

18 November 2019

Agenda Item: 8

## **REPORT OF THE SERVICE DIRECTOR, PLACE AND COMMUNITIES**

### **MANSFIELD DISTRICT COUNCIL GLASS COLLECTIONS – FUNDING SUPPORT**

#### **Purpose of the Report**

1. To update Committee on the current proposals of the Mansfield District Council (MDC) Kerbside Glass Collection project and to seek approval for a capital funding contribution of £295,100 towards the project funded from the Waste PFI Reserve.
2. To approve the completion of a Service Level Agreement with MDC to the satisfaction of the Group Manager Legal, Democratic and Complaints to support the delivery of the project.

#### **Information**

##### **Background**

3. The Leader and Chief Executive have given in principle support to the County Council working with Mansfield District Council to introduce a kerbside glass collection in the district.
4. Currently 3 districts in Nottinghamshire collect glass at the kerbside (Ashfield DC, Broxtowe BC and Gedling BC) although other district and borough councils collect significant tonnages of glass via the bring bank networks. MDC collect only 800 tonnes per annum at the bring sites, considerably less than most of the other boroughs and districts.
5. MDC approached the County Council with a view to collaborative working around implementing a kerbside glass collection service to help improve this performance. In order to implement this MDC sought a capital contribution of £295,100 with the expected payback coming from glass diverted from the residual waste stream.

##### **Mansfield DC Proposal**

6. The proposal indicates a preferred option of using wheeled bins rather than polypropylene bags for the collection of glass at the kerbside.
7. MDC are still seeking a capital contribution of £295,100, towards the acquisition and sign-writing of a designated freighter for glass collection, purchase and delivery of receptacles and

marketing materials to households. It is proposed that this contribution is funded from the Waste PFI Reserve.

8. The County Council will also continue to pay MDC the statutory recycling credits for all the glass collected at the kerbside and through their bring sites.
9. MDC agree to running the service for a minimum of 5-years and a proportionate payback of capital is agreed should the service be withdrawn. Furthermore, MDC agree to a penalty payment of £49.18 for every tonne collections are below the annual target of 2,000 tonnes achieved through kerbside collections and at bring banks.
10. MDC have assumed a collection rate of 1,600 tonnes from the kerbside and a further 400 tonnes still collected via bring sites giving a total of 2,000 tonnes per annum. This would amount to a revenue cost to NCC of around £120,000 per annum in recycling credit payments. The financial model for the proposed project can be seen in Appendix 2.
11. MDC would meet the additional capital costs associated with the purchase of the collection vessels. In addition, MDC will be responsible for the operational costs which are expected to be around £44,900 per annum net of the recycling credits noted above. This has the potential to be reduced if the capture rate exceeds the target of 2,000 tonnes per annum.

### **Expected Benefits**

12. NCC would achieve savings through waste disposal costs as glass is diverted from the residual waste stream and collected separately. After the payment of recycling credits to MDC this represents a saving to NCC of around £69,000 per annum in disposal costs, giving a payback period of 4.3 years on the initial capital. It is proposed that this saving is used to repay the initial capital contribution from the Waste PFI Reserve.
13. It is estimated that the capture rate of 2,000 tonnes of glass per annum (an increase of 1,200 tonnes) would increase the MDC recycling rate by around 3%, although this would only provide a 0.3% increase at County level.
14. A free kerbside glass collection would however further clarify that glass should not be placed in the recycling bin which will help to reduce levels of contamination in the dry recycling which is particularly high in parts of Mansfield.

### **Risks and Dis-benefits**

15. The proposal removes glass from the residual bin and creates increased capacity within this bin. If filled, this capacity increase could undermine any disposal savings achieved, extending the payback period and reducing the recycling percentage increase.
16. Glass from sources such as supermarket glass banks not provided by MDC may also enter the collection stream alongside that diverted from the residual bin. This is not glass that NCC currently pays for the disposal of, so this would increase the recycling credit payments made by NCC without the benefit of savings made through disposal costs.

