

CANNOCK CHASE COUNCIL

CABINET

18 MARCH 2010

REPORT OF DIRECTOR OF SERVICE IMPROVEMENT

RESPONSIBLE PORTFOLIO LEADER: ENVIRONMENT

JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY (JMWMS)

WASTE COLLECTION AND DISPOSAL AUTHORITY W2R SERVICE LEVEL AGREEMENT

KEY DECISION – YES

1. Purpose of Report

- 1.1 To seek approval of the signing of a Service level agreement (SLA) with Staffordshire County Council as part of the action plan to deliver the targets and aspirations for the Joint Municipal Waste Management Strategy for Staffordshire & Stoke-on-Trent (JMWMS), entitled 'Zero Waste to Landfill by 2020'

2. Recommendation(s)

- | |
|---|
| <p>2.1 That Members note the contents of this report.</p> <p>2.2 That Members approve the signing of a Service level agreement (SLA) with Staffordshire County Council as part of the action plan to deliver the targets and aspirations for the Joint Municipal Waste Management Strategy for Staffordshire & Stoke-on-Trent (JMWMS), entitled 'Zero Waste to Landfill by 2020'.</p> |
|---|

3. Summary (inc. brief overview of relevant background history)

- 3.1 The main aim of the JMWMS was to reduce overall levels of waste, and deliver zero waste to landfill by 2020, through greatly improved recycling and composting and development of infrastructure in the south of the County to supplement the existing Energy from Waste Plant in Stoke on Trent to deal with residual waste.
- 3.2 A target of 55% by 2020 for recycling and composting was set for Staffordshire as a whole.
- 3.3 Development of the JMWMS and the subsequent action plan to deliver the targets and aspirations of the strategy were agreed by all ten waste authorities in Staffordshire working through Staffordshire's Joint Waste Management Board. Cabinet approved sign up to the JMWMS in February 2008.

- 3.4 Excellent progress in achieving high recycling and composting performance has been achieved by the majority of authorities in Staffordshire, with only Stoke and Newcastle failing to meet interim targets, although newly adopted strategies within both authorities should see their performance improve this year.
- 3.5 As Waste Disposal Authority (WDA), Staffordshire County Council is required by the EU Landfill Directive to reduce the amount of waste it disposes of to landfill, as well as fulfilling its obligations within the JMWMS.
- 3.6 The WDA is currently in the process of bidding to Central Government's Private Finance Initiative (PFI) for PFI credits to support provision of new infrastructure known as 'Project W2R' to achieve diversion away from landfill for residual waste not recycled or composted required to be disposed of by the WDA.

4. Key issues and Implications

- 4.1 Members of the JWMB recognise and endorse the need jointly severally to:
- Act in order to address UK and European statutory waste minimisation targets
 - Divert biodegradable municipal waste from landfill
 - Increase recycling and waste recovery, and
 - Promote sustainable development including the use of waste as a strategic resource.
- 4.2 In managing the outcomes of the JMWMS the size and nature of disposal facilities required to deal with residual waste needs to be considered. To satisfy this, the WDA, with their project W2R, intends to enter into a long-term PFI procurement contract with a private sector provider for the treatment and disposal of waste received from district waste collection authorities (WCA's).
- 4.3 Procurement for the facility to be located at Four Ashes in South Staffordshire commenced in August 2008, with five bidders being shortlisted in October 2008 following the PPQ stage of the procurement process. One company subsequently dropped out, leaving four to submit detailed tenders to build and operate the facility. From these the County Council and their advisors selected two final bidders to go forward to the final stage, with a decision on who will be invited to build and operate the facility being scheduled for May 2010.
- 4.4 Bidding for PFI credits working with the private sector, worth £122.4M to build the facility will mean Council Tax payers in Staffordshire will receive a subsidy of £30 per tonne of waste sent to the facility. It is important to note that this is a grant to the County Council, not a loan, and will be paid by Central Government in stages over the 25 year period of the contract.
- 4.5 One of the principal requirements for the award of PFI credits in respect of project W2R is that the County Council as WDA should enter into binding agreement with District Council WCA's to achieve the targets set out in the JMWMS
- 4.6 Agreement by the WDA and WCA' to enter into this SLA will regulate the achievement of the targets set out in the JMWMS and the manner in which the recyclable municipal waste and biodegradable municipal waste will be dealt with in Staffordshire in the future.

