

Warwickshire Waste Partnership - 14 June 2011

Future Waste Disposal Plan

Summary

This report gives an update on Warwickshire County Councils progress to develop alternative long term arrangements for waste disposal from 2013 following the closure of Project Transform in October 2010.

Recommendation

The partnership is asked to acknowledge the work being undertaken.

The partnership agree that if the legal requirement for a Joint Municipal Waste Management Strategy is abolished as part of the national waste review, a concise, high-level strategic document will be developed instead.

1. Introduction

- 1.1 A number of Warwickshire's landfill contracts expire in 2013 and it is proposed that these are replaced with a solution that supports the diversion of waste from landfill, in order to prevent the authority being fined for failing to achieve Landfill Allowance Targets (LAT's). It is therefore proposed that any waste process utilised uses technology to support the diversion of waste away from landfill.

2. Background

- 2.1 As a Waste Disposal Authority (WDA) Warwickshire County Council (WCC) currently relies heavily on the use of landfill sites to dispose of its residual municipal waste. In order to meet its landfill diversion targets there was, and still is, a need to increase recycling, reduce waste and develop alternative treatment options for managing Warwickshire's residual municipal waste.
- 2.2 The move to proceed with a new proposal follows the decision by Coventry and Solihull Councils in October 2010 to withdraw from Project Transform. The project was intended to procure a new residual waste treatment facility in Coventry for the three local authorities.

Warwickshire's Municipal Waste Management Strategy

- 2.3 Warwickshire's Municipal Waste Management Strategy was produced by the Warwickshire Waste Partnership and was adopted in October 2005. This has

been used to drive this agenda forward to date. The key strategic objectives of the strategy are to:-

- (i) Reduce the amount of waste produced in Warwickshire.
- (ii) Recycle and compost 40 – 45% of our waste by 2009/10 (We are now at 48% and expecting to achieve 60% by 2015).
- (iii) Limit the amount of waste disposed of to landfill – making use of existing waste treatment facilities.
- (iv) After maximising recycling and composting, treat all remaining waste using a thermal treatment system to produce heat and energy from a non-fossil source.

2.4 The first review of the Strategy was planned for 2010, but due to a delay in Government guidance this was postponed. It has now been suggested that the legal requirement for councils in two-tier local authority areas to work together to produce a waste management strategy, may be abolished as part of the national waste review.

2.5 If the legal requirement for a Strategy were abolished, it would still make sense to produce a “concise, high-level strategic document”. Any new document produced would need to address developments in legislation, policy and market forces and would take into account the improvements in performance achieved by partner authorities over the past five years.

2.6 Currently Warwickshire has achieved its 2009/10 recycling target and landfill diversion target and is predicted to meet its 2012/13 landfill diversion target, without the need to buy additional allowances. If we are to comply with 2019/20 targets, however, it is essential that we continue to progress our plans to contract or develop new residual waste treatment capacity, taking waste away from landfill.

3. Procurement

3.1 To ensure a long term and sustainable provision for processing waste, Cabinet approval was sought to commence a procurement process for a long term arrangement for the disposal of waste from 2013. The contract term suggested was 15 years, plus the option to extend by a further 10 years and the flexibility to adjust levels of waste material processed. This will enable the authority to revise and rebase inputs to accommodate new initiatives to reduce waste.

4. Achievements

4.1 Progress has been made in a number of key areas since the Cabinet report was submitted in November 2010.

4.2 A series of meetings have taken place with waste officers from neighbouring local authorities, in order to scope potential areas for partnership working and research best practice.

4.3 The timetable for the long term residual waste treatment procurement has been produced and approved by the strategic procurement team. Since its approval

the timetable has had some minor revisions to take into account meetings that have been scheduled since it was produced.

- 4.4 The procurement plan has been produced and approved by the strategic procurement team for comment and approval.
- 4.5 A Prior Information Notice (PIN) for the treatment and disposal of residual waste has been produced and published in the Official Journal of the European Union (OJEU).
- 4.6 A residual waste treatment Industry day has been scheduled for Friday 17 June. A press release for the industry day has been produced and circulated to the trade press. The release has been posted on the WCC website and will be circulated to other interested parties as appropriate. Confidential one to one sessions will take place with providers as part of the Industry Day.
- 4.7 An Overview and Scrutiny task and finish group relating to the treatment and disposal of residual waste will be held in July. To assist the Overview and Scrutiny Members understand the procurement process they will attend the Industry Day on 17 June. A talk on the various types of technology that can be used to treat residual waste took place on 13 May for those Members involved in the task and finish group. The Members have also assisted with the development of questions for the confidential one to ones sessions.
- 4.8 Initial meetings with the WCA's have taken place to discuss 'tipping' points for the new contract, this will help ensure that the contract is fit for purpose.
- 4.9 A risk assessment meeting for the procurement has taken place and a risk register is being developed.

5. Work Programme

- 5.1 Table 1 highlights the key goals over the next three months.

Table 1 – Key Goals of Long Term Residual Waste Treatment Options between June and August

Task	Date
Host Industry Day	17/6/11
Hold Confidential one to one sessions	17/6/11
Collate soft market testing data	1/7/11
Start to prepare procurement paperwork	5/7/11
Hold O&S Task and Finish Group	22/7/11
Make amendments to procurement paperwork following O&S Task and Finish Group	5/8/11
Prepare and publish OJEU	8/8/11
Issue PQQs	8/8/11

6. Conclusion

- 6.1 Substantial progress has been made with preparing the procurement documents and organising the Industry Day. Further work has been planned to effectively engage the Market, Members and the WCA's. Engaging key stakeholders at an early stage will help ensure any contract is fit for purpose and meets the needs of its users. The Waste Management Group will continue to draw on expertise from Legal, Finance and Procurement as necessary.

7. Financial Implications

- 7.1 Exceeding our landfill allowances could have serious financial implications. A fine of £150 for every tonne of waste that we landfill over and above our allowances will be levied, in addition during an EU target year the Government could pass a proportion of any EU fine onto a breaching authority.
- 7.2 At the present time Defra are consulting on changing the UK's approach to meeting the landfill diversion. As part of this the Landfill Allowance Trading Scheme (LATS) is being reviewed, to look at the role it could play in the future. One of new main drivers now being seen for diverting waste away from Landfill is the extension of the use of landfill tax, which will reach £80 per tonne by 2014/5. The increasing cost of landfill tax means that by 2014/15, landfill will cost in excess of £100 per tonne including both disposal and tax, compared with usage of 'other' technologies that are expected to cost in the region of £65 to £72 per tonne.

Enquiries: about this report should be made to Tamalyn Goodwin – Waste Project Officer, 01926 418064, email tamalyngoodwin@warwickshire.gov.uk

Background Papers

Cabinet Report, Post Project Transform – Future Waste Disposal Arrangements, 18 November 2010

Report Author: Tamalyn Goodwin, Waste Project Officer

Head of Service: Louise Wall, Sustainable Communities

Strategic Director: Paul Galland, Environment and Economy