

Cabinet – 27 September 2006

Waste Management Update

Portfolio: Councillor Rachel Walker – Environment and Street Pride

Service: Streetpride

Wards: All

Key decisions: Yes

Forward plan: Yes

Summary of report

Walsall adopted a Waste Strategy in 2004, which focused on four principal objectives – waste minimisation, increasing recycling, recovering value from waste and involving stakeholders in mapping the direction of the Council for a 20year period.

Progress has already been made towards delivering the four objectives, for example the expansion of the kerbside recycling scheme, awareness and information campaigns etc, but there remains a significant amount of work still to do. These four objectives will continue to form part of any future waste strategy.

Since the adoption of the strategy in 2004, the Government has introduced further restrictions on the way local authorities manage their waste and has now implemented strict limits on the amount of Bio-degradable municipal waste local authorities can send to landfill. Walsall, like many other authorities, has been set challenging targets under this scheme (Landfill Allowance Trading Scheme). As a result, Walsall needs to update its current strategy and explore additional measures to address these challenges.

This report updates the position in relation to LATS and outlines further work that needs to take place to meet additional challenges.

Recommendations

- 1) That a comprehensive feasibility study commence exploring future options regarding the collection of recyclable and non-recyclable materials
- 2) That a LATS trading strategy is developed for implementation

- 3) That responsibility for buying and delivering LATs permits be delegated to the Executive Director, in conjunction with the Portfolio Holder
- 4) That Cabinet delegates to the Executive Director, in conjunction with the Portfolio Holder, the authority to enter into agreements for the purchase of “energy from waste” capacity, if in their judgement, it is to the financial advantage for the Council to do so
- 5) The Council continues to support the outcome of the Black Country Waste Study to produce an outline business case and to develop a partnership approach to those outcomes

Resource and legal considerations

Tackling the Waste Mountain

The 2004 Waste Strategy proposed that the approach of the Council would be one that balanced recycling and recovery. The central principles of this approach were:

1. Introduce waste reduction, education and awareness programmes in order to constrain waste growth;
2. Significantly increase rates of recycling and composting over the short to medium term in order to meet current statutory household waste recycling and composting targets;
3. to recover energy from waste that is not recycled or composted over medium and long term in order to assist with meeting national obligations; and
4. to deliver these objectives in a way which offers best value to the community of Walsall.

The Council has made a significant investment in recycling in recent years and some progress has already been made on objective 1 and 2.

Current activities have included:

- 36 performances in primary schools of the ECO-Girl play
- Recycling information calendars delivered to 104,440 properties in 2005
- Publicity and Communication plan in place
- Introduction of a Kerbside enforcement policy and comprehensive publicity programme
- The provision of a kerbside recycling scheme to over 104,440 properties across the Borough. 101,000 low rise green box collections / 3440 mini recycling centres (97.6% of the borough now receive a kerbside collection of at least three recyclable materials)
- A green-waste collection service to 59,000 properties across the Borough (56%)
- Awarding the Contract for operation of HWRC to ECT (an established social enterprise) – resulting in significant increases in recycling rates (i.e. plastic bottles up 358% in June, metal up 9%, cardboard up 38%, wood up 170%) and a reduction in overall arisings by approximately 15% as a result of stamping out trade abuse.
- An increased number of bring sites across the Borough accepting a wide variety of materials (textiles, glass, paper, plastics)
- Partnership with Links To Work (a social enterprise working with adults with learning disabilities) to collect plastics from bring sites which they re-use

- Distribution of 7000 Home Composters across the Borough in partnership with WRAP

The resulting recycling rates have more than doubled from 11% in 2002/3 to 24% in 2005/6.

There have been some difficulties achieving objective 3 (increased capacity to recover energy from waste i.e. incineration) due to the need to compete with other authorities' demands for spare capacity. The Council is currently undergoing a tender process to alleviate some of these difficulties.

In 1999, the European Union Landfill Directive set targets to reduce the amount of Biodegradable Municipal Waste (BMW) to be land-filled. The UK Government has introduced the Directive through the Waste and Emissions Trading Act (2003). The Act forms a legal framework to control the amount of waste sent to landfill and sets up a system of tradable permits. LATS restricts the amount of waste that authorities can send to landfill by allocating specific 'landfill allowances'. If Councils exceed their allowances over defined periods they will be fined up to £150 per tonne of BMW land-filled.

The new Landfill Directive obligations will not be met without significantly increasing recycling activity and obtaining additional incineration capacity.

Feasibility Study

Current activities in Walsall regarding managing waste are insufficient to meet the strict targets set by Government. Further work needs to take place to explore the options open to the Council around recycling and managing non-recyclable materials in order to meet these targets. There are various options available to the Council and a feasibility study will allow for each of the options to be explored fully and give the advantages and disadvantages of each model. It will compare with other authorities and look at the marketplace around waste management. This will include looking at expanding the number of materials collected at the kerbside, methods used to collect materials etc.

