

Supplementary Committee Agenda



Safer, Cleaner, Greener Scrutiny Standing panel Tuesday, 9th December, 2008

Place: Committee Room 1, Civic Offices, High Street, Epping

Time: 7.00 pm

Committee Secretary: Adrian Hendry, Office of the Chief Executive
email: ahendry@eppingforestdc.gov.uk Tel: 01992 564246

- 8.a Inter Authority Agreements - Waste Service Development Plan** (Pages 3 - 10)
(Director of Environment and Street Scene) for consultation on the attached report.

This page is intentionally left blank

Report to the Cabinet

Report reference: C-nnn-2008/09
Date of meeting: 15 December 2009



**Epping Forest
District Council**

Portfolio: Environmental Protection

Subject: Inter Authority Agreements – Waste Service Development Plan

Responsible Officer: J Gilbert (01992 564062)
K Durrani (01992 564055)

Democratic Services Officer: Gary Woodhall (01992–564470)

Recommendations/Decisions Required:

To agree the first stage Service Development Plan as set out in appendix **xx**

Executive Summary:

The production of a Waste Service Development plan (SDP) is a key stage in the development of the Inter Authority Agreements (IAA) between the Waste Collection Authorities (WCAs - the districts and boroughs) and the Essex County Council (the Waste Disposal Authority - WDA). The SDP is required to set out the base position and the aspirational position looking forward, and is intended to set out, for the next 25 to 30 years, what the WCAs intend to collect, how they intend to collect it and where they intend to take it for treatment and/or disposal

On the basis of the agreed SDP the County Council will require the WCAs to enter into binding Inter Authority Agreements (IAA) so that the County is able to procure, through its PFI process, the infrastructure required to deliver the targets and aspirations of the Essex Joint Municipal Waste Management Strategy. The IAA will also potentially provide for the County Council to support the collection arrangements of the WCAs through capital and revenue financial support. A decision on the IAA will be brought to Cabinet probably at its February 2009 meeting.

The final content of the SDP is not yet clear, with the WCAs legal advisors currently in discussions with the County Council. However, at this stage, an agreement in principle is required to enable the timetable for the IAA to be met.

This is a key decision

NIs etc to follow

Reasons for Proposed Decision:

For Cabinet to agree the Service Development Plan thereby enabling the next stage of considering the Inter Authority Agreements to follow early in 2009. This will provide the Council with access to Essex County capital and revenue funding in support of any changes it needs to make to its collection arrangements.

Other Options for Action:

The only alternative at this stage is not to produce and agree the SDP and therefore to effectively preclude the Council from entering into the IAA. This in turn will most likely result in County Council funding not being made available to support this Council's collection developments. Since the SDP is effectively required as part of this Council's service planning processes, there is no reason not to proceed and to maintain the possibility of external funding in due course. Therefore, a rejection of the SDP cannot be supported at this time.

Report:

1. As part of the Essex Waste Partnership, this Council has, along with the other districts and boroughs, been working with the County Council in developing a Joint Municipal Waste Management Strategy (JMWMS) and a PFI procurement exercise for waste management infrastructure. The first stage of this complex exercise was completed in September 2008, when the Council formally adopted the JMWMS.
2. The JMWMS has a number of targets within it including attaining:
 - (a) 40% recycling by 2011;
 - (b) 45% recycling by 2015;
 - (c) an aspirational recycling target of 60% by 2020; and
 - (d) reductions in household waste generally
3. The County Council has recognised that for these targets to be achieved, the WCAs will need to make significant investments in their collection infrastructure. In the report to Cabinet at its meeting on the 10th of November, details of the nature and possible scale of that investment was set out, along with the potential for ECC funding support. Since that support was as yet unclear, Cabinet resolved to defer its own future investment decision to a future meeting.
4. Paragraph 18 of that same report also made reference to this possible funding being made available through an Inter Authority Agreements (IAA) and that this would be coming forward to Cabinet for consideration in early 2009. A key element of the IAA process and the securing of funding is the submission to County of a Service Development plan (SDP). The SDP is required at two levels, the base position and the aspirational position looking forward, and is intended to set out, for the next 25 to 30 years, what the WCAs intend to collect, how they intend to collect it and where they intend to take it for treatment and/or disposal
5. This Council's recycling performance is already one of the highest in the County (3rd behind Braintree & Uttlesford in 2007/08). We already collect a wide range of materials, and, with the exception of extending the core recycling services into flats etc, the only service development remaining is the collection of kitchen waste and the associated withdrawal of the summer weekly residual collections.
6. Officers have produced a draft SDP for consideration informally by the County. This is attached as appendix xx. This SDP was considered at a meeting with the County on the 18th of November and it does appear that the County will be prepared to make a significant contribution to the delivery of the service changes which are required. The County are aware that the Council has yet to select its preferred option for the revised service, but it is likely that the County will make a "cost limited" offer which will be limited by the availability of funding rather than the actual option selected. The County will however wish to be assured that the options under consideration will deliver significant additional performance. A verbal update will be provided at the meeting if further information on the likely County offer is available.
7. The SDP will become part of the IAA due to be considered next year. The IAA is currently being assessed by the WCA's legal advisors (Sharpe Pritchard). Whilst this may

