

**SURREY COUNTY COUNCIL****CABINET****DATE: 29 OCTOBER 2019****REPORT OF: MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND WASTE****LEAD OFFICER: GILLIAN STEWARD, INTERIM EXECUTIVE DIRECTOR ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE****SUBJECT: COMMUNITY RECYCLING CENTRES AND WASTE STRATEGY UPDATE REPORT****SUMMARY OF ISSUE**

At their meeting on 29 January 2019 Cabinet considered a report about the operation of community recycling centre (CRC) service. This report included the option for a permanent closure of four sites from 1 April 2019 and the introduction of charges for construction wood.

Following further consideration, Cabinet resolved to defer closure of the four community recycling centres until 30 September 2019 - operating them as recycling only centres. It was agreed that during this period an assessment would be made of the different options proposed. The assessment was undertaken by a Task Group chaired by Cllr Andrew Povey and the Task Group reported to the Communities, Environment and Highways Select Committee on 19 September 2019.

The Task Group made a series of recommendations. Most notably that CRCs remain open, that charging for recycling of wood is not implemented and that the Council focuses greater efforts on encouraging residents to reduce the amount of waste they place into the system, provides more support to charities and social enterprise that enables greater reuse of materials and work to increase the recycling rates across the county. The Cabinet Member and the Cabinet welcome the report and the proposals it makes.

Surrey County Council has declared a climate emergency. This decision alongside the Government's emerging Resources and Waste Strategy has informed and strengthened the Council's work on the Green Futures Strategy.

This strategy, which will be presented to Cabinet in the New Year, is being developed using the principles of co-design with the residents of Surrey. It will be comprehensive and will include a range of initiatives and actions including an ambitious programme of tree planting, some greening of the verges and highways, increasing the use of Electric Vehicles by the County Council, rethinking the county's transport provision therefore, enabling residents to take fewer journeys by car and looking at options for the County Council to generate the energy it requires from renewable sources.

The strategy will also reflect the recommendations made by the task group. It will include a greater focus on and investment in encouraging residents to reduce, reuse and recycle,

setting out a revised plan for the Surrey Environmental Partnership and options for providing greater opportunities for charities and business to reuse materials from the county's waste stream.

The recommendations in this report, therefore begin this work.

## **RECOMMENDATIONS:**

It is recommended that:

1. The CRCs at Bagshot, Cranleigh, Dorking and Warlingham are kept open on their current operational days and that they revert to accepting wood in addition to the current types of recyclables.
2. The Leatherhead CRC is reopened on a Friday to ensure there is always a facility close to the Dorking site which is able to accept a full range of waste. Officers will also undertake a review of the opening hours of all CRCs to determine the costs and resident benefit of extended opening hours. Any changes will be agreed by the Director for Environment, Transport and Infrastructure in consultation with the Cabinet Member for Environment & Waste.
3. Wood and roofing felt charges will not be introduced at any of our CRCs and alternative savings are sought through the implementation of initiatives to reduce waste volumes further at the CRCs, for example by the use of Automatic Number Plate Recognition Cameras. Further compensating savings should also be sought through initiatives to increase recycling rates at the kerbside and by seeking commercial opportunities which arise from the Government's Resources and Waste Strategy.
4. The existing charging scheme for rubble, soil, plasterboard and tyres is retained because removal of these charges is likely to result in a significant increase in volumes of waste dealt with at the CRCs and an associated cost in the order of £2 million per year.
5. Suez continue to develop the reuse shop offering, expanding the offering as far as possible and developing beneficial links with charities and other organisations such as HM Prison Service. Officers will review the operation during 2020, exploring whether there are alternatives that could deliver better value for money with recommendations for any changes to be agreed by the Executive Director for Environment, Transport and Infrastructure in consultation with the Cabinet Member for Environment and Waste.
6. The Cabinet Member for Waste and Environment lobby the government to remove the requirement to charge VAT at reuse shops.
7. The Council engages with the Surrey Environmental Partnership (SEP) to help develop a renewed county-wide promotional campaign aimed at increasing the quality and quantity of recycling targeting the lowest performers and promoting increased levels of recycling at our CRCs.
8. A strategy paper be prepared and presented to Cabinet in 2020 to take account of the Government's Resource and Waste strategy and the changing economic drivers for the effective management of waste as a resource.

9. An annual charge of £8.50 be introduced for van and trailer permits from 1 January 2020.
10. Officers consider a business case for the introduction of Automatic Number Plate Recognition cameras to provide data on site usage and prevent the unauthorised use of CRCs by traders.
11. The Council, working with Surrey Environmental Partnership, delivers effective communication campaigns to increase the quality and quantity of recycling collected at the kerbside and at the CRCs.

#### **REASON FOR RECOMMENDATIONS:**

To implement the recommendations of the Cabinet that were agreed at their meeting on 29 January 2019 taking into account the report of the Waste Task Group that was considered at the Communities, Environment and Highways Select Committee on 19 September 2019.

#### **Background**

1. On 29 January 2019 Cabinet considered a report that detailed how a further £1 million of savings could be achieved from the operation of the Community Recycling Centre (CRC) service. The key elements of these savings were from closing four CRCs, introducing charging for wood from construction works and the charging an application fee for van permits.
2. Not all of the recommendations of this Cabinet report were adopted. A summary of the decisions taken are listed below:
  - *Maintain the current prices residents are asked to pay for chargeable materials taken to the CRCs.*
  - *Retain the CRCs located at Farnham and Lyne (Chertsey) based on the current and predicted use of these sites*
  - *Introduce an annual permit application fee for vans, pickups and trailers*
  - *Retain the CRCs at Bagshot, Cranleigh, Dorking and Warlingham until 30 September 2019, but restrict their use to accepting recycling material only. During this period assess whether different models for operating and funding these four sites could achieve the same saving as closing them.*
  - *That the Cabinet Member for Environment and Waste establish a Task Group to work with officers to develop a new waste strategy for Surrey County Council by 30 September 2020 considering the implications of the Government's Resource and Waste Strategy and ensure the waste service is affordable within the current financial strategy.*
3. The Cabinet also resolved to introduce charges for construction wood and roofing felt. However on 28 May 2019 the Leader announced that charges for construction wood and roofing felt would be deferred pending the outcome of the Task Group review of the CRC service and for technical reasons it has been agreed with the Cabinet

Member for Environment and Waste that the introduction of charges for van permits will be deferred until 1 January 2020.

