

## **Committee: Council**

**Date: 27 March 2013**

Agenda item: 7

Wards: ALL

## **Subject: Strategic Objective Review – Sustainable Communities with a Focus on Waste and Recycling**

Lead officer: Chris Lee, Director Environment & Regeneration

Lead member(s): Councillor Andrew Judge, Cabinet Member for Environmental Sustainability and Regeneration and Councillor Mark Betteridge, Deputy Leader and Cabinet Member for Performance and Implementation

Forward Plan reference number: N/A

Contact officer: Judith Harwood/Colin Bartlett

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### **Recommendations:**

- A. That Council consider the content of the report.
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## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 Council at its meeting on 6 March 2013 approved the Business Plan 2013-2016.
- 1.2 The Business Plan represents the way in which the council will deliver the Sustainable Community Strategy, which is grouped into five strategic themes (sustainable communities, safer and stronger communities, healthier communities, older people, children and young people). Performance against these themes, plus an additional theme of corporate capacity, is monitored by Council.
- 1.3 Each meeting of Council will receive a report updating on progress against one of these strategic themes. This report provides Council with an opportunity to consider progress against the priorities that are to be delivered under the 'Sustainable Communities' theme focussing on Waste and Recycling.
- 1.4 With respect to waste and recycling, the key ambitions are to maximise opportunities to reduce our reliance on landfill and increase the levels of recycling and composting, thereby reducing the carbon impact of waste management.
- 1.5 The key portfolio holders are Councillor Andrew Judge, Cabinet Member for Environmental Sustainability and Regeneration and Councillor Mark Betteridge, Deputy Leader and Cabinet Member for Performance and Implementation.
- 1.6 The Business Plan can be viewed at [www.merton.gov.uk/businessplan](http://www.merton.gov.uk/businessplan)

## **2 DETAILS**

### **2.1 Background to Sustainable Communities with a Focus on Waste and Recycling**

The European Landfill Directive 1999 requires Member states to reduce their reliance on landfill as the primary means of waste disposal. This has resulted in

shifting the emphasis towards sustainable waste management that reinforces the need to reduce the amount of waste produced and maximize the value of the waste that is produced. The key drivers are:

- European and national legislation require a significant reduction in the amount of biodegradable waste being disposed to landfill.
- The Landfill Tax escalator has resulted in increased costs for landfill disposal.
- Residents' expectations.
- National recycling targets and comparisons between local authorities.

As a unitary authority, responsible for both the collection and disposal of municipal waste, this enables a high degree of integration between the services. Merton has a robust framework for delivering cost effective services that meet both targets and legislation. Merton's success in driving down reliance on landfill and increasing recycling has been through good service design and delivery and procuring cost effective waste treatment solutions as part of the South London Waste Partnership. Furthermore, effective measures with respect to engaging the community on matters related to sustainable waste management have resulted in an overall reduction in the amount of waste produced by householders within the borough.

The South London Waste Partnership (SLWP) comprises of Merton, Croydon, Kingston and Sutton Councils. Its primary aims are to:

- Manage waste in a way that is more sustainable and causes less damage to the environment;
- Manage waste in a way that is more cost-effective, for the benefit of council tax payers.

The SLWP procured three separate contracts that came into operation in 2008.

Contract 1: Transport, handling, haulage of waste to landfill

Contract 2: Management of Household Reuse and Recycling Centres

Contract 3: Recycling, composting and additional treatment services (including energy from waste)

The majority of Merton's residual waste is currently sent to the Beddington Landfill site in Sutton. However, as part of Contract 3 a minimum of 2,500 tonnes is sent to the Lakeside Energy Recovery Facility near Heathrow.

Mixed dry recyclables are sent to a Materials Recycling Facility in Crayford where the materials are separated and prepared for onward sale to reprocessing markets.

Garden waste is taken to the Beddington in-vessel composting plant where the material is processed into a useful soil conditioner and compost.

Food waste is currently treated at the Bio Collectors aerobic treatment facility in Willow Lane, Mitcham. Here the food waste material is processed into a beneficial soil conditioner used on agricultural land in the home counties.

Since externalising the Household Reuse and Recycling Service as part of Contract 2, the recycling rates at Garth Road have increased from 35% to 75% and the partnership is currently negotiating further stretched targets with the current contractor, Environmental Waste Controls.

