

**REPLY BY THE MINISTER OF THE PUBLIC SERVICES DEPARTMENT  
TO A QUESTION ASKED PURSUANT TO RULE 6 OF THE  
RULES OF PROCEDURE BY DEPUTY A H ADAM**

*During question time at the November States meeting I asked various supplementary questions that you considered were outside the area of the initial question. You suggested I should pose them as Rule 6. I have taken your advice and submit the following under Rule 6 of the Rules of Procedure.*

*For ease of reference, I have presented them under the number of the original questions posed by Deputy Spruce in the States meeting.*

**Question 1a**

*Within contracts for capital projects the consultancy fees, design and project manager costs are included in the final capital sum. Does this apply to the Waste Strategy costs?*

**Answer**

The Department has yet to submit its final capital sum. All programme costs, including technical adviser fees, design and project management, will be included in the overall costs.

**Question 1b**

*A material recovery facility (MRF) was purchased by the successful tender for kerbside recycling. This contract was for the trial period of this service thus the bid included total cost of the MRF and the cost of kerbside collection. The MRF equipment had a life expectancy of five years. Will this equipment be used for the five years and then require replacement and is this new MRF included in the overall capital costs?*

**Answer**

A processing contract was awarded for the interim kerbside scheme. The capital costs for the facility to provide this service is a matter for the private contractor, and the Department has not entered into any separate capital investment with the company. As such we are not in a position to comment on the expected life of its equipment, or its use beyond the duration of the interim kerbside contracts.

Longer term, the provision of a Materials Recovery Facility is part of the current procurement of services and infrastructure, and we are therefore not in a position to comment further while that process is ongoing.

**Question 2a**

*Will the strategy be followed no matter what is the cost or environmental implication?*

No. Our decisions not to proceed with In-Vessel Composting on-island, and not to expand the interim kerbside scheme to include glass at this time, are both evidence of this. Both would have helped move towards 60% recycling rate. Both were rejected because the costs are currently deemed too high, but we are looking instead at alternatives for food waste processing, and will revisit the possibility of glass collections next year. This demonstrates the Department is focussed on delivering the objectives of the strategy, putting in place a sustainable, long-term solution for dealing with the island's waste, and at the same time ensuring best value for money.

**Question 2b**

*Has a full life-cycle assessment of the collection, storage, on-island treatment, export and ultimate off-island processing been carried out and evaluated for each stream?*

**Answer**

As I detailed in the response to this question in reply to your Rule 6 submission in July 2015:-

“In developing the waste strategy, we conducted detailed life cycle analysis on a wide range of different waste management scenarios. That considered the relative impacts of dealing with all recyclables, and all other elements of the waste stream, based on different collection models, treatment options, and recycling levels - amongst other variables. This also took full account of local factors, such as the island’s electricity mix and transport requirements. That detailed assessment is available on the States of Guernsey website”

That work will help to inform the full business case that will be submitted detailing all the elements of the waste strategy programme.

**Question 2c**

*Have you considered preparation of paper/cardboard/plastic for RDF and sale as fuel for incineration?*

**Answer**

The strategy agreed by the States in 2012 and endorsed in January 2014, July 2014 and December 2014 incorporates high recycling and processing and export of residual waste as Refuse Derived Fuel (RDF). The processing of paper/cardboard/plastic for RDF, other than what is contained in residual waste, is contrary to the strategy approved by the States, therefore we have not considered and are not currently considering that option.

While the prospect of the island ‘selling’ RDF to other jurisdictions no doubt sounds attractive, the scenario suggested in the question may be somewhat optimistic - at least at the present time. Currently, Energy from Waste facilities accepting RDF for treatment would be expected to charge a gate fee. However the opposite may be true for Anaerobic Digestion plants that process food waste, who we expect will pay for this material.

**Question 3a**

*What was the amount spent to achieve the stated increase in recycled material?*

**Answer**

In the first 12 months of kerbside recycling, nearly 500 additional tonnes of the main household dry recyclables were collected. This comprised around 200 additional tonnes of clear bag materials (paper and card), around 200 additional tonnes of blue bag materials (plastics, tins & cans, and cartons), and around 60 additional tonnes of glass. Although glass is not included in the interim kerbside scheme, the amount collected through bring banks had shown a steady decline since 2010, thought to be largely due to changes in product packaging. The reverse in this trend coinciding with the introduction of kerbside collections is being attributed to the new service. Similarly, the increase in the amount of paper and card collected has to be considered in the context of a significant, sustained reduction in paper usage, reflected in a 15% fall in bring bank tonnages in the three years prior to kerbside collections.