4. The Task Group was asked to provide an initial report back to the Communities, Environment and Highways Select Committee on progress which it did on 19 September 2019. The Task Group has produced some specific recommendations regarding the CRC service as well as setting out a direction of travel for the development of a new waste strategy. The waste strategy work will continue through a dialogue process with the Surrey Environment Partnership (SEP). A summary of the Task Group report is contained in **Annexe 1**, and officer recommendations to address the points raised by the Task Group are set out in paragraphs 29 to 34 below
5. The officer recommendations are made in the context of the financial pressures facing the Council through significant increases to the costs of managing recyclables and increased costs for dealing with residual waste. These cost pressures are being caused by the reduction in price for recyclables and the shortage of energy from waste disposal capacity, particularly in SE England.
6. In March 2018 the average gate fee charged by a materials recovery facility to process recyclables was less than £40 per tonne however by August 2019, this gate fee was nearer to £60 per tonne. Similarly gate fees for energy from waste facilities have increased by around £7 per tonne during the same period. Given that the Council is now dealing with over 90,000 tonnes per year of recyclables and over 200,000 tonnes per year of residual waste these increased prices have caused a cost pressure of over £3.2 million per year.
7. Our success in reducing the tonnage of waste delivered to our community recycling centres (See **Table 1** below) and the fact that waste tonnages from kerbside collections have remained static, despite a growth in housing numbers, means that we have been able to mitigate the cost impact to some extent. If we had not been able to reduce tonnages, the cost impact would have been much greater.

#### **Key developments in waste management since 29<sup>th</sup> January 2019**

8. In February 2019 the Government produced three key consultation documents around: Extended Producer Responsibility (EPR), Deposit Return Schemes (DRS) and Consistency in Collections. Surrey County Council responded to all of these consultations as an individual authority but also as part of the Surrey Environment Partnership (SEP). These three initiatives will be the most significant change to the way we deal with waste in a generation and will pose challenges to both Surrey County Council and the district and borough councils. They will fundamentally change the way waste is managed in Surrey in the medium to long term. DEFRA have provided a summary report of the consultation and more concrete proposals are expected over the coming months with implementation expected from 2023 onwards.
9. The initiatives around EPR and DRS are intended to shift the cost burden of managing household packaging waste from local authorities to producers, stimulate recycling markets and encourage more efficient and effective collection systems. The drive for more consistent collection systems is designed to increase the quality and the quantity of recycling collected in kerbside collections. A description of each of these initiatives is provided in **Annexe 2**
10. It is too early to say with any certainty what the exact effects of the three initiatives above will be on waste management in Surrey. However, it is likely to require investment in new equipment, collection systems and infrastructure. The government

have indicated that further consultations on EPR, DRS and kerbside collection systems will take place in the Spring/Summer of 2020.

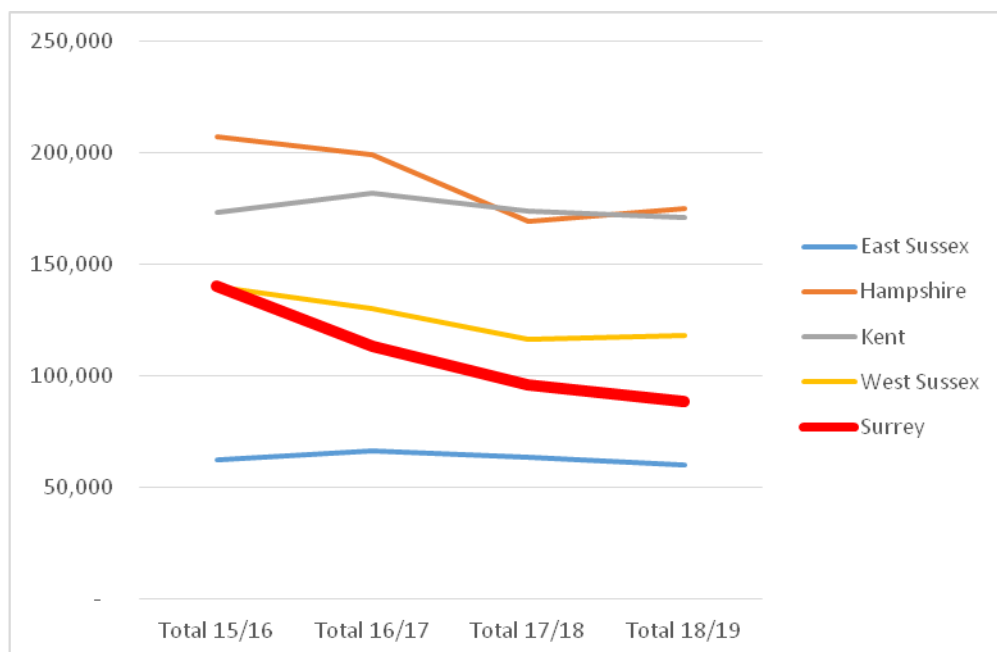
11. A second key development at a national scale has been the ongoing impact of Operation National Sword by the Chinese government and the associated media coverage of plastics being illegally disposed of in the Far East. The impact of this has been that the Far East has ceased to be an outlet for many recyclables particularly lower value commodities such as mixed plastics. While this has particularly affected the recycling collected at the kerbside by the districts and boroughs it does now have a serious financial impact on Surrey County Council as described above.
12. The lack of developed markets for recyclable products in the UK and Europe has led to an oversupply of material and a significant reduction in the prices paid for recyclables. Three or four years ago it wasn't uncommon to receive an income for mixed recyclable material delivered to a materials recovery facility because the value of the materials was greater than the cost of transporting, processing and separating them. Now however the average cost of transporting and processing those same materials is around £60 per tonne as compared with around £40 per tonne in March 2018. At the same time an over-supply in the market has led to re-processors demanding much higher quality standards, which has resulted in a greater proportion of material being rejected. The effect of this is that recycling rates in Surrey are falling. We need to do more to address this through publicity and education campaigns as well as working with the re-processors.

### Changes to the use of community recycling centres

13. There has been a significant reduction in the quantity of waste brought to community recycling centres (CRCs) in Surrey and our neighbouring authorities over the past four years. However the reduction in waste at our own recycling centres has been much greater than that of our neighbouring authorities. In Surrey we have been particularly successful at implementing initiatives to reduce waste volumes at our CRCs. These initiatives have been progressively introduced since 2015/16 and details of these are set out in **Annexe 3**. The impact on tonnages collected can be seen in **Table 1** below.

