

**REPORT FOR: OVERVIEW AND
SCRUTINY COMMITTEE**

Date of Meeting:	13 November 2018
Subject:	Waste Management and Recycling
Responsible Officer:	Paul Walker – Corporate Director of Community
Scrutiny Lead Member area:	Councillor Ghazanfar Ali (Co-Chair, Scrutiny Lead Member for Community) Councillor Jean Lammiman (Co-Chair, Scrutiny Lead Member for Community)
Exempt:	No
Wards affected:	All
Enclosures:	N/A

Section 1 – Summary and Recommendations

This report sets out an overview of the current waste and recycling performance within Harrow as well as outlining the key local, national and international challenges surrounding the waste industry and their potential impact on the Borough.

Recommendations:

To note the content of the report and agree to receive further update on key actions.

Section 2 – Report

Introductory paragraph

Understanding the current local, national and international challenges around waste and recycling will assist Harrow in ensuring the sustainability of the service.

Background

Current collection configuration

Within Harrow we operate an extensive waste and recycling collection service that allows residents to dispose of a number of separate waste streams.

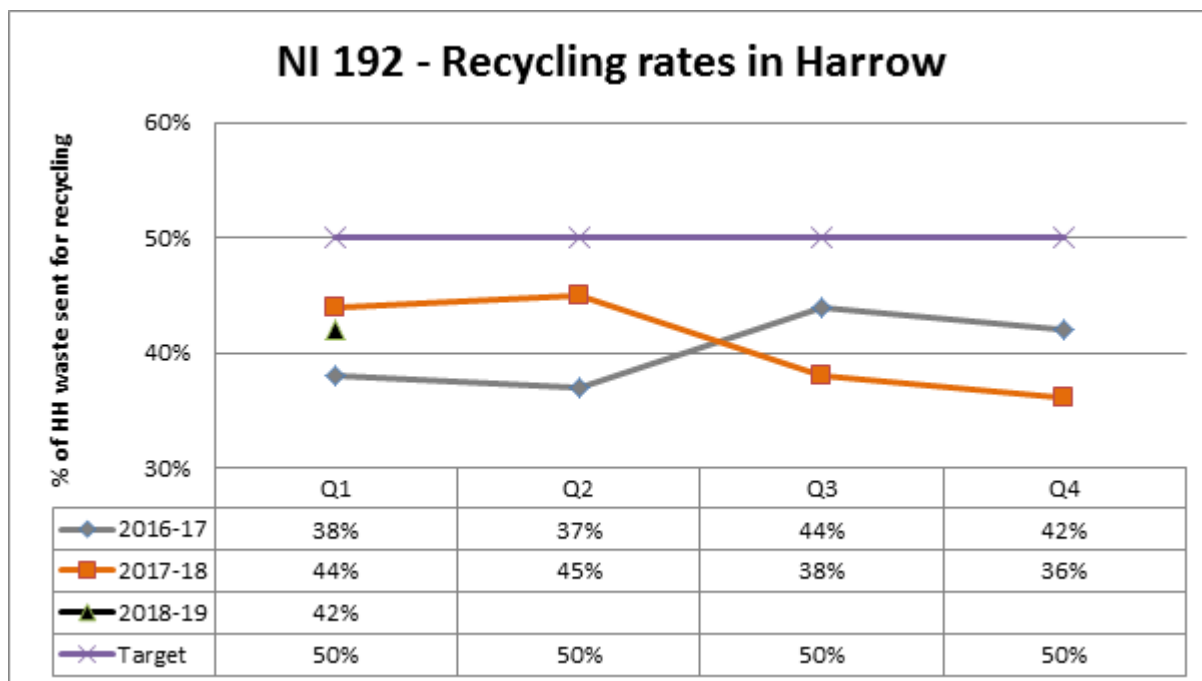
Waste stream	Household container type	Collection Frequency	Accepted materials
Residual / General waste	Grey/green 240lt wheeled bin	Fortnightly	Any general waste Does not include hot ashes, hazardous waste (such as asbestos), or large items that do not fit into the container
Dry mixed recycling	Blue 240lt wheeled bin	Fortnightly	Paper, glass jars and bottles, food and drinks cans, plastic bottles, plastic tubs and trays, cardboard
Food waste	Black 23lt caddy	Weekly	All food waste including bones, peelings, shells etc. Does not include liquids or loose food
Garden waste	Brown 240lt wheeled bin	Fortnightly	Garden waste including grass cuttings, hedge clippings, flower clippings etc. Does not include large branches, poisonous plants or large amounts of soil.

