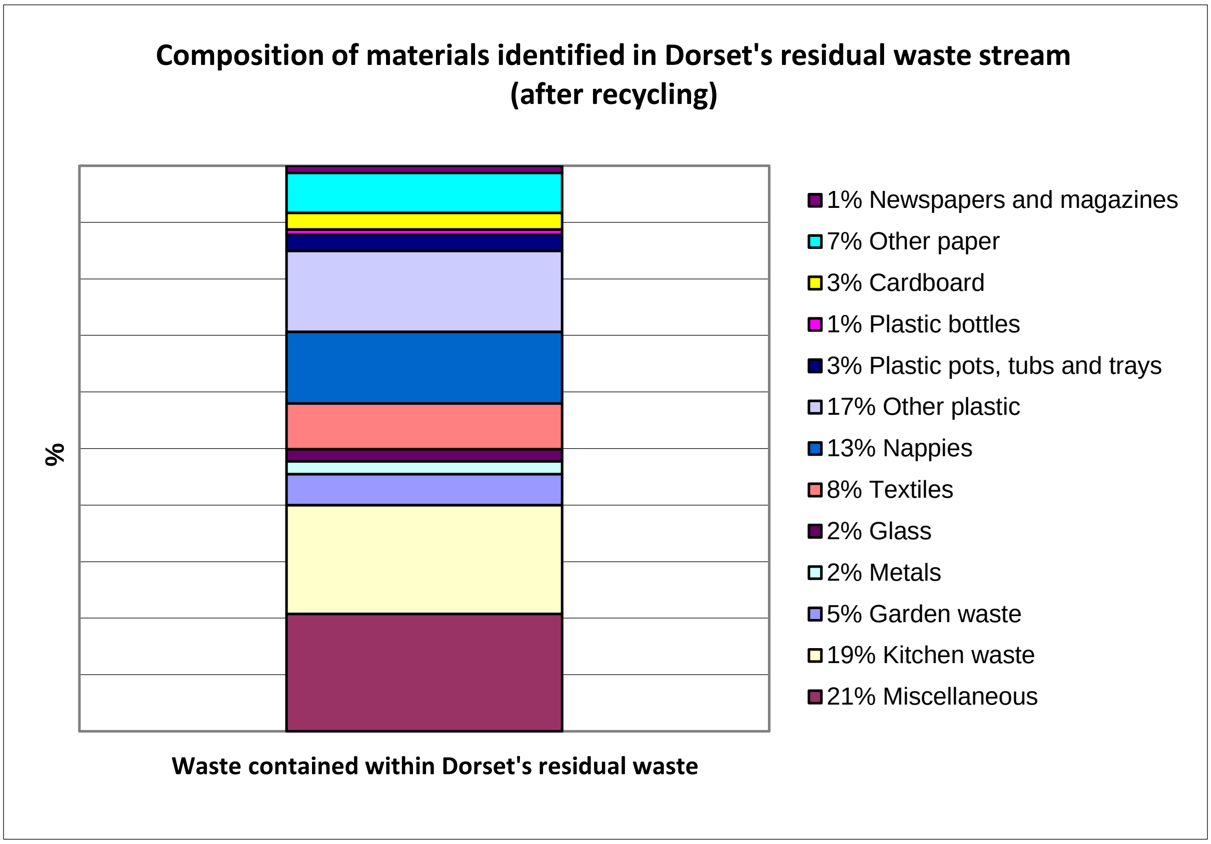


Figure three:



2.4 Waste Composition



2.5 Waste growth

There are a number of factors which effect waste growth and the key ones are housing and population growth, economic growth and legislative changes.
Since 2008, waste growth was in a period of decline until 2013/14. Since then, it has started to increase and Dorset has experienced an average growth rate of 1.3%. It is predicted that housing and population will both increase in Dorset over the coming years. Historical data shows that waste growth is linked to economic growth. Taking these factors into account, it is estimated that waste growth will be between 0.81% - 2.7%.
For the purposes of planning services and budgets, the DWP are currently assuming a 2% growth rate for waste arisings.