**Table 1: waste accepted at CRCs by year (Tonnes)**

	Total 15/16	Total 16/17	Total 17/18	Total 18/19	% change
East Sussex	62,597	66,419	63,796	60,475	-3%
Hampshire	207,328	199,201	169,245	175,196	-15%
Kent	173,557	182,316	174,087	171,401	-1%
West Sussex	139,922	130,549	116,543	118,273	-15%
Surrey	140,509	113,649	95,958	88,970	-37%



14. Many other authorities have also introduced initiatives such as charging, changes to opening hours and van restrictions though not with the same success as Surrey. **Table 2** provides a summary of types and timing of these changes. However, it should also be noted that some are going further than Surrey and now banning non-resident waste as a means of reducing waste. Hampshire County Council are proposing to introduce a charge for non-residents using their sites in 2020 whilst West Sussex County Council are proposing a ban on non-residents from December 2019. Historically there have always been cross border movements of waste as some residents live closer to neighbouring county sites than their own county sites.

**Table 2: Changes introduced by authority**

	Charging	Van permits	Day closures	Opening hours	Reuse shops
East Sussex	Oct '18	No	Oct '18	Oct '18	pre 2015
Hampshire	Oct '16	2008	No	No	No
Kent	June '19	2012	No	No	No
West Sussex	No	Oct '18	Oct '16	Oct '17	No
Surrey	Sept '16	April '16	April '16 and Jan '18	April '16	April '17

15. Surrey County Council must thus prepare to receive additional waste at some of its sites that border Hampshire and West Sussex. In addition applying a reciprocal ban on waste imports from outside Surrey will need to be considered in some form to ensure we minimise the impacts of increased waste volumes. A further decision paper will be brought to the Cabinet Member once officers have discussed and considered the implications with our neighbouring authorities.
16. **Table 3** sets out the total tonnages of municipal wastes collected across Surrey. It shows that there has been only a small increase in the tonnage of material collected at the kerbside by district and borough councils and that when this is set alongside the falling tonnages at CRCs there has been an overall reduction in municipal waste tonnages across Surrey. It is interesting to note that the increase in garden waste collected at the kerbside is mirrored by a corresponding decrease in green waste

collected at the CRCs, most likely as a result of a greater take up in paid for kerbside collected garden waste services. Officers believe that the most likely explanation for the significant decrease in CRC tonnages is more effective control over trade waste as well as residents choosing to use alternative waste disposal services such as skip hire.

**Table 3: Tonnages of materials collected at CRCs and in district and borough councils' kerbside collections between 2015/16 and 2018/19**

	15-16	16-17	17-18	18-19
CRC Residual	29,050	24,148	22,338	21,435
CRC Green	35,817	32,551	28,175	25,952
CRC Wood	22,127	19,141	16,965	16,766
CRC Hardcore	23,474	12,022	5,038	2,981
CRC Metal	8,228	7,727	7,152	6,897
CRC Other	21,813	18,060	16,291	14,938
	<b>140,509</b>	<b>113,649</b>	<b>95,958</b>	<b>88,970</b>
WCA Domestic	209,322	205,830	205,887	206,421
WCA Food	32,231	35,089	37,355	37,946
WCA Green	58,323	65,383	67,583	68,126
WCA DMR	123,676	121,317	119,351	118,495
Fly tipping	4,442	3,375	3,413	4,163
	<b>427,993</b>	<b>430,994</b>	<b>433,589</b>	<b>435,151</b>
<b>Total</b>	<b>568,503</b>	<b>544,643</b>	<b>529,547</b>	<b>524,122</b>

### Savings achieved in the operating costs of Surrey CRCs

17. Since 2015/16 significant savings have been achieved in the operation of the service which have been achieved mainly through a series of initiatives which are set out in **Annexe 3**. Each of these changes has led to a sustained reduction in tonnages of material that have to be dealt with and it is this that has contributed to the bulk of the savings. The contributions that these changes have made to reducing costs are shown in **Table 4** below. The renegotiation of the third party contracts was not part of the original savings programme. However changes in the market around outlets for garden waste and street sweepings provided an opportunity for Suez to negotiate reduced gate fees for these materials. The cumulative effect of the actual savings achieved has exceeded the target by £391k.



Table 4: Comparison of actual to target savings at CRCs

Projects	Cumulative position 2015/16 to 2018/19	
	Target	Achieved
Charging for tyres, plasterboard, rubble and soil	£650,000	£390,000
Increased enforcement including the use of electronic van permit system	£490,000	£1,210,000
Changes to CRC opening hours and days	£280,000	£280,000
Further changes to CRC opening days	£1,000,000	£320,000
Develop network of reuse shops at 4 CRCs	£300,000	£200,000
Sub-total	£2,720,000	£2,400,000
Initiatives to reduce residual waste tonnages including black bag sorting at CRCs	£539,000	£1,010,000
Renegotiation of food waste and sweeper waste disposal contracts	£0	£240,000
Sub-total	£539,000	£1,250,000
<b>TOTAL</b>	<b>£3,259,000</b>	<b>£3,650,000</b>

#### Update on the recycling-only trial at four CRCs

18. On the 7<sup>th</sup> May 2019 the CRCs at Bagshot, Cranleigh, Dorking and Warlingham became recycling-only sites. This meant that any containers that weren't for recycling were removed and the sorting of black bag waste by staff for additional recyclables was stopped. The containers removed included those for:
  - Black bag waste
  - Bulky waste
  - Wood
  - Hazardous chemicals
  - Mattresses
19. Officers have been closely monitoring tonnages collected at the four recycling-only CRCs as well as the immediately neighbouring CRCs and the other sites. In addition the tonnages of waste and recycling collected by individual districts and boroughs have been monitored to see if there is any pattern in those authorities that contain the affected CRCs compared to those that don't.
20. **Table 5** provides a comparison of the changes in tonnages accepted at the CRCs in the period May to August between 2018 and 2019 to try and identify the effects of the recycling only site trial.



