



Glasgow City Council
City Administration Committee

Item 2

26th January 2023

Report by Cllr Kelly, City Convener for Neighbourhood Services and Assets

Contact: George Gillespie, Executive Director Ext 79106

RECYCLING IMPROVEMENT FUND APPLICATION

Purpose of Report:

To provide an update to committee on the Council's Application to the Scottish Government's Recycling Improvement Fund.

Recommendations:

It is recommended that:

- Committee note the contents of the report.
- Approve acceptance of the offer, subject to the Council agreeing the terms and conditions of the award

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

1 Introduction

- 1.1 The purpose of this report is to update Committee on the Council's application to the Scottish Government's Recycling Improvement Fund (RIF), seeking financial support towards the introduction of a new kerbside recycling service and the construction of a new Material Recovery Facility (MRF), to replace the existing Blochairn MRF.

2 Background

- 2.1 In the 'Programme for Government for 2020-2021', the Scottish Government announced a *'£70 million fund to improve local authority refuse collection infrastructure and develop a new route map to reduce waste and meet our waste and recycling targets for 2025'*.
- 2.2 The Recycling Improvement Fund was launched in 2021 and is a five-year fund to provide opportunities for capital funding grants for local authorities to improve recycling infrastructure and services across Scotland.
- 2.3 Application proposals must be consistent with the overarching aim of the fund, which is to *"accelerate progress towards 2025 waste and recycling targets and Scotland's net-zero carbon commitment, by strengthening and improving local authority recycling infrastructure, resulting in increased consistency of collection, improvements to the quality and quantity of material collected, and wider environmental and carbon benefits"*
- 2.4 The fund allocates capital annually and is subject to review, with the current allocation noted below.
- Year 1 - £5.3m
 - Year 2 - £16m
 - Year 3 - £18.65m
 - Year 4 - £15.6m
 - Year 5 - £14.5m
- 2.5 To successfully access a share of the fund, the city's waste and recycling collection services need to align with the Charter for Household Recycling and supporting Code of Practice (CoP). The funding available is to contribute towards the 70% recycling target in 2025 and to act as a bridge to implement changes that will be required to provide an effective and efficient service, and to meet performance standards that will allow financial support to be obtained from the Extended Producer Responsibility for Packaging Waste funding mechanism once that is implemented.

3 Options Appraisal and MRF Project

- 3.1 In 2022, in conjunction with Zero Waste Scotland (ZWS) and external consultants, an Options Appraisal (OA) of our kerbside collection services (houses who present their bins to the pavement) was conducted. This aimed to understand the impact of the Deposit Return Scheme on Glasgow's waste

collection services and assess options to improve performance in the context of the aforementioned Charter, CoP, and other policy drivers.

- 3.2 The Council agreed to sign the Charter at the Environment, Sustainability and Carbon Reduction City Policy Committee in February 2019. <https://www.glasgow.gov.uk/councillorsandcommittees/agenda.asp?meetingid=16022>

Aligning to the CoP requires a twin stream recycling service, with recycling to be collected in the following bins:

- Fibre bin - paper/card
- Container bin - plastics (pots/tubs/trays/bottles/film), cartons, food and drink cans
- Glass

- 3.3 The existing and proposed services are highlighted in the table below.

- 3.4 The contents of the current dry mixed recycling service (blue bin) are taken to and processed via the Council's Blochairn MRF. This is an ageing plant and would not be effective in processing the changing composition of materials collected within the new service. In conjunction with external consultants a project was undertaken to scope options for a new plant, which will be incorporated into the wider re-development of the Council's Easter Queenslie complex.

Existing Collection Service (bin size)	Existing Collection Frequency (weekly basis)
Dry Mixed Recycling (240 ltr)	2
Garden/Food (240 ltr)	2
Glass (140ltr)	8
Residual (240 ltr)	3
-	-

New Collection Service (bin size)	Proposed Collection Frequency (weekly basis)
Fibres (240 ltr)	4
Containers (240 ltr)	4
Garden/Food (240 ltr)	2
Glass (140 ltr)	8
Residual (240ltr)	3

4 Recycling Improvement Fund (RIF)

- 4.1 The outputs from the Options Appraisal and MRF project informed the application to the RIF.
- 4.2 An application was submitted in August 2022 for consideration at the September RIF Board Meeting, however, this meeting was subsequently delayed until October. At this meeting the Board delayed all decisions until their December board meeting. On December 22 the Council received confirmation, the application had been approved in principle for £21.2m.
- 4.3 The offer is 'in principle' and will be subject to terms and conditions, which the Council has yet to receive. Council officers have consulted and sought advice from the Council's legal team and have engaged with ZWS, who manage the fund on behalf of the Scottish Government. Normally ZWS would issue standard terms and conditions as part of an award offer, however, due to the complexity of the Council's application and the timescales associated with the delivery, specific conditions will need to be developed and agreed by both parties.
- 4.4 Details of the offer are broken down in the table below with a more detailed summary highlighted in Appendix 1.