Future policy options under consideration include:

- Encourage greater recycling through the introduction of different systems of waste collection, and by increasing the number of materials collected at kerbside
- Extend the roll out of the green waste collection scheme to a further 21,000 properties
- Extend the roll out of home composters
- Increase volumes that can be incinerated in order to reduce the amount of residual waste going to land-fill
- Increase schools/business recycling
- Encourage greater innovation in recycling and waste minimisation by stimulating new services such as nappy collection, food waste trials, and the support of social enterprises
- Increase publicity/promotion to encourage greater re-use, reduction, and recycling
- Developing an incentive scheme to reward households and communities who recycle

The Local Area Agreement includes a recycling target of 30% for 2008/09 on the basis that a range of initiatives such as these will be delivered over the next 2½ years

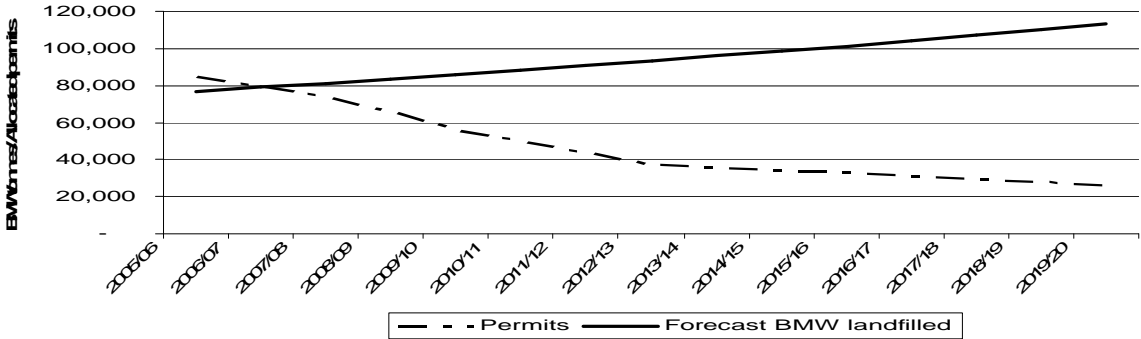
Important contributions could be made in this respect by the further expansion of the green waste service and home compost scheme and by the introduction of different systems of waste collection. For this reason, it is proposed that further detailed work be done to identify the implications of expanding the garden waste and compost schemes and that a feasibility study be carried out to assess the full range of options open to the Council for the collection of household waste.

LATS Trading Strategy

Under LATS the following permits have been allocated to WMBC:

Year	Allowance/Tonnes
2005/06	84,406
2007/08	73,444
2009/10	56,218
2011/12	43,703
2014/15	34,233
2017/18	29,414
2019/20	26,202

When the allocated permits for Walsall are compared against the anticipated future growth of waste then it is clear that continuing with current practice will incur significant LATS penalties.



The resulting prognosis is that there will be a significant gap between the allowance the Council has and the amount of waste produced. There are various alternative solutions to minimising waste and taking waste out of the stream – by increasing access to incineration, increasing recycling etc, to be explored as part of the feasibility study – however, it is foreseen that under the most likely scenario, Walsall will need to purchase a number of permits before 2008/9 to avoid incurring significant financial penalties. In 2005 consultants identified that Walsall would need to purchase approximately 12,500 permits by 2008/9.

The market for purchasing permits has not yet fully developed and there remains a degree of uncertainty regarding the number of permits that may be available, what price they will be valued at, and how successful the Council’s efforts at waste minimisation and recycling may be. All of these ‘indicators’ are being monitored to assist with the effective management of the risk associated with this.

In order to take advantage of the opportunities that may present themselves, it is considered that a group is needed to oversee Walsall's LATS trading. It is felt that this should be made from a nominated senior officer from Finance, Legal and Street Pride with the authorisation of the Executive Director, in consultation with the Portfolio Holder, to deal in LATS permits for the benefit of the Council.

Following further consultation with Constitutional Services, it is proposed that this group meet regularly to monitor the market, and to 'trade' up to a set price trigger as other authorities have done. Formal delegated authority will be necessary to achieve this. Therefore, the immediate need for the Council is to put in place responsive arrangements that would enable it to acquire LATS permits at short notice and so take advantage of changing market conditions if these were favourable. It is proposed that authority to purchase these permits be delegated to the Executive Director in conjunction with the Portfolio Holder.

Energy from waste - incineration

Walsall Council currently relies on "energy from waste" capacity through ad-hoc arrangements and fluctuations in the market place at incinerators across the Black Country and Midlands area. This is dependant on availability from companies requesting waste to ensure their facilities are operating at optimum efficiency. If the Council were able to respond quickly enough, this would enable the Council to take more advantage of opportunities to re-direct waste from landfill at a competitive rate. This would generally be below market value and be LATS positive giving rise to further financial benefits.