**Table 5: Tonnages accepted at sites between May and August 2018 compared with May and August 2019**

		Residual	Wood	Garden	Recycling
Recycling Only CRCs	Bond Road CRC	- 106	- 72	- 37	- 38
	Nanhurst CRC	- 139	- 94	- 18	- 64
	Ranmore Road CRC	- 185	- 117	- 41	- 70
	Swift Lane CRC	- 226	- 142	- 45	- 68
	<b>Sub-total</b>	<b>656</b>	<b>425</b>	<b>141</b>	<b>241</b>
Nearest neighbours	Chaldon Road CRC	- 32	- 49	- 8	- 79
	Earlswood CRC	- 83	- 42	- 9	- 26
	Wilton Road CRC	- 42	- 67	- 166	- 122
	Witley CRC	- 33	- 55	- 18	- 92
	Leatherhead CRC	- 8	- 39	- 170	- 5
	<b>Sub-total</b>	<b>115</b>	<b>154</b>	<b>30</b>	<b>272</b>
Other sites	<b>Sub-total</b>	<b>224</b>	<b>280</b>	<b>678</b>	<b>521</b>
All sites	<b>Total</b>	<b>994</b>	<b>9</b>	<b>849</b>	<b>1,035</b>

21. As expected residual waste tonnages have fallen significantly at the recycling only sites, compared with the same period in 2018, as they no longer accept this material. However there has been an overall reduction in residual waste tonnage at all sites suggesting that residual waste volumes are being influenced by other factors. In contrast the amount of wood waste taken across all sites has remained static even taking into account a significant increase in wood waste in May as residents sought to dispose of it before the then proposed introduction of wood charges in June. It is also noted that there was a reduction in the tonnage of garden waste and recycling brought to the recycling-only sites but this was not picked up at the neighbouring sites.
22. The way we manage our waste also has an impact on greenhouse gas emissions. The greatest reduction in emissions is achieved by not creating waste in the first place. However if waste is unavoidable then following the waste hierarchy of re-using or recycling as much as we can, recovering energy from what is left and disposing of as little as possible to landfill will minimise greenhouse gas emissions. In addition to emissions from the way we deal with the waste, the reduction in volumes of waste also reduces greenhouse gas emissions from transport.
23. In addition there does not seem to be any migration of residual waste away from the CRCs and into the kerbside residual waste bin collections. **Table 6** below shows the

amounts of residual waste collected by each district and borough with those districts or boroughs containing a recycling only CRC highlighted. This shows an overall pattern of falling tonnages for the period. There are some significant differences month to month but this is a function of the difference in the number of working days falling in that month between 2018 and 2019. Thus there does not seem to have been any migration of waste from the CRCs into the kerbside waste collection systems.

**Table 6 Tonnages of residual waste collected at the kerbside by authority between May and August 2018 compared with May and August 2019**

	May	June	July	August	Total
Elmbridge BC	-89	-145	46	-16	<b>-205</b>
Epsom & Ewell BC	-42	-89	124	-64	<b>-71</b>
Guildford BC	-121	-103	-7	2	<b>-229</b>
Mole Valley DC	4	-107	38	-156	<b>-220</b>
Reigate & Banstead BC	-86	-103	58	-133	<b>-265</b>
Runnymede BC	-53	-54	182	-69	<b>6</b>
Spelthorne BC	-66	-11	158	-69	<b>12</b>
Surrey Heath BC	-26	-44	25	-10	<b>-55</b>
Tandridge DC	90	-19	79	-82	<b>68</b>
Waverley BC	-62	-69	87	-39	<b>-83</b>
Woking BC	-43	-116	66	21	<b>-72</b>
<b>Total</b>	<b>-494</b>	<b>-860</b>	<b>856</b>	<b>-616</b>	<b>-1,114</b>
<b>Recycling only WCAs</b>	<b>7</b>	<b>-238</b>	<b>229</b>	<b>-288</b>	<b>-290</b>

24. The final factor that was monitored during the trial was the number of residents visiting the sites compared to the same period in 2018. The number of visitors per week at each of the recycling only sites fell compared to the same period in 2018. In contrast the nearest neighbour sites observed a fall in May and June but significant increases in July and August. The other sites also observed a significant fall in visitors during May and June compared to 2018 but a small increase in July and August compared to the previous year. This could be a function of the exceptionally long and hot summer we experienced in 2018. In contrast July and August in 2019 were markedly cooler and wetter which may have caused more gardening and consequently more trips to the CRCs. Average visitor numbers are set out in **Table 7** below.

**Table 7: Comparison of the average visitors per week between 2018 and 2019**

		Change in average visitor no. pw			
		May	June	July	August
Recycling Only CRCs	Bond Road CRC	- 165	- 315	- 207	- 177
	Nanhurst CRC	- 369	- 605	- 295	- 447
	Ranmore Road CRC	- 128	- 525	- 311	- 497
	Swift Lane CRC	- 523	- 705	- 405	- 516
	<b>Sub-total</b>	<b>- 1,185</b>	<b>- 2,151</b>	<b>- 1,217</b>	<b>- 1,637</b>
Nearest neighbours	Chaldon Road CRC	- 240	- 333	134	207
	Earlswood CRC	- 158	- 793	299	477
	Wilton Road CRC	- 465	- 417	1,049	804
	Witley CRC	- 40	- 477	444	301
	Leatherhead CRC	50	- 454	502	386
	<b>Sub-total</b>	<b>- 853</b>	<b>- 2,475</b>	<b>2,427</b>	<b>2,175</b>
Other sites	<b>Sub-total</b>	<b>- 2,140</b>	<b>- 3,363</b>	<b>662</b>	<b>58</b>
All sites	<b>Total</b>	<b>- 4,179</b>	<b>- 7,989</b>	<b>1,873</b>	<b>596</b>

25. It is difficult to establish whether the changes in tonnages and visitor numbers have occurred as a consequence of the recycling-only trial or as a result of the other ongoing initiatives at the CRCs. However the downward trends are good news financially as illustrated in **Table 8** below. There is a sustained saving month on month as a result of the reductions in residual waste. In contrast there are fluctuations month to month for garden waste and other residual wastes such as wood, mattresses and hazardous waste. Finally the amount of recycling has fallen and as there is a net value to recycled materials collected at the CRCs this results in an additional cost as it represents lost income. It is important to note however that a saving of £109k has been achieved to date due to the continued reduction in tonnages. If this trend continues then this would deliver a full year saving of around £200K. In addition to this we have recently achieved some additional staffing savings as a result of the sites being less busy than anticipated.