2.6 Cost per household

The DWP cost per household for 2017/18 is estimated to be £160 per household, based on assumptions in growth of households of 1250 new dwellings per year. This cost includes everything that the DWP does – collection, street cleaning, and disposal, and includes all overheads as well as contributions from commercial activity.

The MTFP shows the cost per household is expected to rise to £170 per household by 2021/22.

2.7 Update on infrastructure

Since the publication of the waste strategy, two new waste management facilities have been designed, built and are now in operation. A Household Recycling Centre (HRC) in Swanage opened at the end of 2011 which provides a safe and user friendly facility for residents and small businesses to recycle their waste. In 2015, a combined HRC and waste transfer station near Bridport opened, replacing the existing cramped HRC in the town along with delivering a strategic piece of infrastructure allowing the rollout and delivery of improved kerbside services in the area. The Bridport facility has since received national recognition through a number of awards.
The DWP is currently focused on delivering another piece of integrated infrastructure for central Dorset which will provide much improved facilities for residents, make efficiencies for waste collection and improve resilience for the service.

2.8 Update on contracts

During this period, the DWP has opted to contract directly with service providers to deliver front line HRC operation and to secure disposal outlets for the waste it generates. This approach has been a successful one and has seen improvements in performance as well as delivering financial savings.
Since 2008, the DWP has sent greater proportions of its residual waste to either Energy from Waste or Mechanical Biological Treatment facilities. This has meant that the amount of waste directly landfilled has reduced significantly, with less than 23% of local authority collected municipal waste landfilled in 2015/16.
The majority of the disposal contracts held during this period have been extended to 2020/21.
Most recently, the contract to manage the HRCs, waste transfer stations and associated haulage has been re-let for eight years. This new contract will provide the DWP with significant contributions to its savings target and service flexibility for the contract duration. The contract started on 28 August 2016 and introduced charges for non-household materials and reduced winter opening hours.

2.9 Budget savings and efficiencies

The DWP aimed to save a minimum of £1.3 million cashable savings when it was set up, this has been achieved. Furthermore, we have achieved substantial savings since the establishment of the DWP - the key budget savings and efficiencies made by the DWP so far are as follows:

- Net saving on disposal costs arising under the 'Recycle for Dorset' scheme – saving of almost £3.3m (ongoing saving per annum, due to avoided landfill costs)
- Charging for non-household material at HRCs – saving of £225,000 per annum
- Award of the new Household Recycling Contract – saving of £517,618 per annum
- Reduction in winter opening hours at HRCs – saving of almost £160,000 per annum
- Removal of recycling banks – saving of £121,000
- Contract extension with Eco and composting street sweepings – costs avoided of £191,243

In addition, the DWP have grown the commercial services work from a fledgling set-up at the start of the DWP into services that are expected to generate over £4m of turnover by 2017/18.

3 What are the challenges ahead? - Legislation update

The Dorset Joint Municipal Waste Management Strategy is intended to be a high level document, which takes into account the European and national waste management legal and policy framework and sets the direction for waste management in Dorset to 2033 and beyond.

National legislation and regulations govern the way in which waste management is organised, carried out and regulated. These provisions have set the framework for all waste management activities in Dorset and have a direct impact on the strategy.

However, since 2008 when the strategy was published, there have been a number of changes or additions to the legislative framework which are as follows:

3.1 Changes to Waste Definitions

Previously the term 'Municipal Waste' as used in the UK and in this strategy referred to waste collected by local authorities. This definition as described in the Landfill Directive includes both household waste and that from other sources which is similar in nature and composition, which will include a significant proportion of waste generated by businesses and not collected by local authorities. Two definitions now exist to describe the waste collected and handled by local authorities:

Local Authority Collected Municipal Waste (LACMW)

LACMW refers to the previous 'municipal' element of the waste collected by local authorities. That is household waste and business waste where collected by the local authority and which is similar in nature and composition as required by the Landfill Directive. This is the definition that was used for LATS allowances.

Local Authority Collected Waste (LACW)

All waste collected by the local authority. This is a slightly broader concept than LACMW as it would include both this and non-municipal fractions such as construction and demolition waste. LACW is the definition that will be used in statistical publications, which previously referred to municipal waste.