The current contracts were let for 14 years with an option to extend for a further 5 years and an option to break at Year 7. Negotiations are advancing with the current contractors to seek cost reductions and efficiencies within the contracts as part of the process of determining whether or not to break the contracts at Year 7 (August 2015).

The partnership has recently completed a further, large-scale procurement project for the delivery of residual waste treatment services that will impact significantly on the council's current reliance on landfill for residual waste. It will also ensure that maximum value can be extracted from all waste collected within the borough.

SLWP recently launched a communication campaign, funded by LWARB, to encourage residents to recycle more metal (cans, foil, empty aerosols metal bottle tops and jar lids). The campaign includes leaflets to residents (also on the website) and vehicle livery.

Further details can be found on the SLWP's website at [www.slwp.org.uk](http://www.slwp.org.uk)

## 2.2 Performance relating to Waste and Recycling

Performance as at January 2013 in relation to the waste and recycling targets contained within the Council's business plan 2012 – 2016 is set out in the table below.

| PI Code & Description  | December YTD  | January YTD | January Target | Annual Target | Polarity | Progress |
|--|---------------|-------------|----------------|---------------|----------|----------|
| SP 64 - % of residents satisfied with refuse collection  | <b>Annual</b> | 71          | 72             | 72            | High     | <b>R</b> |
| SP 65 - % household waste recycled and composted   | 39.61         | 39.27       | 40             | 40            | High     | ↓        |
| SP 69 - Amount of kitchen waste collected per household per week                                     | 1.02          | 1.12        | 1.15           | 1.15          | High     | ↑        |
| SP 262 - % residents satisfied with recycling facilities   | <b>Annual</b> | 74          | 70             | 70            | High     | <b>G</b> |
| SP 66 - Kg of residual household waste per household   | 389.88        | 436.81      | 490            | 590           | Low      | ↓        |
| CRP 47/SP 68 - Number of refuse collections including recycling and kitchen waste missed per 100,000 | 57.1          | 57.53       | 70             | 70            | Low      | ↓        |
| SP 67 - % of municipal solid waste sent to landfill (waste management & commercial waste)            | 51.36         | 51.18       | 61             | 61            | Low      | ↑        |

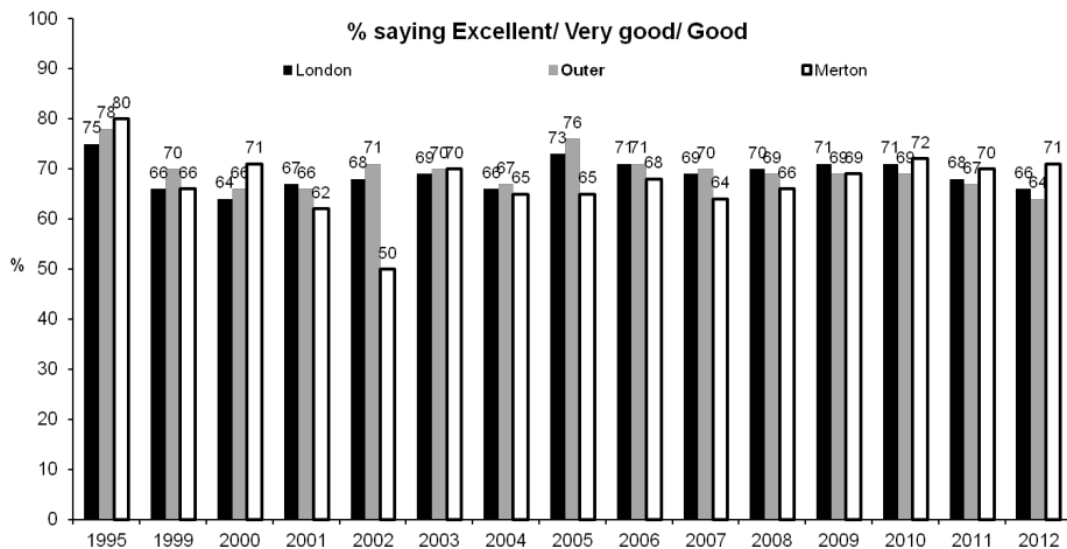
### 2.2.1 Waste collection

The key customer measure of performance in this area is the number of missed collections recorded. The following table shows that the Waste Operations team has consistently achieved above target and that the trend over the year shows positive improvement. The recent spike in the past few weeks has largely

resulted from difficulties in securing cover vehicles for the garden waste service due to unexpected breakdowns. These have been rectified with the service now returning to previous high performance,



The 2012 positive response to the Annual Resident Survey reflects the improvements in performance and shows that Merton's performance in respect of satisfaction is above the London average, despite not quite achieving our own internal target of 72% satisfaction. However, the council is 5% above the London average of 66% and 7% above the outer London average of 64%.



