

TITLE OF REPORT: Future Recycling Collections & Fleet Proposals**REPORT OF: Colin Swinney**

Purpose of the Report

1. To identify declining paper tonnages and the proposed removal of caddies

To seek approval for the phased removal of split body vehicles and procure single body vehicles for a future collection model.

To update Cabinet on two proposed collection models for dry recycling as provided through a Waste Resources Action Programme (WRAP) report (**See Separate Report for Reference and data**)

Background

2. It has been reported at previous CMT, E&T, Localities, Communities and Volunteering and Culture, Sport and Tourism Portfolio, Leaders, OPB and Joint Executive Committee (JEC) meetings that separately collected paper tonnages have declined dramatically in all three partner authorities since this system was implemented in 2014. This follows a year-on-year trend with separately collected paper tonnages now being minimal. With such low paper tonnages, this means the current kerbside dry recycling collection system is not sustainable as the authorities continue to operate split body vehicles which are not being utilised effectively i.e. one of the compartments is effectively empty most of the time.

The vehicles used for collections are at their maximum age limit where failures and breakdowns are happening on a weekly basis.

The Department for Environment, Food and Rural Affairs legislation now allows recycling to be collected in one container, rather than separately.

Proposal

In brief the paper tonnages collected in the caddy in Gateshead were 21.9% of overall tonnage in 2014/15 with 3,451 tonnes collected per annum. This has now reduced significantly to 5.9% of overall tonnage in 2024/25 with 721 tonnes collected.(see figure 3a below)

Figures for South Tyneside and Sunderland are 15% down to 3.7% and 22.2% down to 3.4% respectively, hence there is a significant downward trend in paper tonnages being collected for all three areas of the partnership.

Within Gateshead we spend approximately £45,000 per year on the procurement of Caddies for paper. The caddies procured, cover lost, stolen and new caddies for developments.

The estimated additional cost of collecting all the paper (that is currently collected separately in the caddy) in the blue bin instead is £91,000.. This is due to having to pay processing cost and not receiving a higher level of income from the separately collected paper. Hence, we have identified that there would be an additional cost of £46,000 per year taking the cost of caddies into account above.

This does not include labour and time taken to deliver the 6,400 caddies per year within Gateshead.

Recent information provided by DEFRA has also confirmed that they will proceed with the proposed exemptions to allow for co-collection of the dry recyclable waste streams together in one bin or container rather than separately as present without the need for a TEEP (Technically, Environmentally and Economically Practicable) test. However, under EPR Councils will receive payments and these payments will be linked to efficiency and effectiveness of services. This could be linked to recycling performance and therefore the choice of collection system is important, as this can impact recycling performance. In fully comingled collections tend to have higher contamination rates.

Looking at the figures above and the continuous decline in paper tonnages since 2014 and further projected decreases in paper collections. The Authority/CMT are suggesting removing the collection of paper separately within a caddy and proceed with all recycling to be collected in one container, on a phased basis as the split body vehicles need replacing which would link to the:

- Decline in paper tonnages.
- Decline in customer usage of caddies
- DEFRA changes in legislation allowing all recycling being collected in one container without the need for a TEEP test.
- Increasing costs for caddies and delivery to each property
- Proposed future usage of single body vehicles to collect waste rather than split body vehicles. This would make a saving of approximately £405,000 due to the reduced cost of using single body vehicles.

Removal of Split Body Vehicles and replace with Single Body Vehicles

- 1.1 Currently Gateshead Council have 36no vehicles on fleet servicing the delivery of Residual Waste, Recycling, Garden Waste and Trade Waste Collections throughout the borough. 32 will be 7yrs or older next year leaving 4 vehicles currently less than 7 years old. The modelling around replacing these vehicles has always been to replace after 7yrs however due to simpler recycling and other proposed government changes in legislation, the replacement of vehicles has been on hold for a number of years until legislation was confirmed.