**Table 8: Cost changes as a result of monthly changes in tonnages between 2018 and 2019**

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Total
Black bag / bulky	-£18,646	-£40,144	-£31,024	-£25,056	-£43,510	-£158,379
Other residual - wood, haz waste	£15,143	£3,966	£9,454	-£8,694	£9,374	£29,243
Garden waste	£7,535	-£42,588	-£49,071	£40,967	£27,607	-£15,551
Recycling	£1,548	£4,562	£13,075	£155	£16,134	£35,475
<b>Sub total</b>	<b>£5,580</b>	<b>-£74,204</b>	<b>-£57,565</b>	<b>£7,372</b>	<b>£9,605</b>	<b>-£109,212</b>

### Update on progress with reuse shops

26. In October 2015, Suez opened their first reuse shop on a trial basis at Leatherhead CRC. Three further shops were added at Witley, Earlswood and Woking in 2017 and a fifth shop was opened at the Shepperton site in March 2019. The shops have been a great success and are well liked by residents. In 2018/19 the four shops that were open at that time diverted over 800 tonnes of waste from disposal and the benefit of this combined with the council's share of shop income produced a benefit for the Council of £205,000. In addition as part of a charity giving initiative over £23,500 was donated to local charities nominated by shop users. One particular area of concern is that VAT is payable on all the items sold in the shop. It is proposed that the Cabinet

Member for Waste and Environment lobby the government to remove this disincentive to reuse. This is despite the Government promoting reuse shops to reduce waste.

27. Suez have undertaken considerable work to improve the look and layout of the shops with the introduction of 'Revive' branding and have also branched into testing and selling electrical goods such as televisions. A particular success for Suez has been their work with HMP Ford to refurbish bicycles brought to the CRCs. This provides training, equipment and employment opportunities for prisoners coming to the end of their sentence as well as a supply of refurbished bicycles for sale at the reuse shops.

### **Initial findings and recommendations of the Waste Task Group**

28. The Task Group report to the Communities, Environment and Highways Select Committee on the 19<sup>th</sup> September 2019 made a number of recommendations on changes to the CRC service. A summary and analysis of the Waste Task Group findings is set out in **Annexe 1** and recommendations in response to the Task Group report are set out below.

### **Recommendations to cabinet in response to Task Group recommendations 1 to 5**

29. It is recommended that the CRCs at Bagshot, Cranleigh, Dorking and Warlingham are kept open on their current operational days and that they revert to accepting wood in addition to the current types of recyclables. It is also recommended that the Leatherhead CRC is reopened on a Friday to ensure there is always a facility close to the Dorking site which is able to accept a full range of wastes.
30. It is recommended that the existing charging scheme for rubble, soil, plasterboard and tyres is retained because removal of these charges is likely to result in a significant increase in volumes of waste dealt with at the CRCs and an associated cost in the order of £2 million per year. It is also recommended that charges for construction wood waste are not implemented and alternative savings are sought through the implementation of initiatives to reduce waste volumes further at the CRCs, for example by the use of ANPR Cameras. Further compensating savings should also be sought through initiatives to increase recycling rates at the kerbside.
31. It is recommended that Suez continue to develop the reuse shop offering, expanding the offering as far as possible and developing beneficial links with charities and other organisations such as the HM Prison Service. Officers will keep this under review and explore whether alternative options would deliver better value for money at the conclusion of the 2020/21 financial year.
32. In response to the Task Groups specific recommendation on rebranding the CRCs, it is recommended that branding of the CRCs is considered as part the comprehensive communication campaign that is being recommended to promote increased levels of recycling at the kerbside and our community recycling centres.

### **Recommendations to cabinet in response to Task Group Recommendations 6 to 12**

33. It is agreed that much more needs to be done to improve both the quantity and quality of recycling that is collected. This has the dual benefit of reducing costs and improving the environment. It is recommended that in the short term the council engages with the SEP to help develop a renewed county-wide promotional campaign aimed at increasing the quality and quantity of recycling targeting the lowest performers.

34. In the longer term it is recognised that the Council needs to refresh and renew its waste management strategy to take into account the Government's emerging Resource and Waste Strategy and to pave the way for re-procuring its current waste contract which comes to an end in September 2024. A further paper to address these more strategic issues will be brought to Cabinet in Spring/Summer 2020 once more is known about the Government's own waste strategy.

#### **CONSULTATION:**

35. The report is an update on proposals that were considered by Cabinet on 29 January 2019 following a consultation exercise which received over 12,000 responses. A summary of the consultation is set out in that Cabinet report.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

36. The main concern highlighted in the January 2019 Cabinet report and which came through in the consultation responses was the concern that closure of CRCs and the introduction of charges for certain types of waste will lead to more fly tipping, which will lead to increased clearance costs for private landowners and district and borough councils. In response the then Surrey Waste Partnership developed a fly tipping prevention strategy. The aim of this strategy was to raise awareness amongst members of the public of their responsibility to ensure any waste generated by them is disposed of correctly and also to improve the coordination between and effectiveness of district and borough enforcement teams. The Strategy was refreshed by the Surrey Environment Partnership in 2019.
37. There is a risk that volumes of waste brought to Surrey CRCs could increase as a result of the Hampshire and West Sussex County Councils imposing restrictions on non-residents using their facilities. This would lead to increased costs for Surrey County Council.
38. It should be noted that in the Waste and Resources Strategy published on 18 December 2018, the Government have indicated that they propose to review the regulations which enable local authorities to charge for construction waste generated in the home. This review would be subject to a consultation, but there is no indication of when this review is likely to take place

#### **FINANCIAL AND VALUE FOR MONEY IMPLICATIONS**

39. The proposal to close four CRCs and the introduction of charges for construction wood set out in the 29 January Cabinet report would have delivered a saving of approximately £1 million per year. Whilst this saving will now not be realised, the continued reduction in waste tonnages handled at the CRCs and the addition of savings that Suez have delivered through the renegotiation of sub-contracts go some way to bridge this gap. There is however a risk that waste volumes could increase due to resident restrictions in neighbouring counties.
40. Finally if the Government decide to prevent local authorities charging for construction waste generated in the home then this would create additional cost for the Council.

However this will require a change in law which the Council should rightly be compensated for as a new duty.

#### **SECTION 151 OFFICER COMMENTARY**

41. The original proposal for changes at CRCs considered by Cabinet in January would have resulted in an annual saving of £1m, primarily from the closure of four sites and the introduction of charges for construction wood. The part-year effect of this during 2019/20 is £0.7m, and this is reflected in the Council's budget. As a result of the recommendations in this report most of this saving will not now be achieved, and this has been taken into account in developing the Council's future Medium Term Financial Strategy. Offset against this, waste tonnages have reduced as set out in the paper, and further reductions (or increased recycling) could potentially be achieved through the introduction of Automatic Number Plate Recognition technology at CRCs and improved recycling campaigns.