Source: TNS 2012

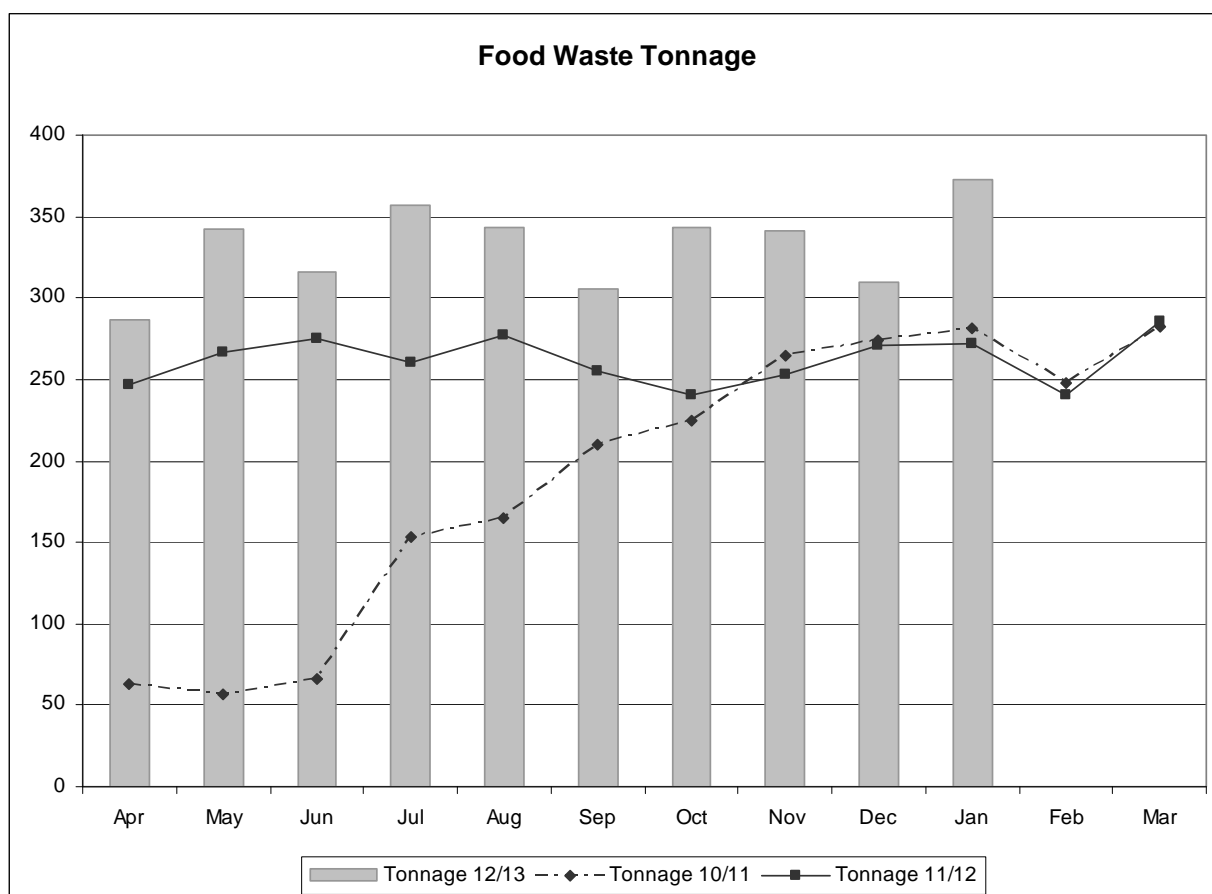
## 2.2.2 Recycling and composting

The council is currently achieving an overall recycling rate of 39.27% (as at January 2013). Our ambition is to achieve an overall recycling rate of 40% for 2012/13 and a target of 42% in 2013/14. The levels of recycling have continued to grow over the past few years, primarily as a result of extending the range of materials that can be set out for recycling and composting.