As this still has not been confirmed in relation to DRS(deposit return Schemes), EPR(Extended producer responsibility) and the introduction of films and flexibles from April 2027 and we are still awaiting further details on this, the fleet supplying the collections for waste has now reached breaking point and recent failures to collect in areas within Gateshead has highlighted the need to make a decision on which collection models we will proceed with and the vehicles that will be needed. The Partner Councils have identified two proposed models that suit future collections and that will accommodate any future changes that are currently proposed by DEFRA.

Both of these models use single body vehicles and as such we are requesting additional capital funding and permission to begin the procurement process and replace the 29no vehicles on our fleet that will be 7 years or older in 2025. Existing capital will fund other not included in this report.

This would future proof the service and enable the effective and efficient future collection of waste within Gateshead, South Tyneside and Sunderland.

This would entail the procurement of 29 vehicles priced at approximately £225k for the larger 26 tonne vehicles and £180k for the smaller ones. Based upon recent market testing this will cost approximately £6.125Million.

Approval from Cabinet is therefore needed to progress with the fleet replacement based upon the removal of caddies and provide capital based upon the figure identified above for replacing the Waste Collection Fleet.

Alternate Collection Models for Recycling

The Partner Councils are now considering alternative collection models available, to identify the most appropriate method of maximising the quality of household recycling collected at the kerbside which will also assist preparations for the next MRF processing contract procurement. To help with this exercise, we have been working with and received some further support from the Waste Resources Action Programme (WRAP).

Work was initially carried out in 2019, but WRAP have been reviewing the appraisal of options based on updated tonnage data, in case there has been a change in composition of dry recycling since the COVID-19 pandemic as well as impact on commodity prices.

WRAP's final report, which referenced forthcoming proposals under Simpler Recycling, was presented to Officer Project Board on 22 February 2024 and has been referenced through various Portfolio and CMT meetings.

Summary of Separate Fibre Collections and Co-mingled collections

WRAP used data received from the Partnership and outputs from the previous options appraisal report that WRAP provided to the Partnership in 2019/20. This enabled the cost models to project the likely cost and performance of a short-list of alternative collection scenarios.

The report looked at projected performance in terms of kerbside recycling levels relative to the baseline service. There were only minor differences in recycling rate percentages for the modelled options.

Fibre Collections

Given the uncertainties of realising the collection savings, it would appear that the separate Fibre Collections has the potential to deliver a financial saving to the Partnership. (£532K Gateshead, £396K South Tyneside and £602K Sunderland savings per annum). This is a twin stream collection service with paper and card collected in one (240 litre) bin and other dry recycling (plastic, cans, glass and cartons) collected in another (240 litre) bin. The bins are collected on an alternate fortnightly basis i.e. each bin emptied once every 4 weeks. This collection system would enable the use of single bodied vehicles instead of split bodied vehicles.

However, this would require an additional bin for the paper and card stream which is a significant capital cost requirement. There are also political sensitivities with providing an additional bin to residents. The cost of the additional bin to all households is estimated at approximately £7,000,000 across the partnership (£2.1m GC; £1.7m STC; £3.1m SCC).

This model would face challenges from residents due to storage issues as the provision of an additional bin would require additional space at each property and additional storage space at depot's..

There will also be the need to provide replacement stolen or lost bins which will impact upon staffing to supply, including additional costs for the provision of additional bins to existing and new builds.

Co-Mingled Collections

The next most feasible option, according to the financial model would be the fully comingled recycling collection service. This would not require an additional bin for residents. However, the overall, whole modelled costs were not too dissimilar to our current whole system costs.

By choosing the comingled option it would allow the Partner Authorities to make an easy transition from the current collection model, with very little impact apart from the introduction of single bodied vehicles only and the removal of the caddies.

CMT agreed on Wednesday 29th May that the Council should look to proceed with the fully comingled option for the following reasons :-

- Decline in paper tonnages and reduction in caddies being used by residents
- This would allow the Council to collect the dry recyclable materials using single body vehicles and allow the phasing out of caddies for paper.
- Residents would only require one bin to contain all their dry recycling materials which would potentially make this service simpler to use and reduce storage issues of having a second bin to store on or near their property.
- This would result in the Council not requiring to spend over £2.1 million on additional wheeled bins and £45,000 per year on caddies in addition to an additional spend of £405,000 every 7 years on split body vehicles.

