

## 8.8 Green Waste Recycling

### Transport and Technical Services: Waste Recycling proposals

**Current Budget:** £790,000. TTSD provides a free reception service for both commercial and domestic green waste deliveries. Agricultural green waste is dealt with at source by farmers. The budget includes payments to farmers who receive the compost product which is spread on agricultural land.

**Additional One off funding in 2009:** £170,000 was provided to cover operational costs of temporary relocation of domestic green waste reception. (£97,000 for staff, £22,000 for non-staff costs and £52,000 for leasing costs of vehicles)<sup>1</sup>.

**Current recycling output:** 12,000 tonnes of materials which is processed into compost at La Collette. 80% goes to agricultural land; 20% is sold as premium quality (PAS 100) compost.

**Solid Waste Strategy target** >20,000 tonnes

**Additional funding required:** £200,000 to fund the continuation of public reception facility

**If funding proposals are not approved:** The public reception of green waste would be withdrawn.

**Background:** Green waste is a very significant part of the total recycling rate in the Island: in 2008 11,200 tonnes were received at la Collette for composting. This was a fall from 15,000 tonnes in the previous year. The target in the Solid Waste Strategy is to reach 20,000 tonnes by 2018.

TTSD has made significant investment in recent years in the development of a processing operation at La Collette where green waste is converted into compost products, 80% of which is used as a soil improver on agricultural land, the remaining 20% being sold as premium quality compost. Materials received are shredded and composted using an open windrow system. This process has been the subject of nuisance complaints from neighbouring residents who have complained about odour from the site. TTSD have been developing an odour management strategy to solve this problem and are currently investigating technological options. A capital budget of £4.21 million has been allocated for this purpose.

The Acting Chief Executive told the Panel that his department had spent four years reviewing the location of green waste operations and had investigated 32 sites across the island, concluding that La Collette was the 'least worst' option. This issue is beyond the scope of this review which has focussed on the annual revenue costs of the green waste operation.

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<sup>1</sup> Source: Transport and Technical Services Ministerial Decision of 20th March 2009 (MD-T-2009-0033)

## Revenue Costs

The Panel was concerned to note the significant annual revenue costs for the composting process, which amount to £790,000. In addition to this, a further £200,000 per year is required from 2010, to be funded from new taxation measures, in order for the Department to continue to operate a separate public reception facility in compliance with the recommendations of the La Collette Hazards Review Group. Following the Buncefield disaster the Hazards Group determined that publicly accessible facilities were unsuitable for the La Collette area; only commercial operations are now allowed to deliver to that site.

As a result of this decision a temporary public reception facility has been established at Compound 6 Bellozanne Valley. Green waste is collected here and transferred at the end of each day's operation to the composting facility at la Collette. In June 2009 Transport and Technical Services was granted planning permission for the development of Warwick Farm as a more suitable temporary location<sup>2</sup> until a permanent site is found.

In 2009 TTSD was able to allocate £170,000 revenue funding for the public operation from the money granted in the States Business Plan for recycling initiatives. However, in order to continue this service ongoing revenue funding is required and the Department intend to allocate £200,000 for this purpose if the Treasury's tax funding proposals are approved in the 2010 Budget.

### Key Finding

The Acting Chief Executive informed the Panel that his department was to undertake a fundamental spending review on green waste to examine all aspects of its current operations. The Panel believes that a comprehensive review of spending on the green waste operation is essential. The Panel looks forward to the opportunity to scrutinise the outcome of such an investigation. The Panel would like to see the following two key issues addressed within this review: (a) user pays charges for domestic green waste (b) Current subsidies paid to farmers for accepting the compost product on their land.

#### a) User pays charges for domestic green waste

Currently both commercial and public green waste is accepted free of charge. However, in the States Annual Business Plan 2010 the introduction of 'user pays' charges for commercial green waste was approved, targeted to raise £60,000 per annum. TTSD are currently examining how these charges might be implemented. It has been suggested that a weighbridge would be required; this would represent an unbudgeted expenditure of £100,000, substantially higher than the fees expected to be recovered in a year's operation. The Acting Chief Executive explained to the Panel that the rationale for applying this user pays charge was currently under investigation in his department.

<sup>2</sup> In September 2008 the Director of Property Holdings indicated that the Warwick Farm site could be considered only for a three year period. A capital budget of £320,000, minus the cost of establishing the temporary facility at Bellozanne which was approximately £55,000, is available to establish this facility.