Arrangements of this nature can vary in tonnage year-on-year and have a tendency to require immediate decisions within a given week to take up the opportunity. Under the current Council financial regulations, the Council is limited to approximately 1000 tonnes per annum, unless it goes out to tender. The target for energy from waste for 2006/07 is set at 6% (9080 tonnes). During 2005/06 financial year, ad-hoc requests for waste to be delivered to the energy from waste facilities ranged from 200 tonnes up to 800 tonnes in any one week. Through contract arrangements and ad-hoc deliveries during 2005/06 a total of 4,452 tonnes (3.47%) was delivered to energy from waste facilities, falling short of our BVPI target set at 6%. Currently, energy from waste is a limited resource in high demand and, given demanding targets set by government to reduce the amount of biodegradable waste sent to landfill, it is a resource that should be capitalised on to maximise the financial position of the Council.

As a result it is proposed that the limit for the tonnage we are able to recycle without using the tender process is raised to a new limit and that Cabinet delegates to the Executive Director, in consultation with the Portfolio Holder, the authority to enter into agreements for the purchase of "energy from waste" capacity, if in their judgement, it is to the financial advantage for the Council to do so.

Black Country Waste Study

The Black Country Waste Management Forum was set up in 2001 with a view to meeting recycling targets, building a regional infrastructure and developing sub-regional working in the context of the work of the Black Country Consortium.

Following on from a Joint Chief Executives meeting in 2004, a major baseline study and options review was produced in May 2006. The study proposes that a Waste Recovery Park is built at Hill Top in Sandwell. This would provide a shared facility for Black

Country Partners to invest in and develop a range of facilities to recycle, incinerate and compost materials. The study proposed the development of a shared 'energy from waste' facility, a MRF for sorting recycled materials, in-vessel composters etc which would enable all partner authorities access to facilities which would enable us to incinerate more waste and collect a wider range of materials for recycling. In order to progress this initiative further, the Forum has secured £15,000 funding from the Regional Development Fund to contribute towards the assessment of options for the Black Country Districts to work together formally in the development of new waste disposal facilities to help achieve landfill diversion targets in the most cost effective way. An application for £30,000 has been submitted to Defra's Consultancy support fund to develop partnership working within this context.

Financial considerations

LATS allowances are currently trading at around £20 per permit. Therefore, for every tonne Walsall sends to landfill or incineration, the cost in future years will rise by between £20 and the fine of £150 per tonne.

Any further developments in expanding recycling collections – of any material would require additional funding to be considered for additional crews, vehicles and disposal costs.

Funds have been confirmed through the Local Area Agreement (LAA) to carry out a feasibility study of options for the collection of waste which will assess the impact on participation and recycling, public perception and equality issues, and the operational and financial implications.

In addition, funding has been secured from WRAP for a promotion campaign to increase participation in the kerbside recycling scheme through improved communications. The campaign will consist of an intensive period of targeted leafleting to low performing areas, supported by a door knocking campaign. This will be complemented by the enforcement of kerbside collections as previously agreed by Cabinet.

Citizen impact

Failure to meet the Councils LATS targets will have financial implications to the Council which could place a significant burden on Council Tax payers.

Community safety

None arising directly from this report.

Environmental impact

Landfill waste produces landfill gases which contribute towards global warming and have significant negative impact upon the environment. Walsall Council is committed to reducing the amount of biodegradable waste sent to landfill.

Performance and risk management issues

The Government's waste strategy aims to minimise the production of waste, and either recycle or compost as much as the remaining waste as practicable. This approach is reflected through relevant Best Value Performance Indicators, Defra's PSA targets and statutory performance standards for 2005/06 and 2006/07. The statutory performance standards have been set to ensure increased levels of recycling and composting of household waste are achieved by all local authorities in England. Walsall's recycling target for 2005/06 was to recycle and compost 24% of biodegradable waste. Walsall met its target of 24%, and improved upon it, with an out-turn of 24.18%.

As BVPI 82a and 82b are statutory performance indicators for CPA rating. Failure to deliver such targets will negatively impact on Walsall becoming an excellent local authority.

Equality implications

Waste and recycling services affect all sectors of the local community and future provision will need to ensure equality of choice and opportunity for all. In addition Equality Impact Assessments will be undertaken in 2006/07.

Consultation

On-going consultation on recycling and waste minimisation initiatives is undertaken with community groups and Local Neighbourhood Partnerships. Current planned work is due to commence shortly with LNP Community Action Groups to help review our current recycling activities and seek opinion on future options. The Citizen's Panel survey due to take place in February 2007 will include a significant element on recycling activity and a baseline study on recycling activity is to commence shortly as part of the communication plan funded by WRAP.

The results of the feasibility study into waste management options will require significant consultation and, if agreed, a detailed consultation and communication plan will be prepared in consultation with Members.

Vision 2008

The Council's Waste Management Strategy and associated activity is firmly linked to Walsall Council's vision for 2008, and supports the priority to ensure a clean and green borough

Background papers

Municipal Waste Management Strategy 2004
LATS study - Urban Mines report 2006

Author

Ian Stupple
Interim Head of Street Pride
☎ 652101
✉ stupplei@walsall.gov.uk



Signed

Executive Director – Jamie Morris

19 September 2006



Signed

Potfolio holder – Councillor Rachel Walker

19 September 2006