In the 12 months to March 2015, provision of kerbside recycling and bring bank facilities cost £1.46 million. This compares to £0.58 million in 2013 (calendar year), representing an increase of £0.88 million.

It is advisable to avoid the temptation of dividing the increased cost solely by the additional tonnage collected, as has been attempted previously. For instance, this is a transition period, during which the cost of kerbside is considered to be artificially high, due to short term processing and collection contracts. In addition, of the materials included in the kerbside scheme, the new service now accounts for around 70% of the total collected. More rationalisation of the bring banks should therefore be possible, which could produce further operational savings in due course.

More importantly, however, such a comparison is overly simplistic. The situation is far more complex, and requires a holistic view of waste – as was adopted in the development of the waste strategy.

To illustrate this simply, in 2004 more than 70,000 tonnes of waste was deposited at Mont Cuet. Had the States not taken steps then to divert waste away from landfill, for example by increasing tipping charges and promoting recycling, Mont Cuet would have been full years ago. Had we continued tipping at the 2004 rate, we would have required at least one other landfill site of similar capacity - possibly two. Mont Cuet, 20 years ago, cost around £7 million to acquire and prepare. We may have incurred costs in some of the measures to divert waste (e.g. recycling), but we have successfully avoided repeat site acquisition and engineering costs of this magnitude, at today's prices, and potentially more.

That in itself is a simplified illustration, but demonstrates how void space at Mont Cuet has both a strategic and financial value to the island. The true cost of landfilling material which might otherwise have been recycled is therefore not simply reflected in the site operating costs.

With the current waste strategy, minimising waste and increasing recycling, in combination with export of RDF, helps to reduce the need for an inflexible, on-island end treatment facility at a time when our waste is falling. The most recent comparable cost for such an in-island facility would be the Suez proposal, for which the capital cost was more than £90 million.

### **Question 3b**

*If similar promotion and more convenient access to Bring Banks had been introduced, would this have been as effective in some parishes?*

#### **Answer**

This is an entirely hypothetical question. The reality of bring banks is they were introduced at a time when the island was recycling less than 20% of household waste. They may have served us well, but experience has shown that there is very little scope for further development of new sites. They are not popular 'neighbours', and many of the existing facilities are in unsuitable locations, presenting significant amenity issues. While they may be in need of improvement, it is difficult to see scope for increasing capacity to the extent that could deliver growth in recycling, which had not materialised in recent years.

### **Question 4**

*You stated in your answer to Deputy Spruce that the kerbside service is not free, nor are the bring banks free and nor would disposing of this material be free if we were not recycling it. This suggests that recycling of the material is cost neutral – is this true?*

*What evidence is there that kerbside recycling is value for money or of economic environmental benefit?*

#### **Answer**

The point that was being made was that there is no 'free' option for waste. However as referred to in the earlier answer, in cost terms the balance between different options is complex. To compare the cost of recycling solely against the cost of disposal – and particularly the cost of cheap, untreated landfill – does not necessarily provide a true representation.

Recycling (as well as waste reduction and reuse) is widely recognised as delivering significant environmental benefits, including energy savings, reduced emissions, and lower depletion of raw materials. That is acknowledged in the waste strategy approved by the States, which embraces the internationally accepted principle of the waste hierarchy. There are two key points to note from this work. First is that in considering the global warming potential, all of the scenarios considered performed better at higher levels of recycling. Second, the impact of transportation on each of the scenarios was negligible.

### **Question 5a**

*What are the present cost estimates for households? The range quoted is £213 to £326 /year. How does that compare with present costs?*

### **Answer**

The current cost to households is, on average, around £110 a year. The current estimates for average household costs, once the waste strategy has been fully implemented, are as quoted (i.e. £213 to £326). That range was provided to States Members before approving key elements of the strategy in January 2014 and December 2014.

That is equivalent to between £4 and £6 per week, per household (not per islander). That is also the total, not the increase, and includes parish collection costs, recycling costs, and waste treatment and disposal. Based on the most recent Household Expenditure Survey, in 2013, it represents approximately half of one per cent of the average household's weekly expenditure, and will represent good value to have all of their waste dealt with in an efficient, modern and sustainable manner.