Table 1

Performance

Recycling performance is measured by national indicator (NI) 192, defined as “the percentage of household waste sent for reuse, recycling and composting”. Latest recycling figures (Q1 2018/19) show a recycling rate of **42%** for Harrow. This is up by 6 percentage points from the previous quarter (36%) and 2 percentage points lower than the corresponding quarter last year (44%).

In terms how we compare against other London boroughs, we ranked 3rd out of 15 boroughs in the LAPS benchmarking data (2017/18 year end figure), putting us in the top quartile of participating London boroughs.



When analysing this data in greater detail for quarter 1, table 2 shows the variance in the different waste streams.

Household material stream	Apr-Jun 2017	Apr-Jun 2018	Variance
DMR	4447.82	4414.09	-0.76%
Food waste	1827.18	1691.92	-7.40%
Garden waste	2411.44	2815.34	16.75%
Residual / general waste	10103.86	10731.59	6.21%

Table 2

For Qtr. 1 of 2018/19 there has been only a slight drop in the amount of DMR collected from the kerbside (0.76%) and a decrease in the amount of food waste collected from the kerbside (7.4%). However to balance this out there has been an increase in the amount of garden waste collected compared to the same period last year (16.75%). Overall for Qtr. 1 (kerbside collected only) the recycling composting percentage has only dropped by 0.83%. This shows that key area of focus needs to be reducing the general waste stream.

National and international challenges

China's restrictions on waste imports

At the end of 2017 and beginning of 2018 China introduced 'Operation Sword' which was initiated by Chinese environmental improvement initiatives. As a result, the import of certain recyclates and waste categories were banned in China and new quality requirements were introduced for the remaining imports, especially around paper and plastic. This was accompanied by an increased inspection regime at the ports. Internationally this created an increased demand for disposal outlets for these materials and led to an increase in overall market disposal costs.

Within Harrow we are fortunate that our contractor for Dry Mixed Recycling (DMR) disposal were proactive in ensuring market contingencies and therefore kept the impact on our overall disposal costs low. They have also ensured that we continued to have outlets for the different material types obtained from Harrow recycling so that we continued to contribute to our recycling commitments. Although it is important to note that there was still an increased cost.

Brexit and its impact on waste

Most waste exports are within the EU so there is a potential for a negative economic impact in regards to material sales and therefore disposal costs. The free movement of people and potential restrictions may also impact the waste industry, as it may make it harder to recruit skilled and unskilled labour, in particular for treatment facilities such as Energy from Waste (EfW) plants, Material Recovery Facilities (MRF) picking cabins etc.

In regards to legislation and policy, most of the policy and regulatory context for the resource and waste sector in the UK is EU in origin, including current recycling and composting targets of 50% by 2020. Government have initially stated that they will incorporate / adopt EU law on exit day to ensure continuity, however the enforcement and adherence to these laws after that point are under question.

One area however that has been suggested as a proposal for change post-Brexit is in relation to how we measure environmental performance i.e. not based on weight-based targets but looking at other measures such as avoided energy use, avoided CO₂^e production or even a monetary based metric.

In conclusion there is a still a lot of uncertainty around the impact of Brexit on the waste industry and at present we can only prepare based on the current conditions, but look to expect a potential immediate impact in relation to waste disposal costs

London Environment Strategy (LES)

In May 2018 the Mayor published his London Environment Strategy (the Strategy). The Strategy sets out objectives, targets and policies for the effective management of London's municipal waste and to accelerate the transition to a circular economy. The Strategy's waste objectives, targets and minimum service levels for London are:

- Objective 7.1 - Drive resource efficiency to significantly reduce waste focusing on food waste and single use packaging
- Objective 7.2 – Maximise recycling rates
- Objective 7.3 - Reduce the environmental impact of waste activities (greenhouse gas emissions and air pollutants)
- Objective 7.4 - Maximise local waste sites and ensure London has sufficient infrastructure to manage all the waste it produces.

London-wide targets:

- To cut food waste and associated packaging waste by 50 per cent per person by 2030
- To achieve a 65 per cent municipal waste recycling rate by 2030, including a 50 per cent recycling rate for local authority collected waste (LACW) by 2025
- To send zero biodegradable or recyclable waste to landfill by 2026
- London to manage net 100 per cent of all the waste it produces by 2026

Minimum level of household waste recycling service

Strategy Proposal 7.2.1.a sets a minimum level of service for household waste recycling that waste authorities should deliver by 2020:

- All properties with kerbside recycling collections to receive a separate weekly food waste collection service
- All properties to receive a collection of, at a minimum, the six main dry materials, glass, cans, paper, card, plastic bottles and mixed rigid plastics (pots, tubs and trays).