The Panel believes that introduction of user pays charges is likely to have a beneficial effect by reducing the amount of commercial green waste delivered to La Collette and therefore assisting the Department in driving down its revenue costs. Commercial gardening businesses will be encouraged to develop composting sites on land where the waste originates. Such businesses have stated in the past to the Working Party on Composting that they would actually favour less use of the composting facility at La Collette: they found that delivering green waste to this site was proving to be unproductive use of time and less profitable to them<sup>3</sup>.

In the Panel's view, consideration should also be given to introducing a user pays charge for the public reception of green waste. It is suggested that an expensive weighbridge should not be necessary for this purpose. Instead, a single charge per vehicle could be applied in the form of a gate fee for delivering green waste. The Panel believes that this measure could both assist the Department in reducing its revenue budget requirement and encourage householders to develop alternative solutions, such as home composting or shredding garden waste at source.

It has to be recognised however that while general waste collection in the Island remains free of charge there might be negative consequences to applying a charge for green waste collection; in order to avoid paying a fee, householders might dispose of their green waste through fly tipping or place green waste in black bags for collection as part of the routine household waste collection. The Acting Chief Officer, TTSD, explained to the Panel in a public hearing that such actions had potentially dangerous consequences, as experienced in the past at Bellozanne:

*One of the reasons we have always advocated green waste recycling and pushed it is because green waste when it goes into black bag waste and then is needed to be stored for any period of time was one of the problems we had at Bellozanne probably 10 to 15 years ago with the fires. The compostibility of the material instigates fires and makes the waste far more unstable. Hopefully with the new Energy from Waste plant, the mountains of waste we will not see again but it is something that we have got to bear in mind. If we had to do that from 1st January we would finish up putting the Island I think in a high risk scenario<sup>4</sup>.*

In the same hearing, the Panel suggested that Parishes or private operators such as Garden Centres might be encouraged to develop smaller composting facilities. However, this was discounted by the Acting Chief Officer:

*We as T.T.S. (Transport and Technical Services) would love the Parishes to take on board composting of green waste but the chances of that happening, the nuisance elements of it, the processing cost, the processing machinery, I do not think you can scale it down much further than what we have got now and save money<sup>5</sup>.*

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<sup>3</sup> Report of the Working Party on Composting in Jersey, 2006

<sup>4</sup> Public Hearing dated 22nd October 2009

<sup>5</sup> The Comité des Connetables responded unfavourably in 2005 to a proposal for the establishment of devolved sites. The Comité was also consulted by Transport and Technical Services in June 2008 with regard to an additional green waste collection facility but offered only one site as a possibility. This proved to be unsatisfactory due to the requirement for considerable infrastructure investment.

The possibility of additional satellite sites for public green waste reception elsewhere in the Island has been explored previously by TTSD. TTSD issued expressions of interest in December 2006 and January 2007 for private sites for a compost facility and also considered six States sites. Over 40 locations, including both States owned and private sites, were considered for public green waste collection sites and submitted an assessment process. The result was that the private sites scored poorly in relation to the States owned sites. Problems identified included location within the Countryside Zone and proximity to residential properties, the requirement for additional access roads, reception areas and storage areas.

The assessment process carried out by Babtie Fichtner established that the area required for composting and maturation accounts for only a small proportion of the total site area, much of the space is required for vehicle reception and manoeuvring.<sup>6</sup>

There have also been attempts in the past to contract with farmers to set up satellite composting facilities<sup>7</sup>. These facilities failed very quickly as the farming industry was unable to allocate time required to turn the compost regularly and produce high quality material. The consequence was unacceptable piles of green waste with potential pollution emanating from leachate from the sites contrary to the Water Pollution legislation.

A report was prepared by ADAS in 1996 for the Agriculture and Fisheries Committee which highlighted the issues associated with satellite composting operations. The report recommended the establishment of a centralised facility. However, the Panel notes that both the current temporary operation in Bellozanne valley and the (also temporary) replacement at Warwick Farm involve completely clearing all collected waste at the end of the working day. This appears to be a very practical solution which potentially could be applied successfully at any suitably-sized site with reasonable access for vehicles; the Bellozanne facility is particularly compact and with the possible exception of manning requirements would appear to be a very cost-effective one. With this in mind, members are inclined to wonder whether an expensive permanent establishment involving storage and on-site processing facilities is necessary at all, especially if members of the public could be encouraged to take responsibility for dealing with more of their own green waste at home.