result in some changes to the final format and content, it is important that this “first stage” SDP be agreed at this time, so that the overall timeframe for the IAA and the PFI itself is not compromised. Any required amendments can be dealt with at the same time as the final IAA is considered, probably in February 2009.

Resource Implications:

8. There are no additional resource implications arising from the adoption of the SDP, other than those already identified for the future development of the waste service which were set out in the report to Cabinet on the 10th of November 2008. The adoption of the SDP will enable the Council to continue to seek County Council revenue and capital support for that service development. Any significant contribution by the County will assist this Council in reducing CSB expenditure pressures.

9. County funding will be conditional on the Council entering into and signing an Inter Authority Agreement. This will be a legally binding document and will remain in place for the next 25 years.

Legal and Governance Implications:

The provision of the waste service is statutorily required under, amongst other pieces of related legislation, the Environmental Protection Act 1990. The Inter Authority Agreement, if signed, will be a legally binding document between the Council and the County Council for a period of at least 25 years. Legal advisors have been appointed to provide support to the waste collection authorities to ensure a full understanding of the consequences of signing the IAA. Meetings have been held and the meeting will be updated with the position through a verbal report. A decision on the IAA will be required at the February 2009 Cabinet.

Safer, Cleaner and Greener Implications:

The delivery of an effective waste management service is a key component of the Council’s “Safer, Cleaner, Greener” strategy. There is a requirement upon the Council to increase the recycling and diversion of waste and to reduce the volume of waste destined for landfill. The potential for ECC support funding will enable the Council to manage this service development more effectively

Consultation Undertaken:

None specifically, although the SDPs and IAA are subject to regular discussions between the Essex WCAs and the Essex County Council

Background Papers:

Previous reports to Cabinet, and specifically 10 November 2008

Impact Assessments:

Failure to adopt the SDP will result in the inability to secure ECC support funding placing an additional financial commitment upon the Council’s budget in taking forward the necessary service developments

A lack of support funding may constrain the nature of the service development and adversely affect the future costs and performance of the waste service

