

Thanet District Council

Waste Regulations Compliance Review

Annex 1

1. Introduction

- 1.1 Eunomia Research and Consulting Ltd were tasked, through the East Kent Waste Partnership, to prepare a report on Thanet District Council's compliance with the Waste England and Wales Regulations 2011 (amended).
- 1.2 Under these regulations the council is required, by 1st January 2015, to demonstrate that the separation of 4 recyclable materials (glass, metal, paper and plastic) meets the necessary criteria. This is measured by testing the collection methodology against two tests; 'necessity' and 'practicability'. These tests have been designed to allow authorities to continue to collect co-mingled recycling (rather than kerbside sorting which separates the materials at source) if they meet one or both of the tests.
- 1.3 The assessment report by Eunomia reaches the conclusion that the current collection methodology meets the economic element of the practicability test and therefore further separation of materials is not required to be considered in order to meet the requirements of the regulations.

2. Current Collection Methodology

- 2.1 The current collection methodology is that, from the group of four materials, paper and card are collected separately at source by the council and all other recyclate is collected as co-mingled. This is then separated at a Material Recovery Facility, where the collected material is sorted by mechanical means under a contract through Kent County Council.

3. Test 1: Necessity

- 3.1 Eunomia have concluded that collecting the 4 materials separately at source under a weekly recycling collection system would lead to a small increase in the quantity collected. Further, they conclude that it may lead to an increase in the quality of material collected and a significant reduction in the contamination currently being seen.
- 3.2 While it is questionable that a weekly collection of recycling would work effectively in Thanet, (and indeed due to the number of communal properties it is questionable whether an increase in quantity as well would be achieved), a kerbside sort collection would certainly lead to an increase in quality. This is demonstrated by other authorities who use this type of scheme and produce high quality materials. The council would agree with Eunomia that, according to this test, it may be 'necessary' to collect the 4 materials separately.
- 3.3 On this basis the 'Necessity Test' would indicate the need for a change to source separation of recycling, but we need to also look at the 'Practicability Tests' to demonstrate if the council would comply with the regulations, without the need for a change the existing collection method.

4. Test 2: Practicability

- 4.1 Three elements are used as part of the practicability test to judge compliance with the regulations; technically practicable; environmentally practicable, and economically practicable.
- 4.2 Eunomia consider that a separate collection of the materials is technically possible as other authorities similar to Thanet currently utilise this approach.
- 4.3 Eunomia have undertaken a modelling exercise comparing the current modelled costs against a range of other collection options (kerbside sort, co-mingled weekly and comingled

fortnightly – the final two assume full co-mingled and no separate collection of paper and card as is currently the case).

- 4.4 Their analysis shows that the kerbside sort option will deliver greater environmental benefits. While this method will see a greater number of vehicles employed this is offset by the increased quality of the material collected.
- 4.5 However, their analysis further indicates that separate collections appear not to be economically practicable.

5. Results and Recommendations from Eunomia

- 5.1 The Eunomia report suggests that the separation of recyclate, under the provisions of the regulations is necessary but not practical as detailed in the extract below,

“...separate collection appears to not be economically practicable due to the significant margin between operational costs, and the additional financial risk associated with reliance on the material markets. The Council could also look to take a view on any likely knock-on costs of separate collection, which might further support this argument”.

- 5.2 While the report suggests that separate collections would increase costs by 8.1%, based on current material values, a number of further risks and challenges would also need to be considered if separate collections were to be implemented
- 5.3 The most economic option for separate collections would be based on the council selling the recyclate directly to the market rather than providing it free to KCC. This approach can be economically viable (depending on the price of materials), and when the market is good can lead to significant income levels. However, the risk associated with price fluctuation within the volatile world wide commodity market would be borne by the council, rather than KCC as is currently the case. This could have a significant impact on the council's finances. The council would need to consider carefully what its view on price risk is and whether the possibility of lower material prices could constitute a clear risk of separate collections representing 'excessive cost'.
- 5.4 The council receives an Enabling Payment from KCC of just over £500k per annum to cover additional costs of collection, based on KCC managing the recycling income from collected material. However, the current levels of funding from KCC would be withdrawn if the council was to sell the material directly to the commodity market instead.
- 5.5 Any change to an alternative collection methodology would almost certainly make the current fleet of 6 'tri-stream vehicles' redundant that were procured in 2013. The financial loss of the sale of these on the second hand market, together with other related costs associated with a change (for example additional containers) would be significant.
- 5.6 However, when the current vehicle life cycle comes to an end in 2019 this would be an opportunity to re-consider the kerbside sort approach. Any assessment would need to fulfil the TEEP requirements anyway, and it may be prudent to incorporate this within the on-going modelling to compare present and future costs.

6. Implications for the council

- 6.1 Based on the Eunomia report, no change is required to recycling collections as the regulations are being met.

7. Recommendations

- 7.1 That the existing collection methodology is retained by the council.
- 7.2 That the council incorporate the TEEP requirements within on-going collection modelling and review.