**Recommendation:** In the Panel's view, TTSD should consider introducing a user pays charge for the public reception of green waste. A single charge could be applied in the form of a small gate fee per vehicle delivering green waste. This proposal could assist in driving down the revenue budget requirement for green waste recycling and also encourage householders to reduce the amount of green waste delivered to the Department.

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<sup>6</sup> For more detailed explanation of the site assessment see the reports attached to MD-T-2009-0004 and MD-T-2009-0033

<sup>7</sup> Report to Environment Panel on comments in response to P.258.2005

## **b) Current subsidies to farmers for accepting the compost product on their land**

TTSD require an outlet to dispose of the product of their composting operation. Only a small proportion (20%) is sold as a premium product through garden centres achieving a low level of income<sup>8</sup>. TTSD has consequently developed an arrangement with farmers for the disposal of the bulk of the compost product which is spread as a soil improver on agricultural land.

No income is generated from this arrangement; in fact considerable costs accrue. The department pays £10 per vergée to farmers for accepting the product and bears the cost of both transporting the materials from La Collette and spreading the compost on the fields (£60 per vergée). The cost of this operation for the year 2009 to the end of October amounted to approximately £126,000<sup>9</sup>.

The Acting Chief Officer explained that the outlet for the composting product was vital to the department. He claimed that the current arrangement was of mutual benefit to both parties:

*What we cannot afford to do is to lose that market as such for this material because we need some tension in the market and we need to have the relationship which both parties feel as though they get something out of it<sup>10</sup>.*

He explained why the Department was prepared to pay the full costs of hauling and spreading the compost:

*It is based on a unit cost per cubic metre of compost, regardless of which area of the Island it goes in because basically the composting application is dependent to where the potatoes have been planted and the crop rotation. One of the reasons we administer that is because we have tried to control and make sure in terms of quality that the correct amount of compost is being put on the correct fields because you should only apply one nitrogen load per annum or one compost load per annum. We make sure that it is not dealt with in a pile it up in one field scenario which could happen if we were not in control of it<sup>11</sup>.*

The Acting Chief Officer was asked whether farmers would be prepared to continue taking this product if they did not receive a payment. He said:

*It will be an interesting discussion and my goal has always been to cut the subsidy to zero over time because I think the benefits of the green waste back on to the agricultural land in the medium term far outweigh the [risks] ... there is a perceived risk because the compost that goes out to agriculture is immature i.e. it has not been through the full maturation process. It has been through a pathogen kill process but not the full maturation. So there is a small risk to the farmer but they prefer the compost to be slightly immature because it helps with the soil<sup>12</sup>.*

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<sup>8</sup> Sales of this product have fallen steadily since 2005, when income was £52,000, to £39,800 in 2008.

<sup>9</sup> The Department also has a similar contract arrangement with farmers for the disposal of bio solids in the form of sludge cake to agricultural land for additional forecast cost of approximately £58,000 to the end of October 2009

<sup>10</sup> Public Hearing dated 22nd October 2009

<sup>11</sup> Public Hearing dated 22nd October 2009

<sup>12</sup> Public Hearing dated 22nd October 2009

In a subsequent radio interview the Minister warned that if the payment arrangements were withdrawn, farmers might refuse to take the product. In that case TTSD would have to find alternative ways of disposing of their compost and would have to pay for its disposal elsewhere, possibly off island which would incur further costs.

The Panel consulted a leading grower informally on this question. He commented that the payment for accepting the agricompost was fair in view of the co-ordination required on the part of his operation to manage the process of spreading the product on his fields. He commented that he was not actively looking for such compost which he considered to be of marginal benefit and would be likely to cease the arrangement if required to pay for the product.

**Key Finding:** The Panel believes that the payment to farmers is in effect a supplementary subsidy to the agricultural industry in addition to that already provided by the Economic Development department in the form of area payments of £37 per vergée, under the Rural Economy Strategy. Given the recent transition in farming towards fewer and larger units, the Panel questions whether these additional payments for taking the soil improver are still appropriate. It suggests that consideration could be given to whether the farmers' agreement to accept this compost on their fields might in future be linked to the area payments.

**Recommendation:**

A review of the current arrangements for disposing of the compost product to agricultural fields should consider the implications of a phased reduction in the payments to farmers and the conditioning of area payments under the Rural Economy Strategy to farmers' acceptance of the product on their fields.