- 4.7 Establishment of a clear and accountable framework of respective responsibilities in the SLA under which the WDA and WCA's can work together in discharging respective waste collection and disposal responsibilities with regard to residual waste, work towards an overall approach to Waste Minimisation, Composting and Recycling within Staffordshire.
- 4.8 The framework of the SLA will allow authorities to respond in a more effective and co-ordinated way in relation to the development and implementation of the JMWMS and to introduce and promote joint working arrangements that will be in the best interests of the Council Tax payers of Staffordshire.

5. Conclusions and Reason(s) for the Recommendation(s)

- 5.1 The report recommends the Council as WCA should sign the service level agreement with the WDA, Staffordshire County Council.
- 5.2 The Council recognises the principal requirements for the award of PFI credits in respect of project W2R is that the County Council as WDA should enter into binding agreement with District Council WCA's to achieve the targets set out in the JMWMS.
- 5.3 The Council has previously signed up to the Joint Waste Management Strategy (JMWMS) and views the SLA in question as an extension to that strategy.
- 5.4 Agreement by the WDA and WCA to enter into this SLA will regulate the achievement of the targets set out in the JMWMS and the manner in which the recyclable municipal waste and biodegradable municipal waste will be dealt with in Staffordshire in the future.

6. Other Options Considered

- 6.1 Consideration has been given as to whether the Council should sign the SLA at this time. However it is believed in not signing the SLA in a timely manner, there is potential for the County's PFI Bid to be damaged.

7. Report Author Details

Joss Presland – Waste & Engineering Services Manager.

SCHEDULE OF ADDITIONAL INFORMATION

INDEX

Contribution to Council Priorities (i.e. CHASE, Corporate Priorities)	Section 1
Contribution to Promoting Community Engagement	Section 2
Financial Implications	Section 3
Legal Implications	Section 4
Human Resource Implications	Section 5
Section 17 (Crime Prevention)	Section 6
Human Rights Act Implications	Section 7
Data Protection Act Implications	Section 8
Risk Management Implications	Section 9
Equality and Diversity Implications	Section 10
List of Background Papers	Section 11
Report History	Section 12
Annexes to the Report i.e. copies of correspondence, plans etc.	Annex 1, 2, 3 etc

Section 1

Contribution to Council Priorities (i.e. CHASE, Corporate Plan)

It is considered the provision of effective waste management and recycling collection services makes a major contribution to residents living environment and improves the district for its visitors.

Section 2

Contribution to Promoting Community Engagement

The signing of the SLA allows residents to further improve community engagement by increasing the amount of recycling tonnages collected per household.

Section 3

Financial Implications

There are no direct financial implication within this report.

Section 4

Legal Implications

The Council has a statutory duty to collect household waste.

The Council also has a statutory duty regarding the composting and recycling of household waste, in essence to provide kerbside collections for at least two recyclable materials by 2010.

EU regulations require the UK to reduce biodegradable waste going to landfill to 75% of 1995 level by 2010, 50% of 1995 level by 2013 and 35% of 1995 level by 2020.

Under other regulations the Council must not exceed any allowances granted in relation to the depositing of biodegradable municipal waste in landfill sites.

Any decision taken must have regard to the statutory obligations imposed upon this Council in terms of recycling targets and the limitations imposed in using landfill sites. Failing to comply with statutory requirements may result in the Council being liable to a financial penalty and adverse publicity.

Section 5

Human Resource Implications

There are no direct human resource implications with in this report

Section 6

Section 17 (Crime Prevention)

There are no crime prevention implications within this report

Section 7

Human Rights Act Implications

There are no human rights implications within this report.

Section 8

Data Protection Act Implications

There are no data protection implications within this report.

Section 9

Risk Management Implications

Positive (Opportunities/Benefits):

1. Creates a framework for effective partnership working, maximising the benefits of provision of strategic infrastructure, and waste collection and recycling services.

Negative (Threats)

1. Failure to meet current and future recycling targets.
2. The terms of the SLA may vary upon finalisation of the PFI Agreement. Any changes are unknown and will not be under the control of the Council.
3. The SLA proposes a 'joint and several' responsibility consequently if one Council fails to meet its targets/responsibilities those targets/responsibilities will fail to others in addition to their existing targets/responsibilities. The impact of any failure by one or more of the other Councils upon CCDC is unknown, so too the application by SCC and impact of any LATS penalties upon CCDC

Section 10

Equality and Diversity Implications

There are no equality and diversity implications within this report.

Section 11

List of Background Papers

Cabinet Report 21 February 2008.

Cabinet Report 19 January, 2006

Section 12

Report History

Council Meeting	Date

Annexes to Report

None