During 2012/13, as a result of ongoing negotiations with our current recycling processing contractor, the council has been able to extend the range of materials accepted in the green/purple box scheme. Residents can now recycle aluminium foil, aerosol cans and plastic tubs and trays.

The council approved its organics collection programme in 2011 that enabled the council to roll out a borough-wide food waste collection service and introduce a subscription based service for garden waste.

The food waste roll out was completed during the summer with the final 12,000 flats in the borough receiving the service. The following graph shows the steady increase of food waste collected as the service was rolled out over the past three years.

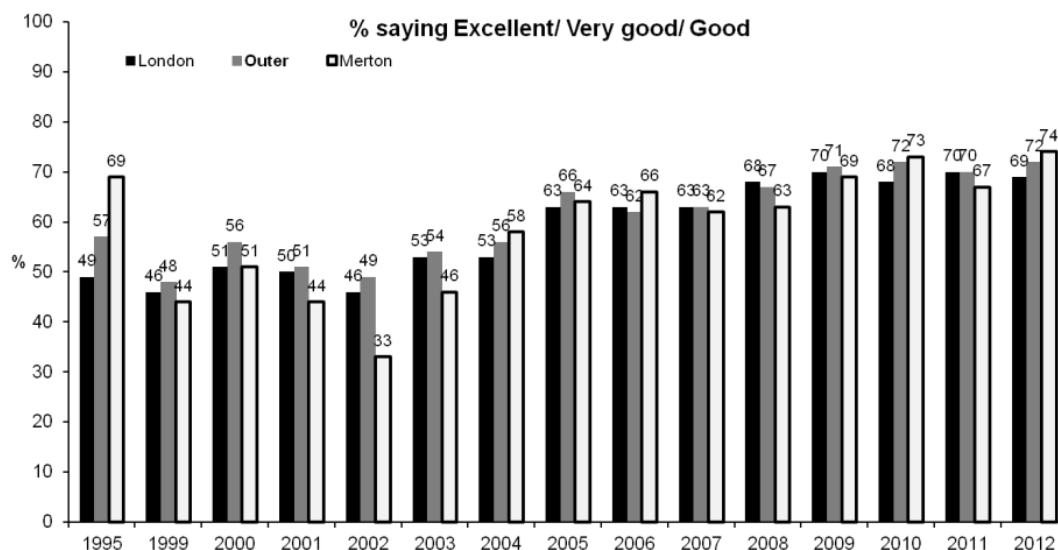


The garden waste service has seen an incremental rise in the number of subscribers and now has over 5,000 customers, an increase of 66% on the first year of the service.

As at January 2013 the council has collected over 6,500 tonnes of organic waste, an increase of nearly 15% compared to the previous year.

It is clear that the extensive range of services offered with respect to recycling and composting together with the improvements in the quality of the collection

services has resulted in a significant increase in resident satisfaction with recycling, as shown on the graph below.