### **Question 5b**

*Tipping charges have gone up by 8.5% each year, and are to be increased by 11.5% in 2016 making them the highest in Europe. Is this correct?*

### **Answer**

Since the Suez proposals were rejected by the States in 2010, there have been annual increases in Mont Cuet gate fees of 3% (2011), 3% (2012), 5% (2013), 2.6% (2014), and 10% (2015). In that time, the gate fee has risen from £136.60 per tonne to £171.78 per tonne. Averaged over five years that is an annual increase of around 5%, and equates to an above inflation rise of approximately £10 in the average household annual refuse rate over this period.

The 11.5% increase for 2016 will equate to an increase of around £8 per annum in the average household refuse bills.

The Department does not maintain statistics on European landfill charges, but any comparison may be misleading. In Guernsey, income from gate fees at Mont Cuet (and the Department's other waste sites) funds the Solid Waste Trading Account, which in turn is used to fund "non-disposal" household waste activities such as kerbside recycling, bring banks, the Longue Hougue waste recycling facility, Bulk Refuse, the Love Food Hate Waste initiative, education and promotion, etc. If landfill charges in other European jurisdictions are used to provide similar funding for waste services then it might be a fair comparison. If however they simply represent the costs of site operators plus landfill taxes that go to general revenue, we would not be comparing like for like.

The cost of landfill in other jurisdictions is also largely irrelevant since waste charges in Guernsey are specific to our own requirements, not least of which is to meet the directions of the States and deliver the agreed waste strategy.

**Question 5c**

*How much income does PSD get from gate fees, net of costs?*

**Answer**

The Department received income from parish waste of £1.32 million in 2014, and around £1.39 million (forecast) in 2015 - after the subsidy provided to parishes for kerbside collections. After deducting a proportion of site operating costs associated with parish waste, there was a net annual surplus at Mont Cuet of around £660,000 in 2014 and (forecast) around £720,000 in 2015.

This net annual surplus at Mont Cuet makes a contribution to the costs of providing a range of household waste and recycling services, including kerbside collections, bring banks, Bulk Refuse, the Longue Hougue Recycling Centre.

**Question 5d**

*How much income from recyclates, net of costs?*

**Answer**

The question could more accurately be put the other way around, i.e. how much does recycling cost the Department, net of income?

In 2014, the Department received the following income for materials collected through bring banks:-

- Tins & cans    £22,443
- Glass            £10,440
- Polystyrene    £4,759

This income has reduced in 2015, due to lower market prices for these materials and the reduced tonnage of tins & cans collected through bring bank since the introduction of kerbside collections.

The Department does not receive any income for paper, cardboard, or cartons collected through bring banks, or any of the material collected via kerbside. All these materials are dealt with by Mayside Recycling, under contract, for which the Department pays an agreed price per tonne for processing and export (plus, in the case of bring banks, collection). In negotiating these contracts, the company will take into account the market for these recyclables and the income it expects to receive.

The cost of providing bring banks and kerbside recycling (including the parish kerbside subsidy), net of income from recyclables, was around £1.50 million in 2014 and around £1.23 million (forecast) in 2015.

**Question 8**

*You have replied to consultancy costs. What have been the staff costs to the department in the research, development, management and provision of recycling, and how many of these are established staff?*

**Answer**

The Department has two full-time waste prevention and recycling officers. Their role includes planning, managing and promoting recycling and waste minimisation initiatives; engaging with public and private sectors; preparing reports, both for the Public Services Board and for other stakeholders; tendering, negotiating and administering contracts relating to waste and recycling services; and dealing with inquiries, particularly from islanders but also from media, politicians, and businesses.

They are also assisted in their work by other officers from the Department. This includes financial, technical, administration and communications support. This involves staff who also work on other aspects of the waste strategy implementation, as well as non-waste related activity within Public Services. Staff resources are allocated as required, and it is therefore not possible to provide an accurate, meaningful split of staff time specifically spent on recycling support for those two staff, as opposed to the waste strategy implementation more generally or other aspects of service delivery.

**Date of Receipt of the Question:** 7<sup>th</sup> December 2015

**Date of Reply:** 21<sup>st</sup> December 2015

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