#### **LEGAL IMPLICATIONS – MONITORING OFFICER**

42. Proposed changes to the operation of the Community Recycling Centre Service were the subject of a full public consultation prior to the decision taken by Cabinet on 29 January 2019. To the extent that they represent changes in service provision, the current recommendations were consulted upon and subject to a full equality impact assessment at that time. The decisions that Cabinet are now asked to make represent less of a reduction in overall service than was previously proposed. In coming to a decision on the current recommendations members must satisfy themselves that the proposals will constitute a sufficient service to enable residents to dispose of their waste in compliance with the duty imposed on the Council by Environmental Protection Act 1990.

#### **EQUALITIES AND DIVERSITY**

43. The Cabinet report of 29 January included an Equality Impact Assessment (EIA) which identified that the main impacts were around closing the Warlingham site, which is used by pedestrians. Whilst the assessment remains valid, the impact will be reduced because it is being recommended that Warlingham CRC remains open as a recycling-only site.

#### **ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS**

44. The environmental sustainability implications were set out in the Cabinet report of 29 January 2019 and remain unchanged. Most greenhouse gas emissions are created during the production of a product which subsequently becomes waste and then further greenhouse gases are created in the transport and disposal of that waste. Processes such as reuse or recycling generally create the least greenhouse gas emissions but most significant reduction in emissions will be achieved through not creating waste in the first place. Therefore a continued reduction in the volumes of waste that we have to deal with has a positive effect on reducing greenhouse gas emissions.

**WHAT HAPPENS NEXT:**

45. Subject to approval by Cabinet the recommendations of this paper will be implemented.
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**Consulted:**

A comprehensive consultation on changes to the CRC service was undertaken in late 2018 and was reported to Cabinet on 29 January 2019

**Annexes:**

**Annex 1 – Summary of the recommendations of the Waste Task Group**

**Annex 2 – Summary of Defra Consultations**

**Annex 3 - Changes made at CRCs since 2015/16**

**Sources/background papers:**

Cabinet Report 29 January 2019

Report to Communities, Transport and Environment Select Committee 19 September 2019.

Cabinet Report 24 September 2019 - Petitions

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## Annex 1 – Summary of the recommendations of the Waste Task Group

### *Changes at Community Recycling Centres- Task Group recommendations 1 to 5*

1. The Task Group recommended that all current CRCs should be kept open and it is clear from the consultations that were undertaken in 2018 and the petitions reported to the Cabinet in September that the CRCs are very popular with residents. However, the permanent closure of the four smallest sites that formed the recycling only trial would provide an annual saving of £650,000 and if they are to stay open then alternative savings will need to be identified. There have been continued savings during 2019/20 across the CRC service which amount to £109,000 to date due to an overall reduction in tonnages dealt with at the sites. The evidence would suggest that reducing tonnages are part of a wider trend across all the CRCs and not just at the recycling-only sites. If the trend of reducing tonnages were to continue then it could be assumed that an annual saving of £200,000 could reasonably be achieved in addition to savings on labour costs.
2. Officers are also considering a business case for the introduction of Automatic Number Plate Recognition (ANPR) Cameras at the community recycling centres which could result in a further reduction of waste volumes through further controls over unauthorised traders using the facilities and improved van permit scheme.
3. It should however be noted that three of the four recycling-only sites are located in relative proximity to the borders of Hampshire and West Sussex and therefore these sites together with other surrey CRCs are likely to be used by Surrey residents who can no longer use sites out of Surrey due to resident restrictions. This is likely to result in an increase in volumes of material handled at these sites and a greater financial pressure. We are monitoring this carefully and will be liaising with Hampshire and West Sussex County Councils.
4. A further point to note is that upcoming DEFRA policies will place an increasing reliance on infrastructure such as CRCs to facilitate the proposed EPR and DRS schemes. This means that in the future, there may well be opportunities to work with producers to generate income from using the sites as hubs to collect packaging.
5. The Task Group suggested that opportunities may exist to sell existing sites and re-provide them nearby with a net saving to the tax payer. Officers will keep this under review but given today's knowledge of the potential sale value of the sites and the cost of re-provision no such opportunities currently exist.
6. The Task Group recommended that charges for small quantities of wood and rubble should be discontinued.
7. Charges for construction wood waste have not ever been implemented however the charging scheme for rubble, tyres and plasterboard has been in operation since September 2016. The scheme has become fully embedded in the CRC service, has been largely accepted by site users and provides a significant ongoing saving to the Council. Whilst the saving directly associated with reducing the volumes of rubble, plasterboard and tyres and recovering the cost for dealing with what is left is around £390K per annum it is important to note that the charging scheme funds the cost of providing the staff at the entrance to the charging scheme CRCs. These staff

undertake other duties such as van permit and trade waste checks which have helped to significantly reduce waste volumes. Officers also believe that charging for rubble has meant that more residents are hiring skips to manage their construction project waste. This in turn is likely to have contributed to the reductions in wood waste brought to the CRCs. If the charging scheme for rubble, plasterboard and tyres were to be reversed and waste volumes returned to where they were prior to the introduction of the charging scheme then the additional cost to the council would be in the order of £2 million per year.