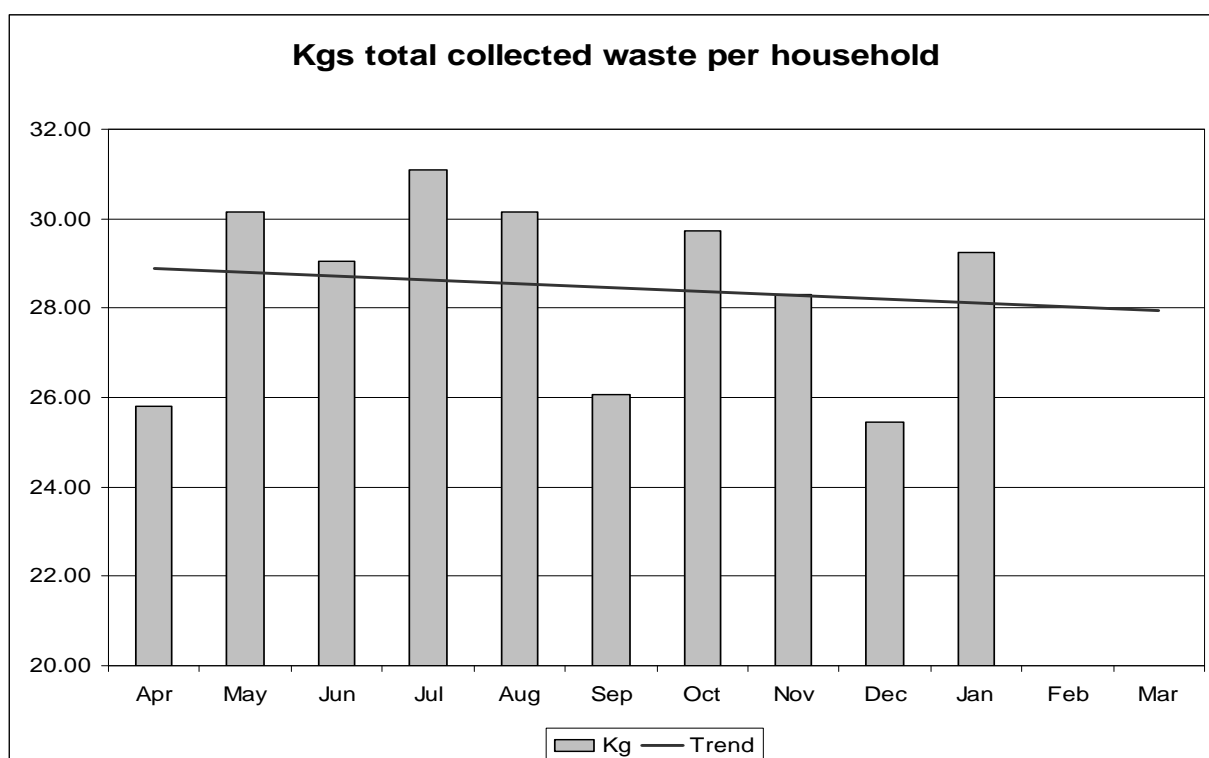


Source: TNS 2012

Satisfaction has increased by 7% compared to last year and puts Merton (74% satisfaction) 5% ahead of the London average (69%) and 2% ahead of the outer London average (72%).

### 2.2.3 Residual Waste treatment

Merton has ambitions to reduce significantly its reliance on landfill, primarily through an overall reduction in waste arisings and through the diversion of waste through its dry recycling and organics waste collection programmes. The graph below shows that the total amount of waste collected per household is decreasing steadily and shows that our waste reduction programmes are working.



However, as part of the South London Waste Partnership, the council has also looked to find alternatives to landfill for residual waste that is not collected for recycling or composting.

The council has a target to limit the amount of municipal waste going to landfill to 61% of all municipal waste collected, including any commercial and industrial waste that comes under its control. As at January 2013 the council is landfilling just above 50% of its residual waste, significantly out-performing our target by over 10%. This has been achieved through a combination of recycling and securing access to energy from waste facilities for some of its waste. This enables the council to extract further value from residual waste in the form of energy.

On 5 November 2011, following a lengthy procurement exercise, the South London Waste Partnership entered into a contract with Viridor Waste Ltd to provide residual waste treatment services that will result in the building of a state of the art energy recovery facility that will treat all of Merton's residual waste. The contract will commence operation on 1 April 2014 and will ensure that Merton's reliance on landfill will be negligible.

It is anticipated that this new, 25-year contract will save the council around £27million over the life of the contract.

#### **2.2.4 Commercial Waste**

The Council delivers a commercial waste service providing residual and recyclable waste collections and disposal for over 1,100 businesses across the borough. An external review of the service in 2012 conducted by Eunomia confirmed that the service delivers a high quality service but that aspects could be improved to reduce cost and increase market share. An action plan developed with Eunomia has been agreed and the service is responding well in early 2013 with an increase in new business and business retention. The improvement in this service will be critical if we are to meet challenging income targets in the coming years. The improved waste disposal costs as a result of the Phase B contract from April 2014 will provide an improvement in the cost base to assist the commercial waste service further. Having a well performing commercial waste service is an advantage in keeping our town centres clean and reduces the number of waste vehicles on the 'High Street' since we can optimise waste collections.

#### **2.2.5 Commentary and key achievements relating to Sustainable Communities – waste and recycling**

The council has a successful track record in securing external funding to support its service delivery and engagement programmes.

