



meeting **ENVIRONMENT STANDING SELECT**

date **8th SEPTEMBER 2004**

agenda item

REPORT OF THE DIRECTOR FOR ENVIRONMENT

PROGRESS ON WASTE STRATEGY

Purpose of Report

1. To advise the Select Committee on progress in awarding the County Council's 26 year PFI Waste Contract.

Current Programme

2. It is expected that the negotiations with the two bidders will be completed by early September 2004 with the issuing of the Best and Final Offer documents to both bidders in the third week in September 2004, with these being returned to the Authority by the end of November 2004. The County Council's Procurement Team will then evaluate each submission and recommend which bidder is selected with the Contract close in March 2005 for the award of the Contract on the 1 April 2005.

Preferred Strategy

3. Further work has been undertaken on developing the required facilities and processes required to achieve the long term recycling targets of 52% by 2020. In order to achieve this target it is now proposed that a number of the District Councils from 2009 onwards introduce a third kerbside collection of garden waste and/or garden and kitchen waste. Clearly, the introduction of this service will be influenced by the level of performance achieved over the next few years of the twin bin scheme, the performance of the Household Waste & Recycling Centres and the Districts bank system. In addition, changes to future legislation may allow the residuals from incineration and home composting to be counted towards recycling levels in which case there will be less kerbside collections required by the District Councils. Clearly therefore decisions on the rollout of these additional schemes will be confirmed in 2008/2009 such that the District Councils can start running these out in 2009/2010.

Recent Legislation

4. Government have now submitted a consultation document on the working relationship between Waste Collection Authorities and Waste Disposal Authorities which has now confirmed that should a Waste Disposal Authority request a Waste Collection Authority to exceed its statutory recycling target then the Waste Disposal Authority has a duty to pay the Waste Collection Authority additional costs in achieving the additional recycling levels. In addition to this, Government has also issued a consultation paper on the development of joint strategies in two tier areas such as Nottinghamshire. This has stated that if Waste Collection and Waste Disposal Authorities are achieving their recycling targets they do not need to formally submit a joint strategy to Government in 2005. Accordingly, it will not be necessary for the County Council or the District Councils to submit our strategy. Finally, Government has also indicated that they will be issuing consultation papers in the Autumn on the future of recycling credits and on proposals with respect to the UK's overall waste strategy.

Landfill Allowance Trading Scheme

5. The Government has now given Authorities information for them to calculate the amount of biodegradable waste they can landfill for each year from 2005 to 2020. Obviously, these figures reduce year on year and ensure that each Authority knows what it must divert to achieve the diversion rates in 2010 and 2015 such that the UK is not fined. Government has also stated that it will introduce a Trading Permit Scheme with respect to household waste (one permit per tonne) from 2005, which will allow Authorities to bank, buy or sell permits. This will allow Authorities to acquire permits to landfill in excess of their biodegradable targets for each year, or for Authorities who expect to send less waste to landfill than the figure set by Government to either sell permits to another Authority or bank permits and use to offset its tonnage in future years.

Fines

6. Government has also recently announced that if an Authority landfills more biodegradable waste than it is allowed to and does not have permits to compensate for the additional landfill waste, a fine of £200 per tonne will be levied on that Authority. So, if for example the Authority in 2010 landfills 40,000 tonnes more waste in 2010 than its target figure, it will be fined £8m for that year. The following year if the Authority still does not divert additional waste from landfill the penalty will apply to an increased excess of 60,000 tonnes i.e. £12m.

Furthermore, the Government has indicated that if ultimately the UK is fined post 2010 by the EEC for failure to divert the national amount of waste from landfill, those fines will also be apportioned to the following Local Authorities.

Peter Webster
Director for Environment

rmltkd1767.32