Year of Expenditure	Item Description	Grant Requested (excl VAT)	Funding Award (excl VAT)
2023/24	Implementation of a new kerbside recycling service providing a separate collection of fibres and containers	£4.202m	£4.202m
2024/25	The capital cost associated with the construction of a new building at Easter Queenslie to house an MRF	£5m	£5m
2025/26		£5m	£5m
2024/25	The capital cost associated with the supply and installation of MRF processing equipment for the building at Easter Queenslie	£3.5m	£3.5m
2025/26		£3.5m	£3.5m
Total Cost		£21.202m	£21.202m

- 4.3 To date, this is the single biggest funding award allocated since the introduction of the fund.
- 4.4 Although a significant award, the Council will contribute towards the cost of implementing these projects also. A communication campaign will accompany the introduction of the kerbside service changes which existing revenue budgets will fund, and a budget has been allocated to support the wider depot development were the MRF will be situated.

- 4.5 Finally, work is currently underway on an Options Appraisal for the collection arrangements for flatted properties, and this will be used to develop a second bid to the RIF to align these properties to the CoP. This bid will be submitted in 2023/24.

5 Policy and Resource Implications

Resource Implications:

Financial: The funding will contribute to implementation of changes to kerbside services and the construction of a new MRF.

Legal: Council legal officers will provide legal advice in relation to complying with terms and conditions of the funding agreement.

Personnel: Opportunities will be provided to recruit temporary staff when introducing the twin stream service and for new, permanent posts within the MRF.

Procurement: Tenders will need to be undertaken for the procurement of various commodities within each project, including bins and MRF equipment.

Council Strategic Plan: Support for Grand Challenge 3, Mission 2, Commitment 8.
Support for Grand Challenge 4, Mission 1, Commitments 3, 10, and 12

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify. Opportunity for all residents within kerbside properties to recycle additional material streams.

What are the potential equality impacts as a result of this report? No significant impact.

Please highlight if the policy/proposal will help address socio- The kerbside service change will provide opportunity for all residents within these properties to expand the materials captured for recycling.

economic disadvantage.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

The kerbside service change will target additional materials for collection, diverting these items from the general waste bin with a subsequent increase in recycling rates.

What are the potential climate impacts as a result of this proposal?

Increase in material diverted into the twin stream recycling service and reduction in waste sent to landfill and residual waste treatment.

Will the proposal contribute to Glasgow's net zero carbon target?

The proposed changes will see a reduction in the carbon impacts associated with managing waste.

Privacy and Data Protection Impacts:

None

3 Recommendations

It is recommended that:

- Committee note the contents of the report.
- Approve acceptance of the offer, subject to the Council agreeing the terms and conditions of the award

Appendix 1 – Breakdown of Funding Application

Item no.	Year and quarter of planned expenditure	Capital costs <i>Item description</i>	Cost (excl. VAT) £
C1	<p>Likely all spend will occur in 2023/24.</p> <p>Q1 - £1.05m Q2 - £1.05m Q3 - £1.05m Q4 - £1.05m</p>	<p>Implementation of a new recycling collection service for kerbside properties, targeting separate collection of fibre and containers.</p> <p>Details on the figures noted below are contained within Appendix 8.</p> <p><u>Bins</u> Provision of c.122,000 240 litre bins £2.806m</p> <p>RFID chips within new container bin £183k</p> <p><u>Contamination Amnesty</u> RCV Hire Four vehicles £261.6k</p> <p>RCV drivers £145.2k</p> <p>Collection Operatives £225.7k</p> <p><u>Bin Distribution Crew</u> Crews will deliver bins and apply stickers to current DMR (to be used for fibre materials) and residual bins</p> <p>Van Hire £60k</p> <p>Drivers £145.2k</p> <p>Distribution operatives £225.7k</p> <p>Supervisors £69.7k</p> <p><u>Food Waste Infrastructure</u> Caddies £33k</p> <p>Liners £47.6k</p>	£4.202m
C2	<p>2024/25 - £5m</p> <p>2025/26 - £5m</p>	<p>The capital cost associated with construction of a new building at Easter Queenslie to house an MRF has been developed by a qualified and highly experienced quantity surveyor within GCC.</p> <p>The cost is based on a gross internal floor area of 6,700m² and a unit rate of £1,500/m². This has been confirmed by the quantity surveyor as being a reasonable unit rate for this type of processing building.</p> <p>A full breakdown of the Easter Queenslie development is contained in Appendix 9 – Easter Queenslie Cost Plan.</p>	£10m

C3	2024/25 - £3.5m 2025/26 - £3.5m	<p>The capital cost associated with the supply and installation of MRF processing equipment has been developed by SLR and is contained within Section 2, Page 1 of Appendix 10 – MRF CapEx.</p> <p>A summary of each item is provided as follows:</p> <p>Balers - £1m</p> <p>Conveyors - £0.8m</p> <p>Bunkers, hoppers and diversions – £0.2m</p> <p>Magnets - £0.1m</p> <p>Belt weighers and bag openers - £0.3m</p> <p>Sorting equipment - £1.1m</p> <p>Screening equipment - £0.1m</p> <p>Compressors, dust extraction and HVAC - £0.5m</p> <p>Extras (installation, commissioning, delivery and transportation, electrical engineering, steel and structural works, site lifting and sprinkler works) - £1.6m</p> <p>Contingency @ 25% - £1.1m</p>	£7m
		Total capital costs	£21.202m (rounded to nearest £'000)