

From: Susan Carey, Cabinet Member for Environment
Barbara Cooper, Corporate Director, Growth, Environment and Transport

To: Environment & Transport Cabinet Committee – 15 September 2020

Decision No: 20/00090

Subject: Approval to commission and award a new contractual arrangement for the Collection and Processing of Textiles and Shoes – (SS19066)

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: For Cabinet Member decision

Electoral Division: Affects more than two Electoral Divisions: East, Mid and West Kent areas.

Summary: To seek approval to award a new contractual arrangement for the collection and processing of textiles and shoes disposed of at the Household Waste Recycling Centres (HWRCs).

Recommendation(s): The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for the Environment on the proposed decision to provide delegated authority to the Director of Highways, Transportation and Waste to award a new four year contractual arrangement (with one year extension) for the collection and processing of textiles and shoes collected at the Household Waste Recycling Centres across the County to cover KCC's requirement as the Waste Disposal Authority as attached at Appendix A.

1. Introduction

- 1.1 This report provides information concerning the option to award a new Textile Collection and Processing contract covering all eighteen Household Waste Recycling Centres (HWRCs) across Kent.
- 1.2 The Authority's current Textile contract is split into two; twelve HWRCs are aligned to the expiry of the current waste management contract for the Mid and East Kent Waste Transfer Stations and Household Waste Recycling Centres on the 31st October 2020, where the incumbent, Biffa Municipal Limited has title of this material. For the other six West Kent HWRCs, the contract for the collection and disposal of these materials is with Cookstown; with expiry date as the other twelve.

- 1.3 It is proposed that KCC moves to commission a single overarching contract whilst continuing to meet its statutory duty as the Waste Disposal Authority.

2. Financial Implications

- 2.1 As this is an 'income only' concessions contract, there are no costs to KCC for the collection and disposal of this material, and the Provider will own 100% of the demand risk for textile waste. The current value for Textiles is £0, following the collapse of global trade as a result of COVID-19. The Textiles value tracks the market indices; therefore, the Authority will gain income when the market recovers.
- 2.2 Should the market recover to the previous rate of income prior to COVID, KCC can expect to receive in the region of £200 per tonne.
- 2.3 Key factors influencing for the income KCC might expect, include the global market demand for used textiles, the availability of used textiles, their quality, the exchange rate and the costs of sorting and processing. These factors all affect prices at various stages of the supply chain.
- 2.4 HWRC textiles tend to be of a reasonable quality which has in the past attracted good income rates for KCC; however, uncertainty remains with global economic changes, the prospect of Extended User Responsibility and 'fast fashion' influencing quality.

3. Policy Framework

- 3.1 The proposed decision meets the objectives of
1. **Kent Joint Municipal Waste Management Strategy (KJMWMS) 2018/19 to 2020/21**, specifically mentioning Textile and Shoe recycling as an employed activity to reduce waste and meets the following outcomes:
 - By 2020/21, the KRP will recycle and compost at least 50% of household waste tonnage
 - By 2020/21, the KRP will ensure no more than 2% of Kent's municipal waste ends up at landfill.
 2. **The Kent Waste Strategy 2017 – 2035**, regarding the following Priorities:
 - Priority 1 The Environment: We will deliver services which mitigate impacts on or from the environment and climate change.
 - Objective B: Maximise reuse and recycling and eliminate waste to landfill in accordance with the Waste Hierarchy
 - Objective D: Ensure materials are segregated at our HWRCs in line with legislative requirements.

- Priority 4 HWRC Service Delivery: We will provide a cost-effective service, which meets the needs of our customers.
 - Objective A: Work as part of the KRP to encourage residents to use the most cost effective and environmentally sound means of disposal for different waste materials, whether it is through kerbside collections, HWRCs or other recycling or reuse services.

4. The Report

Relevant History

- 4.1 The Authority's collected tonnage of textiles and shoes was 1,550 tonnes in 2018/19. During the pandemic, levels of textiles have been highly variable, particularly as charity shops have been closed.
- 4.2 With the current spotlight on recycling, textiles in particular, it is essential that KCC works in tandem with the Textile Recycling Association (TRA), (the UK's trade association for collectors, sorters, processors and exporters of used clothing and textiles), in any procurement process to ensure ethical and environmental standards are met.
- 4.4 KCC is proposing to commission a contract of four years (plus one-year extension) to be of sufficient length to be attractive to the market, but with break clauses to protect KCC's interests.
- 4.4 KCC Waste management is also seeking a local disposal arrangement, (where waste infrastructure allows) to reduce its carbon footprint in collecting and recycling these materials. However, where a large quantity of material is collected at HWRCs for bulking and sorting, it is usual practice (post processing) to then export for sale in Eastern Europe, Africa and the Middle East.
- 4.5 Sourcing waste infrastructure and UK end markets remains challenging, however KCC Waste Management is committed to continuing to divert textiles per year from incineration and to reuse the majority of the material it receives, whether in the UK or via global markets; where the textiles are not suitable for reuse, they can often for example, be recycled into wiping cloths or used for carpet underlay or insulation.

5.0 Options considered and dismissed

- 5.1 Option 1: Do nothing, allow the contracts to elapse and be unable to take Textiles at HWRCs. This is not an option as KCC has Statutory Obligations as the Waste Disposal Authority to ensure that there are disposal facilities to take household waste within the County.
- 5.2 Option 2: Do nothing, allow the contracts to elapse but continue to take Textiles at HWRCs. Textiles will be diverted to the residual waste stream and incinerated for energy with associated contingency disposal costs.

- 5.3 Option 3: full commissioning activity with market engagement (already commenced) to mitigate disposal costs and realise income when the market has recovered. This is the recommended option

6 Equalities Impact Assessment and Risk Assessment

- 6.1 The Equality Impact Assessment undertaken concluded that no Protected Characteristics will be impacted upon either positively or negatively as a result of this contract award. This is due to the contract delivering a non-customer facing service.
- 6.2 There are no implications for the council's property portfolio of the suggested action.
- 6.3 The Service Director will inherit the main delegations via the Officer Scheme of Delegation due to the potential financial value of this contract.

7. Conclusions

- 7.1 This new single contract will offer KCC best available market value and enable the Authority to discharge its statutory duty as Waste Disposal Authority.

8. Recommendation(s)

Recommendation(s):

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for the Environment on the proposed decision to provide delegated authority to the Director of Highways, Transportation and Waste to award a new four year contractual arrangement (with one year extension) for the collection and processing of textiles and shoes collected at the Household Waste Recycling Centres across the County to cover KCC's requirement as the Waste Disposal Authority as attached at Appendix A.

9. Background Documents

- 9.1 Equality Impact Assessment

Appendix A – Proposed Decision Sheet

10. Contact details

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