17. Last year's Resource and Waste Strategy proposed a consistent set of materials to be collected in kerbside recycling bins across England. Following the consultation on this proposal the government has further emphasized that this will be actioned with an expected introduction of a consistent set of materials in 2023. Glass is highlighted as one of the items to be collected but it is not yet clear how the government intends for this to be collected. Should this be collected separately then there would be no perceived impact on this proposed glass collection scheme. However, if it is specified that glass be collected as part of a co-mingled collection it is not clear what the implications of this will be on the County Council's investment.

### **Proposed Service Level Agreement**

18. NCC have proposed a Service Level Agreement to MDC which minimises the risks of the County Council's investment. This includes placing claw back provisions for the capital contribution on MDC in the event that they withdraw the scheme before the 5-year payback is achieved, or if they fail to achieve the 2,000 tonne per annum capture rate.

19. MDC are happy with guaranteeing to maintain the scheme for 5 years, taking the responsibility for the replacement of any collection vessels as required to maintain the service, and guaranteeing the capture rate (and hence the payback period to NCC) of 2,000 tonnes.

20. The payback mechanisms can be found in the Service Level Agreement set out in Appendix 1.

### **Other Options Considered**

21. Not to agree funding to MDC. This would likely mean that a glass collection service in Mansfield is unlikely to be implemented. This would result in a significant amount of glass continuing to be placed in the residual bins, resulting higher waste disposal costs than not implementing the project. Not funding the project would also mean that the opportunity to improve the recycling rate at a district and county level would be missed.

### **Reason/s for Recommendation/s**

22. The implementation of a glass collection scheme would mean an ongoing reduction in waste disposal costs as glass is diverted out of the residual waste stream. Furthermore, recycling rates have stagnated in recent years and whilst the expected impact of this scheme is modest it would nonetheless result in an improvement in recycling performance.

23. The County Council's investment is protected via the draft Service Level Agreement as set out in Appendix 1. This protects against MDC withdrawing the service in the expected payback period as well as covering any shortfall in the quantity of glass collected by MDC.

### **Statutory and Policy Implications**

24. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and

the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

25. The proposals detailed within this report set out a capital contribution of £295,100 to MDC. This will be recouped through waste disposal savings with an expected payback of 4.3 years or sooner. The initial capital contribution will be funded from the Waste PFI Reserve and savings achieved through reduced waste disposal costs will be used to repay the Reserve.

### **Implications for Service Users**

26. Residents of the Mansfield District will have an additional collection vessel, be this a wheeled bin or polypropylene bags.

### **Implications for Sustainability and the Environment**

27. The implementation of a new glass collection service will mean more glass will be sent for recycling rather than disposal. Glass is a highly recyclable product and diverting this out of the residual waste stream is a much more preferable approach.

## **RECOMMENDATION/S**

That Committee:

- 1) Approve a capital contribution of £295,100 towards the Mansfield District Council kerbside glass collection service to be funded from the Waste PFI Reserve, and the amendment of the Capital Programme accordingly.
- 2) Approve the completion of the Service Level Agreement with Mansfield District Council to the satisfaction of the Group Manager Legal, Democratic and Complaints to support the delivery of the project.

**Derek Higton**  
**Service Director, Place and Communities**

**For any enquiries about this report please contact:**  
**Mick Allen, Group Manager, Place Commissioning**

### **Constitutional Comments [EP 22/10/2019]**

28. The recommendations fall within the remit of the Finance and Major Contract's Management Committee by virtue of its terms of reference.

## **Financial Comments [RWK 24/10/2019]**

29. The report proposes a capital contribution to Mansfield District Council towards the costs of a kerbside glass collection service to be funded from the Waste PFI Reserve. The balance on the Waste PFI Reserve as at 1<sup>st</sup> April 2019 was £25,583,440.
30. The implementation of a kerbside glass collection service in Mansfield is expected to reduce waste disposal costs by £69,000 per annum giving an expected payback in 4.3 years. The expected savings will be used to repay the Waste PFI Reserve.

## **Background Papers and Published Documents**

- None

## **Electoral Division(s) and Member(s) Affected**

- Mansfield North
- Mansfield South
- Mansfield West
- Mansfield East
- Warsop
  
- Joyce Bosnjak
- Stephen Garner
- Paul Henshaw
- Vaughan Hopewell
- Parry Tsimbiridis
- Andy Sissons
- Diana Meale
- Andy Wetton
- Martin Wright