In 2010 the council successfully applied to the Waste and Resources Action Programme (WRAP) to secure funding to extend its then pilot food waste service to cover 50,000 households. In total £400,000 was made available, 33% more than the original estimated maximum amount available. The extension of the service borough wide in 2012 was predicated on the successful delivery of the council's organics programme that also saw the introduction of a cost effective subscription-based garden waste collection service.

The completion of the roll out to flats in the borough was also reliant on a successful bid to the London Waste and Recycling Board in 2011 that secured £270,000 and a further £25,000 from WRAP to support the associated communications campaign.

The food waste service became borough wide by Summer 2012. Merton now collects and composts 350 tonnes of food waste every month from Merton residents.

Following on from the successful roll out of the programme the Local Authority Recycling Advisory Committee (LARAC) invited Merton to speak about their food waste programme at their annual conference in October 2012, attended by over 500 waste professionals.

In January 2013 the South London Waste Partnership secured funding from LWARB, Alupro (Aluminium Packaging Recycling Organisation) and Viridor to launch its "Metal Matters" campaign aimed at encouraging residents to put out more metal based materials for recycling.

### **2.2.6 Future Engagement Plans**

In December 2012 the council was successful in securing a further £655,000 from the DCLG Weekly Collection Support Scheme to support a borough wide "Encouragement and Incentivisation Programme". This is a three year funded programme aimed at introducing individual and community incentives to encourage further recycling and composting. The programme will incorporate an extensive door knocking consultation and survey work to establish baseline indicators on attitudes and behaviours with respect to recycling. This will be followed up with a high profile campaign that will involve both community and individuals prizes. It is anticipated that community rewards could amount to between £10,000 and £15,000 to be used to improve local areas. For example, to support local planting schemes

Throughout the programme local partnerships will be sought and developed, with the specific aim to enable the continuation of the programme beyond its funding years.

### **2.2.7 Reports of Overview and Scrutiny Commission/Panels**

The Sustainable Communities Overview and Scrutiny Panel have considered the following items as part of their 2012/13 work programme:

**Presentation on sickness levels in the waste service** – Members undertook a performance monitoring role considering and commenting on the issues the department are currently facing.

**Public Value Review: Street Cleansing** – a number of Members from the Panel met with the Director of Environment and Regeneration and Officers to discuss the scope for the Public Value Review of Street Cleansing. Members made recommendations on the terms of reference for the review. The Panel will receive updates on progress with the review at appropriate intervals to enable them to comment on the emerging proposals and recommendations.

**South London Waste Partnership** – The Chair of the Sustainable Communities Scrutiny Panel met with the Director of Environment and Regeneration to discuss and comment upon the contract and governance arrangements for the South London Waste Partnership. The Panel will receive updates at appropriate intervals.

## **3 ALTERNATIVE OPTIONS**

3.1 Not applicable – this report is for information only.



#### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1 An extensive consultation exercise was carried out in 2006, which saw door-steppers knocking on over 30,000 doors in Merton, providing valuable information, for example, on what waste services they would like and how they would like to receive information.
- 4.2 Residents who took part in the food waste collection trials in 2008 (2,000 in partnership with WRAP), 2009 (10,000 in pilot study), 2010 (420 in flats trial), were all involved in door to door consultations and postal surveys. Their results helped to shape the final food waste service design.
- 4.3 Further consultation is proposed as part of the “Encouragement and Incentivisation Programme” outlined above.

#### **5 TIMETABLE**

- 5.1 Performance information is published on the dashboard each month and is available to view via the Intranet and Internet.

[http://intranetapps/pi/PIList\\_ViewOnly.aspx](http://intranetapps/pi/PIList_ViewOnly.aspx)

#### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1 There are no financial, resource or property implications arising from this information report. All related services are delivered within existing resources.

#### **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1 There are no legal or statutory implications arising from this information report.

#### **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1 There are no specific human rights, equalities or community cohesion implications arising from this information report.

#### **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1 There are no specific crime and disorder implications arising from this information report.

#### **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 10.1 There are no risk management or health and safety implications arising from this information report.

#### **11 APPENDICES – the following documents are to be published with this report and form part of the report**

- None

#### **12 BACKGROUND PAPERS**

- 12.1 2012 - 16 Council Business Plan

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