This page is intentionally left blank

NEW COLLECTION SCHEME – BIDDING FOR ECC FUNDING

Council Name: Epping Forest District Council

Date 4 November 2008

Scheme name	Stage 1	Stage 2
	<p>Revisions to service to include collection of food waste and constrain garden waste</p>	<p>Revisions to service to include collection of food waste from flats and similar communal buildings</p>
Material included in scheme	Food (& garden waste from an existing scheme)	Food (& garden waste from an existing scheme) to be extended to flats and similar communal buildings
Frequency of collection	Weekly	Weekly
Number of properties covered Best & worst anticipated tonnage	45,000 Best 5,000 tonnes (0.11 tonnes per household) Worst 4,000 tonnes (0.09 tonnes per household) (Based upon WRAP formula)	53,000 (i.e. + 8,000) Best 5,800 tonnes (0.11 tonnes per household) Worst 4,750 tonnes (0.09 tonnes per household)
Capture rate	Current recycling participation rates in the order of 80% (recently undertaken participation survey)	Current recycling participation rates in the order of 80% (recently undertaken participation survey)
Earliest start up date subject to funding	October 2009	To be determined but probably April 2011, to enable first phase to bed in
Start up costs, One off costs (pls state what year required)	<p>Required from October 2009 Costs depend upon option selection but range from approximately £600,000 for a paid sack based system to £750,000 for a wheeled bin based system This provides: Vehicles and crews Lifts where required Wheeled bins, kitchen and kerbside caddies as required Gate fees, haulage etc</p>	<p>Required from April 2011 Extension of service to cover all remaining flats and similar buildings is likely to cost in the order of £190,000 per annum (Details still under preparation)</p>

	<i>(Details can be provided)</i>									
Location to be delivered to	This is open to discussion. Original plan was to use a Sita provided facility, but this may only have been available if EFDC committed waste from April 2008. This is now unlikely and therefore organic capacity is a potential issue for us in developing the new service. The costs above assume that EFDC is meeting Sita transfer, haulage and IVC gate fees.									
Number of vehicles & type	The proposed new service requires a significant change from the originally tendered collection methodology in order to accommodate the additional tonnages for food waste to be collected with the garden waste. This means that the "net" increase in vehicles required to make the transition is greater than might otherwise be anticipated for the implementation of a food waste service, because of the need to move from a joint collection of garden and dry to separate collections. The Council is considering a range of options, all of which have a weekly collection of food waste and revert to alternate weekly residual all the year round. The options include commingled and source separated kitchen waste. I have attached a spreadsheet which sets out the final modelled costs. Options 1,2(a) and 3(a) require an additional 4 vehicles and crew whilst options 2 and 3 require 6.									
Vehicle cost 1) lease costs p/a 2) running cost p/a include all aspects	<p>For the purposes of this exercise a vehicle and crew (driver + 2) has been estimated at around £160,000 per annum which relates to capex associated with purchase, depreciation, maintenance etc. The actual costs of kit etc have been assumed as follows:</p> <table border="0" data-bbox="1149 1332 1292 1863"> <tr> <td>6 x 4 RCV with lift:</td> <td>£120,000</td> </tr> <tr> <td>LGV driver (incl):</td> <td>£ 25,500</td> </tr> <tr> <td>Loader/operative:</td> <td>£ 18,500</td> </tr> <tr> <td>Lifts for existing RCVs:</td> <td>£ 17,600</td> </tr> </table> <p>The overall outcome is however more complex depending upon who pays the capex and what kit is required to be fitted. Other costs relate to TS, haulage and gate fees at the IVC.</p>	6 x 4 RCV with lift:	£120,000	LGV driver (incl):	£ 25,500	Loader/operative:	£ 18,500	Lifts for existing RCVs:	£ 17,600	Probably one additional vehicle to support flats etc at a cost in the region of £160,000 or so (2008 prices)
6 x 4 RCV with lift:	£120,000									
LGV driver (incl):	£ 25,500									
Loader/operative:	£ 18,500									
Lifts for existing RCVs:	£ 17,600									

Labour Number of crews Cost of crews inc overheads	See above	See above
Promotion per annum	<i>Estimated 1 at £48,000 and included in the overall costings provided</i>	<i>Estimated 1 at £48,000 and included in the overall costings provided</i>
Funding required for how long	<i>Unless funding support is guaranteed in perpetuity, new services cannot be introduced. That is not to say that further efficiency savings could not arise in the future. One off capital assistance for vehicles and/or other equipment would reduce the overall revenue cost</i>	<i>Unless funding support is guaranteed in perpetuity, new services cannot be introduced. That is not to say that further efficiency savings could not arise in the future</i>
Savings from efficiencies	<i>The above costs include the removal of the weekly summer residual collection, estimated to produce a saving of around £250,000 per annum</i>	<i>Not relevant</i>
TOTAL COST		
Pa		
Co		
£/TONNE		
£/ Household		

This page is intentionally left blank