Supplementary Council Agenda

Epping Forest District Council

Council
Thursday, 28th June, 2007

Place:	Civic Offices, High Street, Epping
Room:	Council Chamber
Time:	7.30 pm
Committee Secretary:	Council Secretary: Ian Willett Tel: 01992 564243 Email: iwillett@eppingforestdc.gov.uk

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6. COUNTY WASTE STRATEGY (Pages 3 - 26)

Presentation slides attached

21A RODING VALLEY LAKE – EMERGENCY AND URGENT EXPENDITURE (Pages 27-28)

(Leisure and Young People Portfolio Holder) To note the attached report.

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Update on the Essex Waste Strategy Project

Epping Forest District Council

28 June 2007

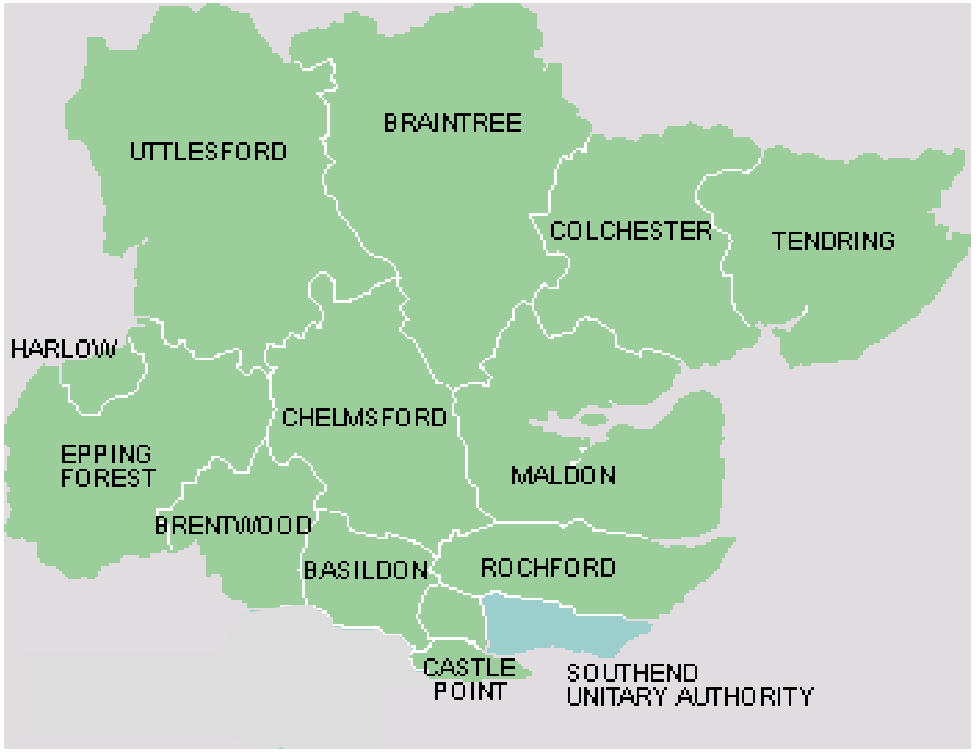
Essex County Council

Agenda

- Essex Waste Management Partnership;
- Challenges;
- Draft Joint Municipal Waste Management Strategy (JMWMS) for Essex ;
- Private Finance Initiative (PFI) Application;
- Reference Project;
- Memorandum of Understanding (MoU) and letter of support.

Essex Waste Management Partnership

- Essex County Council;
- Twelve Essex District & Borough Councils;
- Southend on Sea Borough Council;
- Governance:
  - *Three area Joint Committees*
  - *Waste Management Advisory Board*



Challenges – Waste Management

- Currently landfill approx. 65% of household waste produced;
- Legislative Drivers for change:-
  - *Landfill Tax;*
  - *EU Landfill Directive;*
  - *Landfill Allowance Trading Scheme (LATS);*
- Reducing waste volumes;
- National Recycling Targets;
- Financial risks - substantial penalties for failure;
- Environmental responsibility – resource management, climate change, energy…..

Challenges – Energy & Climate Change

- More sustainable waste management systems could positively contribute towards tackling climate change;
- Production of biogas from anaerobic digestion of organic material;
- Recovery of a solid recovered fuel from a small fraction (20%) of household residual waste.

Renewable energy sources

Essex Strategy – key objectives

- Reduce waste, maximise reuse and recycling;
- Decrease the rate at which household waste grows;
- To reach a recycling rate of 45% by 2010/11;
- Essex authorities have a vision to recycle and compost 60% of all household waste no later than 2032;
- Extract value from any residual waste left;
- Minimise waste to landfill.

Essex's policy for dealing with waste is one of high recycling & biotreatment

County Council Policy

- That the County Council invites solutions for the long-term management of its residual waste requiring:-

  - *The development of front end sorting to further recover dry recyclable material;*
  - *The development of either anaerobic digestion or mechanical biological treatment coupled, as appropriate, with the recovery of biogas;*
  - *Invite contractors to identify and propose options for the management of the residual waste after treatment including the possible development of compost, soil conditioner, landfill or the use of a refuse derived fuel.*

Waste Strategy Project – PFI Application

Objectives of the Waste Strategy Project

"To procure facilities for the medium & long term management of Essex & Southend's waste.