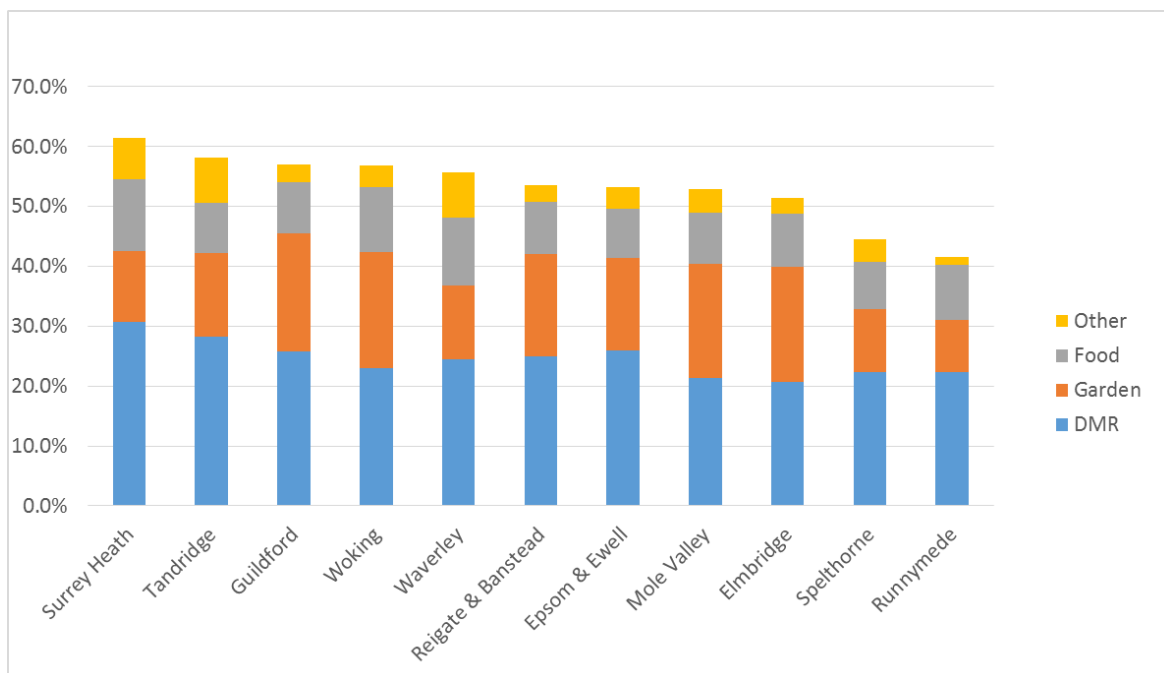
8. Charges for construction wood waste have not yet been implemented but if they were then they would have the potential to save £300k per annum. There are no clear alternative proposals that will secure a saving of this scale within the CRC service. Whilst separated wood does have a lower disposal cost than residual waste the quality of the wood collected at CRCs is too poor to secure any income through supplying wood chip burners. It is however recognised that charging for construction wood waste would be unpopular with users and much more difficult to implement than charges for rubble or soil, given that only wood generated from construction activities would be chargeable. It might also lead to more residents burning wood at home, some of which will be treated and unsuitable for home fires which would cause environmental harm.
9. The Task Group recommended that a review of the reuse shops should be undertaken after one year of operation and consideration given to expanding them or investigating other methods of operation such as through the voluntary sector.
10. The operation of the reuse shops through Suez has been an early success and the recent opening of a fifth shop at the Shepperton CRC will further boost the income that Surrey County Council receives. Surrey County Council should be open to proposals for the running of the reuse shops that may improve the income received.
11. The Task Group recommended that a rebranding of the CRCs should be considered. The success of the CRCs to improve recycling rates is ultimately dependent on what materials residents bring to the sites and how they are presented. Any initiatives that will help and encourage residents to view the sites as places they can recycle waste are welcomed.

### **Scaling up Waste reduction, Reuse and Community Composting and Raising recycling and its quality - Task Group recommendations 6- 12**

12. The Task Group recognises that the public require a clear consistent message on how they can reduce, reuse and recycle waste. The group also recognised the role that reuse organisations, community groups and charities play and the importance of joining these up and promoting them as an overall offering to our residents alongside traditional kerbside collections and community recycling centres.
13. The Task Group also recognised the significant financial saving that could be achieved by extracting more recycling from the residual waste bin. There would also be benefit in the Council investing in its own materials recovery facility.
14. The Task Group has recommended that there is a greater level of engagement with the Surrey Environmental Partnership (SEP) including scrutiny of the annual plan and performance. More needs to be done to address the variation in recycling rates between individual districts and boroughs and the inconsistencies in collection arrangements. In addition consideration needs to be given to the financial arrangements between the district and borough councils and the county council in order to incentivise increased performance.

15. Finally the Task Group considers that there may be opportunities to join up with the commercial sector, including using CRCs for commercial wastes.
16. The issue of quality of recycling as well as quantity is an important one particularly in the context of the Chinese Government's Operation National Sword. Surrey County Council has committed to a process of taking responsibility for the management of recycling collected at the kerbside by the district and borough councils and therefore has a significant interest in improving the quality and value of the recycling collected. By November 2019, Surrey County Council will have taken on the logistical and financial responsibility for managing kerbside collected recyclables from nine of the eleven the district and borough councils.
17. **Table A** below provides a summary of the recycling performance of each authority in 2018 broken down by the materials that contribute to this recycling rate. It should be noted that the amount of garden waste that is collected by a district and borough can have a significant influence on the overall recycling rate particularly who are considered higher or lower performers.

**Table A: recycling performance by authority in 2018**



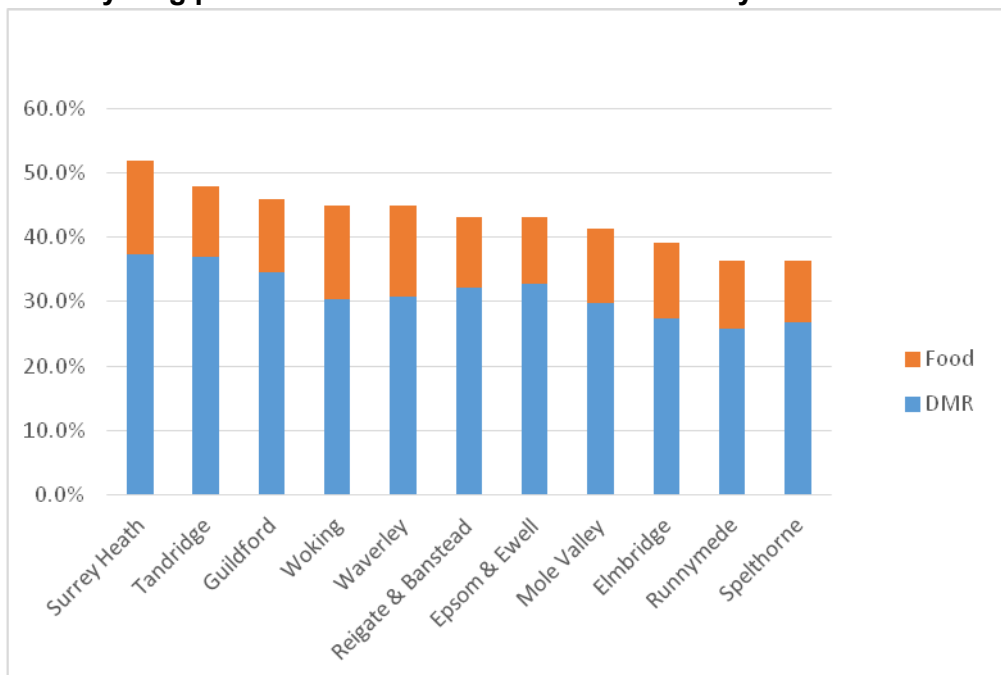
18. **Table B** below shows the composition of the kerbside residual waste bins across Surrey. This provides an insight into what the major materials streams are that enter the residual waste and what we should be targeting through our communications campaigns so that they are reduced or diverted into the recycling systems. This waste analysis shows that there is very little garden waste in the residual waste stream. In contrast there are significant amounts of materials that are paper/card, plastics and food materials. While not all of these materials are recyclable significant proportions of these could be diverted into the existing kerbside Dry Mixed Recyclables (DMR) and food collections.