- Potentially be more flexible if composition of dry recycling changes due to impacts of Simpler Recycling including DRS and EPR.
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Discussion points

MRF Contract and extension

Current MRF (Materials Recycling contracts) have been extended due to uncertainties within the waste sector. These have been extended until March 2026 (with a further extension available until March 2027), which gives the STWWMP sufficient time to address Waste Collections and Fleet issues so that new tenders can be procured for the new model of collection and delivery of the recycling and reduce any impact of future changes in prices and legislation.

Kerbside Collection Options & Fleet Replacement

An important factor to consider is the current fleet replacement programme and operation of ageing split bodied vehicles. Partner authorities could consider replacing split bodied vehicles with single bodied vehicles as and when they need replacing.

Collections would have to be fully comingled on these rounds. It was acknowledged many households do not currently use a caddy for Papers (newspapers and magazines) so in effect we are currently operating a largely fully comingled service anyway. Therefore, there would be minimal impact to the current service. However, the following implications would need to be considered:

- i) The financial impact of this proposal including vehicle costs, saving on caddy replacements and additional cost of processing newspapers and magazines mixed rather than being separate would be £91k extra.
- ii) Consider the impact to the public and reputational risk in collecting all recycling mixed.

Evidence would suggest that paper and card can still be recycled at MRFs even when operating a fully comingled collection service. Although, contamination can impact the amount recycled compared to separately collected paper and card, companies are still producing quality outputs. This can be seen at J & B where a news, paper and magazines grade is produced from fully comingled streams, which goes straight to paper mills. Other companies have also stated that technology exists to be able to sort paper card from fully comingled streams.

3.

Recommendations

4. It is recommended that Cabinet members
 - (i) Note the contents of this report

(ii) Agree to the removal of Caddies from Collection Rounds on a phased approach

(iii) Agree to the provision of Capital (Approximately £6.125M) for the waste Collection Vehicles and changing to single bodied vehicles.

(iv) Agree to the proposal from CMT of moving to a co-mingled collection rather than separate fibre collections.

for the following reason(s)

(i) Consistent decline in Paper Tonnages from 2014

(ii) Waste collection vehicles are no longer sustainable and need replacing with single bodied vehicles, which support both collection options.

(iii) Co mingles collections are more flexible, do not require additional bins, we are currently collecting mostly co-mingled anyway, single bodied vehicles can collect and by choosing co-mingled it still allows us to move to separate fibre collections if legislation changes to suit this model.

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APPENDIX 1

Policy Context

This proposal reflects the Council and NECA's commitment to the local and global environment and ongoing carbon reduction with cost savings arising also. Including the Government's Simpler Recycling model and collecting in one receptacle only.

Background

1. Detailed within the main report.

Consultation

2. STWWMP, E&T Portfolio, Localities, Communities and Volunteering and Culture, Sport and Tourism Portfolios, CMT, Leaders, Corporate Advisory Group.

Alternative Options

3. Discussed within the context of the report.

Implications of Recommended Option

4. Resources:

- a) **Financial Implications** – cost savings from removal of caddy replacements.
- b) **Human Resources Implications** – no change
- c) **Property Implications** – no change

5. **Risk Management Implication** – addresses current long term declining trends and therefore reduces risk, including procurement of new vehicles which further reduces risk on failed collections and breakdowns.

6. **Equality and Diversity Implications** - no change

7. **Crime and Disorder Implications** – no change

8. **Health Implications** – improvements in the environment which has long term health benefit implications

9. **Climate Emergency and Sustainability Implications** – improvement in sustainability

10. **Human Rights Implications** - no change

11. **Ward Implications** – no change due to collection models being the same

12. **Background Information:** detailed within the main body of the report