3.2 EU Position

The vote for Britain to leave the EU will have a big impact on waste management in the UK.

In the short term, little will change as the EU has already made it clear that it expects the UK to remain compliant with EU legislation until its exit. Upon exit there should not be any immediate impact on relevant legislation as the majority of EU Waste law has been transposed into domestic law in the UK. Changes to domestic law will take time and are likely to be complicated and prolonged.

EU legislation can be credited for driving forward the emphasis on higher levels of recycling and advancing waste management. Within the UK there is cross-party political support for recycling, waste reduction and effective waste management and as such it is unlikely that there will be a reduction in recycling targets. However, there is a risk that removal of the threat of legal challenge for failure to meet targets may dampen the impetus to meet targets within clear timeframes. Additionally, the considerable levels of austerity experienced by local government may result in diversion of resources away from recycling and waste reduction schemes.

3.3 The Circular Economy

In recent years, the emphasis within the EU has shifted to what is referred to as 'the circular economy' – the principle of keeping resources in use for as long as possible to reduce their negative impact on the environment and the economy once they become waste. The EU adopted a new Circular Economy Package in December 2015 to stimulate a move toward this new agenda across Europe. The package includes proposals for new legislation, action plans and funding to support the transition. The plan includes proposals for Europe to recycle 70% of municipal waste and 80% of packaging waste by 2030. It also bans landfilling of recyclable materials by 2025. The EU will implement this new legislation in coming years.

The UK waste industry is lobbying Government to deliver a long-term framework of policy and legislation consistent with the circular economy principles, in absence of EU legislation. This would support long-term industry investment in infrastructure and innovation for waste management and recovery. A common view shared by many local authorities in terms of how to deliver a circular economy is to design waste out of production and consumption. This will take a complete rethink in how products are designed, how consumers are perceived, and how they operate. In February 2016 the Scottish Government introduced its own national circular economy strategy.

3.4 National Policy

Since the Conservative Government came to power in May 2015, no announcements have been made with regards to the future direction of waste policy in England. This is now further compounded by the vote to leave the EU which may result in a deficit of new policy in the short/medium term. The last major policy document under the coalition government was the Review of Waste Policy in England in 2011, which set out 13 commitments to move towards a 'zero waste' economy prioritising the waste hierarchy and reducing the carbon impact of waste.

3.5 Waste Framework Directive - TEEP

One key piece of legislation for recycling in the UK is the Waste Framework Directive 2008. This sets a target for the UK to recycle 50% of household waste by 2020 in addition to the requirement for a legally-binding five step waste hierarchy. The UK is not yet meeting the target with recycling rates reported as 44.9% for 2014/15, 44.1% in 2013/14 and 40.4% in 2010.
The directive also requires that councils provide separate collections of paper, plastics, metal and glass by January 2015. In England, separate collection of these materials are required where they are technically, environmentally and economically practicable (TEEP). The DWP has conducted an assessment of its compliance with the Waste Regulations and reported to members in March 2015. The assessment concluded that the current ‘Recycle for Dorset’ scheme is compliant with the Waste Regulations. It can be demonstrated that separate collection does not meet the ‘practicability test’ on the grounds of economic practicability. The additional costs and financial risks associated with separate collection represent an excessive cost.

3.6 Landfill

The Landfill Directive sets out targets for the UK to reduce the amount of biodegradable municipal waste sent to landfill, with targets for 2010, 2013 (both met) and 2020 (to reduce the biodegradable waste landfilled to 35% of that produced in 1995). The landfill allowance trading scheme (LATS) scheme made good progress toward these. This was abolished in 2013 and it is now widely recognised that landfill tax (£84.40 per tonne from April 2016) has been the biggest incentive for local authorities to divert material from landfill.