**Table B: composition of residual waste in Surrey 2016/17 (by weight)**

	Composition
Paper and Card	12.68%
Plastics	14.03%
Glass	2.65%
Textiles	5.37%
Metals	3.03%
Wood	1.51%
Offensive Waste	12.33%
WEEE	1.71%
Garden	4.16%
Food	27.90%
Hazardous	0.37%
Misc - Comb	7.47%
Misc - Non Comb	6.10%
Misc - Reusable	0.69%
	<b>100.00%</b>

19. **Table C** below provides a slightly different comparison by exploring the balance between collected DMR, food waste and residual only (excluding garden waste and street sweepings). By viewing these three waste streams in isolation we can see that we are recycling less than half of the material collected at the kerbside once garden waste has been discounted. This can be considered disappointing when the waste composition analysis in table 10 shows that over a quarter of the residual waste bin alone could be put into the food waste collection bins. In addition there are significant elements of the residual waste stream that could be put into the DMR stream such as paper, card, plastics, glass and drinks cans. It was mentioned earlier that Operation National Sword is having impacts on the quality of materials required in the DMR stream however, there are still opportunities to recycle more. Therefore it is essential that more work is done to boost communications around food waste and DMR recycling to ensure that we can reduce the amount of residual waste that we have to dispose of.

**Table C: recycling performance for food waste & DMR only 2018**



20. Diverting waste from the residual waste stream makes financial sense as well as being better for the environment. It is around £60 per tonne more expensive to dispose of a tonne of materials in the residual waste than it is to recycle them as part of the DMR collections. For food waste, the differential is nearer £100 per tonne and for textiles the differential can be over £300 per tonne as clean textiles currently command a value of over £200 per tonne. Therefore significant cost savings could be made by encouraging residents to divert more food, DMR and textiles from the residual waste stream into their recycling collections. At the same time it is important to maintain the quality of materials by giving clear messages on excluding non-recyclable materials and encouraging residents to wash bottles and containers to remove contamination prior to putting them in the recycling bin.

### **Extended Producer responsibility (EPR)**

EPR is intended to pass on the costs of many packaging such as bottles, cans and boxes onto those that manufacture and sell these items. The proposal is that the costs of collecting and managing these materials are paid for by the producers. Thus there is a potential input of money for both the Waste Collection and Disposal Authorities in Surrey. The initiative also aims to encourage packaging to be made from both easily recyclable material and material that has previously been recycled. This should allow a far simpler and more effective recycling message to be provided to residents. The key challenge for Surrey County Council and the boroughs and districts will be dealing with companies that operate on a global scale and have interests other than waste management.

### **Deposit Return Scheme (DRS)**

DRS are an extension of EPR and involves consumers paying a deposit on top of the cost of buying certain items such as 'on the go' drinks. Once the consumer has finished with the item they have to take it to central collection points where they will have their deposit returned. This is intended to further boost the recycling of these types of packaging however there are concerns that this will compete with materials that are already collected in the kerbside services. This would potentially have the impact of reducing the financial support that local authorities would receive through the EPR scheme. Equally the DRS will require sites to locate drop-off points which could provide opportunities for the existing CRCs and local authority 'bottle banks'.

### **Consistency of Collections**

DEFRA feels that greater consistency is needed between local authorities in terms of what they collect and how. They feel a simpler, consistent service will allow national scale education to take place while providing a clearer understanding for discussions with producers under the EPR scheme. As part of the consistent collections they have proposed kerbside food collections for all areas as well as free garden collections for all authorities. Surrey already has separate food collections at the kerbside across the County, however all of the garden collections are on a paid for subscription basis. DEFRA believes that there is a significant amount of garden waste in the residual waste stream that could provide a significant saving if diverted for composting hence the justification for a free collection. However, in Surrey, data on the composition of the residual waste stream shows that it does not contain a significant quantity of garden waste. Thus a free service would be a significant financial burden to local authorities. Both Surrey County Council and the SEP responded strongly against the proposal for free garden collections.

### Annex 3: Changes made at CRCs since 2015/16

Date	Details of Change
1 April 2016	Reduced opening hours, so that all sites open 8am to 4pm weekdays and 9am to 4pm at weekends all year round (The CRC at Shepperton has had its hours extended during the summer service as a result of the Eco Park construction)
1 April 2016	Closed Dorking, Caterham, Cranleigh, Farnham and Warlingham CRCs one extra day per week.
1 April 2016	Removed rubble containers from the sites located at Bagshot, Caterham, Cranleigh, Dorking, Farnham and Warlingham ahead of the introduction of charging.
1 April 2016	Introduced a new van permit scheme with an annual 12 visit allowance and extended Surrey Resident scheme to additional sites.
1 Sept 2016	Introduction of charges for rubble, soil, plasterboard and tyres with 1 bag free daily allowance for rubble, soil & plasterboard.
April/May 2017	Revive reuse shops opened at Earlswood, Witley and Woking CRCs. (A reuse shop was already in place at Leatherhead CRC on a trial basis, but this was extended to a permanent operation).
4 Dec 2017	Removed free daily allowance for rubble soil and plasterboard and extended Surrey resident scheme to the CRC at Camberley (The Surrey resident scheme was already in operation at Caterham, Epsom, Shepperton and Warlingham CRCs)
8 Jan 2018	Stopped vans, trailers and pickups from using the CRCs at Bagshot, Caterham, Cranleigh, Dorking, Farnham and Warlingham.
8 Jan 2018	Retained a strategic network of 4 sites that would remain open 7 days a week (Earlswood, Shepperton, Witley and Woking) and reduced opening hours at most other sites: <ul style="list-style-type: none"> <li>• Caterham, Leatherhead, and Camberley - open 6 days per week</li> <li>• Epsom, Chertsey, Guildford, Farnham – open 5 days per week</li> <li>• Bagshot – open 4 days per week</li> <li>• Warlingham, Dorking, Cranleigh – open 3 days per week</li> </ul>
7 May 2019	Introduction of recycling-only trial at Bagshot, Cranleigh, Dorking and Warlingham CRCs