As part of the Strategy, all London Boroughs are required to develop a Recycling and Reuse Plan (RRP) that will outline how they aim to achieve the key targets contained within the LES. These have to be completed and submitted by February 2019 and assistance is being provided by LWARB to ensure continuity across Boroughs and the effectiveness of the RRP's.

Within Harrow it has been applauded that we have a collection service in place that already matches the requirements set out within the LES, however our key challenge is to make the most out of that service configuration and further improve our overall performance.

We are in the process of developing our RRP and will be able to share this document once complete.

Plastics

Within Harrow we recognise the current rise and focus on addressing plastic waste across the world and recognise that we as a Borough have a part to play in reducing this.

This element and our plan to 'to our bit' will be included as part of the development of our RRP.

Dry Mixed Recycling (DMR) provider changes

Current arrangements with our DMR disposal contractor is coming to an end and this needs to go out to tender (as recently approved at Cabinet) to ensure continuity and to establish a new contract.

The focus of the new tender is on reducing any potential impact on the service and also restricting the potential cost increase on the service due to the aforementioned Chinese Operation Sword initiatives.

Our current actions

Within Harrow we recognise that there are areas for improvement within our current service provided as well as recognising that we need to ensure that we are future proofing our service to reduce the impact as much as possible from the national and international challenges currently occurring or on the horizon. To address this, we have already started a number of projects and actions.

Waste Review

Within the Environmental Services area we have been undertaking a review of all our services, process and policies within waste and recycling, street cleansing and grounds maintenance.

A business case is being developed to outline key proposals on how to improve services and make them more cost effective. This will be shared at a later date. However one of the key elements that has come out of the waste review is the undertaking of a pilot of food waste recycling in some flats within the Borough.

The pilot has been introduced to 12 estates within the Borough across two phases. So far it is providing good results with sites varying from 35% to almost 50% participation. Further information will be included within the Waste Review business case.

Compositional analysis

As detailed in table 2, it was identified that one of the largest variances was around the amount of residual waste that is being produced from households. Therefore, in order to understand the reason for this we are going to undertake a waste composition analysis of the residual / general waste stream. This will mean analysing sample waste from across the Borough to see what materials make up this waste stream.

Results from this activity will allow us to focus our engagement accordingly and allow us to undertake targeted communications. This will ensure we are using resources effectively whilst increasing performance.

Recycling and Reuse Plan (RRP)

As detailed earlier within the report, further work and actions plans are being developed as part of the development of Harrow's RRP. This will be able to be shared at a later date.

Financial Implications

As set out in Table 3, there is an increase in approximately 900 tonnes (or 4.6%) of waste produced by households in Q1 when compared to the same period in 2017. Residual waste contributes to the majority of the increase, which results in additional disposal costs this year. In 18/19, the total WLWA waste levy budget is £8.27m. Should this trend of increase continue for the rest of the financial year, it could potentially result in a budget pressure against the waste levy budget.

For dry recycling waste disposal, the restrictions on waste imports imposed by China have led to significant fluctuations on the market prices for dry recyclables which in turn increase our disposal costs. The service has a budget of £0.5m for dry recycling waste disposal. The cost per tonne experienced in the first few months of the year suggests that there is a forecast pressure of £128k in 18/19.

The re-procurement of the dry recycling waste disposal contract is due to commence. The procurement exercise will inform the mechanism used to calculate the monthly gate fee going forward and the outcome of which will help establish if the market offer is better or worse than what we currently have.

The on-going financial impacts of general waste growth and the fluctuation of recycling materials prices on the waste disposal budgets are being assessed and, if necessary, will be taken into account in the MTFs process.

Some of the proposals within Waste Review aim to improve the recycling performance and the savings associated with these will be used to contribute towards the existing MTFs target of £0.5m (profiled in 2019/20).

Risk Management Implications

See separate guidance notes.

Risk included on Directorate risk register? No

Separate risk register in place? No

Equalities implications

Was an Equality Impact Assessment carried out? Yes – one is being developed as part of the MTFs savings associated with the Waste Review project. Findings can be shared once complete.

Section 3 - Statutory Officer Clearance

[Monitoring Officer clearance not required at this stage.]

Name: Sharon Daniels

on behalf of the
Chief Financial Officer

Date: 2 November 2018

Ward Councillors notified:

NO

[Portfolio Holder has been notified]

Section 4 - Contact Details and Background Papers

Contact: Rebecca Johnson – Head of Environment and Waste Strategy.
020 8424 1279

Background Papers: None.