3.7 Consistency in household recycling

In September 2016, the Government funded organisation Waste Resources Action Programme (WRAP), produced a document entitled ‘A framework for greater consistency in household recycling in England’. The document outlines the opportunities for greater consistency in household recycling, and sets out a framework for taking it forward to 2025. The document identifies a core set of materials that every household in England should be able to recycle at home. It also recommends three different types of collection systems to offer greater consistency across local authority schemes. The recommendations are not compulsory and it is too early to see how this will be implemented and what impact it will have on local authority collection schemes.

3.8 Local Government Reform in Dorset

Six Dorset Councils have submitted a bid to DGLG to form two new unitary councils within Dorset in order to make efficiencies and deliver savings associated with the stringent budget cuts imposed by central government. A “minded to” decision is expected by the end of March and whatever the outcome there are likely to be considerable impacts on the DWP.

3.9 Budget and austerity measures

Of the seven partner councils that make up the DWP, many are facing challenges in terms of projected funding deficits.

DWP will continue to remain under pressure to deliver financial savings for partner councils wherever possible.

4 What are we aiming for?

4.1 <u>Preferred option</u>

The strategic option to manage Dorset's waste remains largely unchanged. The DWP vision, along with the five critical objectives, summarise the strategic option:

'A Dorset wide partnership to provide a quality, efficient and value for money waste service'

- Maintaining customer satisfaction
- Investigate further options for cashable savings
- Encourage application of the waste hierarchy
- Meet our statutory requirements
- Seek to work in partnership

The preferred option in the waste strategy can be summarised as:

- Long term aspirational aim towards zero net growth for residual waste
- To achieve 65% recycling and composting by 2025
- An increased focus on enhancement and development of a network of local waste facilities that enable the DWP to deliver, store, transport and treat waste efficiently
- Flexibility for residual waste treatment options
- Provide a cost effective countywide commercial waste and recycling service

4.2 <u>The policy objectives</u>

There are 10 policy objectives that were agreed in the 2008 strategy. These have now been revised to take account of the progress made over the last 5 years, changes in legislation and the future vision of waste management. Policy objectives 4 and 9 from the 2008 strategy have been removed and replaced with new objectives, and the remainder of the policy objectives have been amended. There are now nine revised policy objectives and these are detailed in appendix

5. Infrastructure development

The need to provide control over the DWPs waste streams, as local third party facilities come to the end of their lives, is a priority for the entire DWP service.
The ability to store and transport materials from facilities wholly managed by the DWP in some areas of the county provides a strong strategic position for a number of reasons:

5.1 <u>Generating competition in future procurements</u>

Dorset controls a comparably small volume of waste. In order to attract the best competition for this material, waste may need to travel out of the county to make the most of favourable prices at regional facilities.

Recent market intelligence suggest residual disposal prices can be up to £10 cheaper than current in-county disposal routes. In order to access these facilities where direct delivery in county is not available, waste needs to be bulked up and capable of travelling greater distances.

5.2 The ability to adapt and be flexible in a highly volatile industry

Being in control of waste volumes via transfer stations with onward haulage protects local front line collections. Regardless of the onward delivery point, local collections can remain consistent and not be impacted by changes in disposal location (breakdowns, failures, fires, etc.).

5.3 The ability to provide contingency

With no local landfill in Dorset being available beyond 2016/17, all collections directly delivering to third party facilities have no immediate contingency tipping destinations. In the worst case, this may lead to the cessation of front line collection operations or incur significant additional travel to access existing DWP transfer facilities.

Additionally, the ability to store waste better equips the DWP to respond to recycling market changes and adverse weather conditions.

5.4 The ability to accommodate future growth and different services

Existing infrastructure is at capacity and incapable of accommodating waste/population growth and any changes in the current methods of collection.

6. The next steps

This strategy review sets out the strategic direction for the DWP up to 2033. It is an addendum to the full strategy that was produced in 2008. It recognises that some policy objectives have been achieved and need to be updated and that some are also now irrelevant and needed to be replaced.

Waste management is recognised as a fast changing area and the strategy will need to be under periodic review and refinement. Actions from this strategy will be achieved and monitored through the production of the DWP Business Plan, which is in turn supported by team action plans.

The Waste Strategy will be reviewed in the event of any significant changes or otherwise again in another 5 years.