To work in Partnership with Southend & the twelve Districts and Boroughs to implement an integrated collection, treatment & disposal system which will deliver the aspirations of the Waste Strategies of Essex & Southend"

Why PFI?

- Most economically advantageous funding and procurement route for the Council Tax payers of Essex and Southend;
- Essex and Southend have been allocated £90m of ‘PFI Credits’ – equates to £7-8m revenue per annum;
- Highly structured process.

PFI Application History

- In Dec ‘05, Essex and Southend submitted an Outline Business Case to Government for PFI credits;
- In May ‘06, the PFI eligibility criteria were changed by Defra;
- During 2006/07, Essex and Southend have been negotiating with Defra to produce a new PFI bid;
- The new OBC meets the current PFI eligibility criteria;
- Respond to outside pressures, e.g. recycling and landfill diversion targets, threat of financial penalties, security of energy supplies; significant environmental benefits;
- New OBC needs to be submitted to Defra by end of July ’07.

PFI Application Process

Application

Demonstration of partnership support:

- Memorandum of Understanding
- Letter of support

Outline Business Case (OBC)

Reference Project (model)

- Bankable
- Affordable
- Deliverable

Waste Implementation Delivery Programme (WIDP) Board

- Defra
- 4Ps
- PUK

Approval

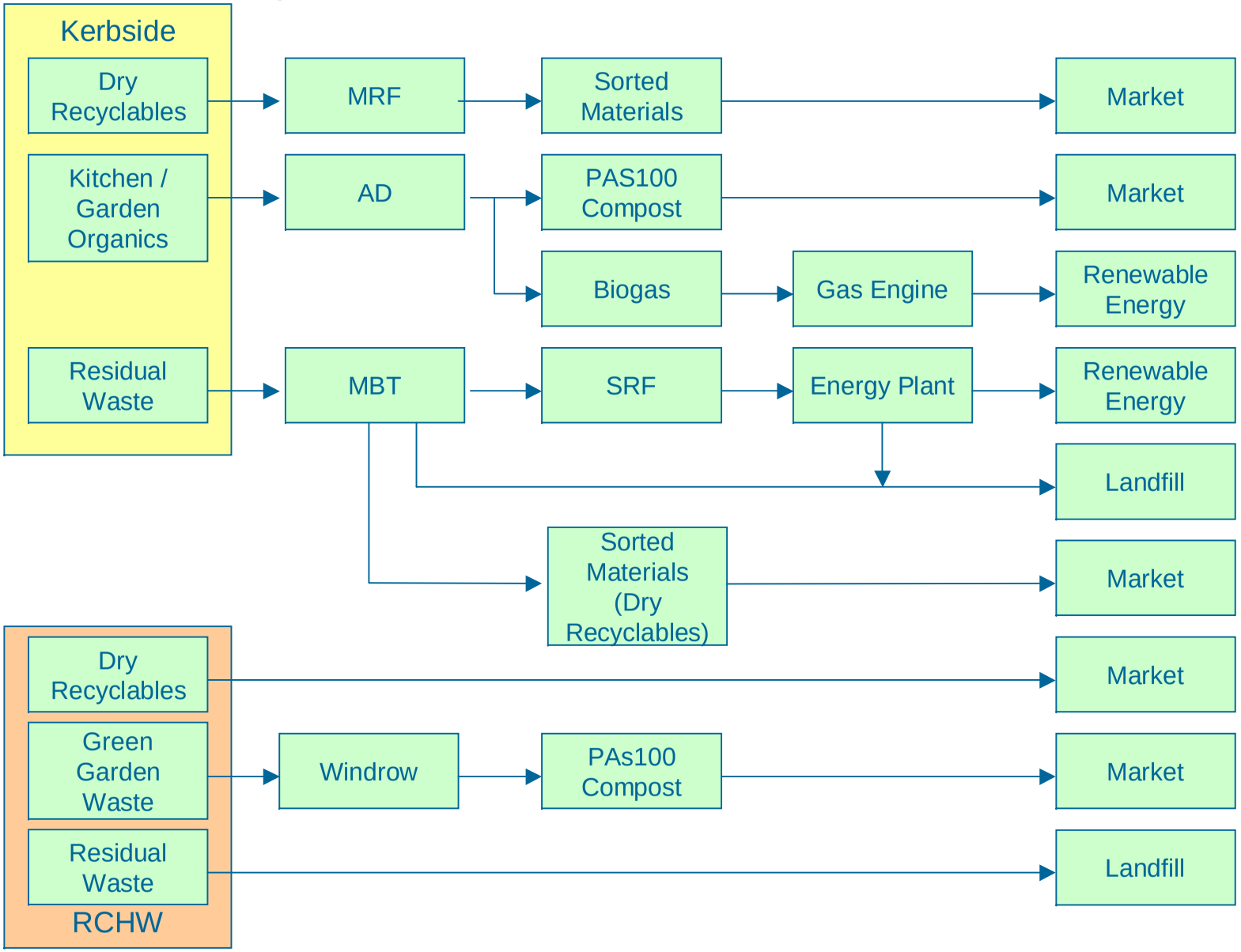
Ministerial Approval

Project Review Group (PRG)

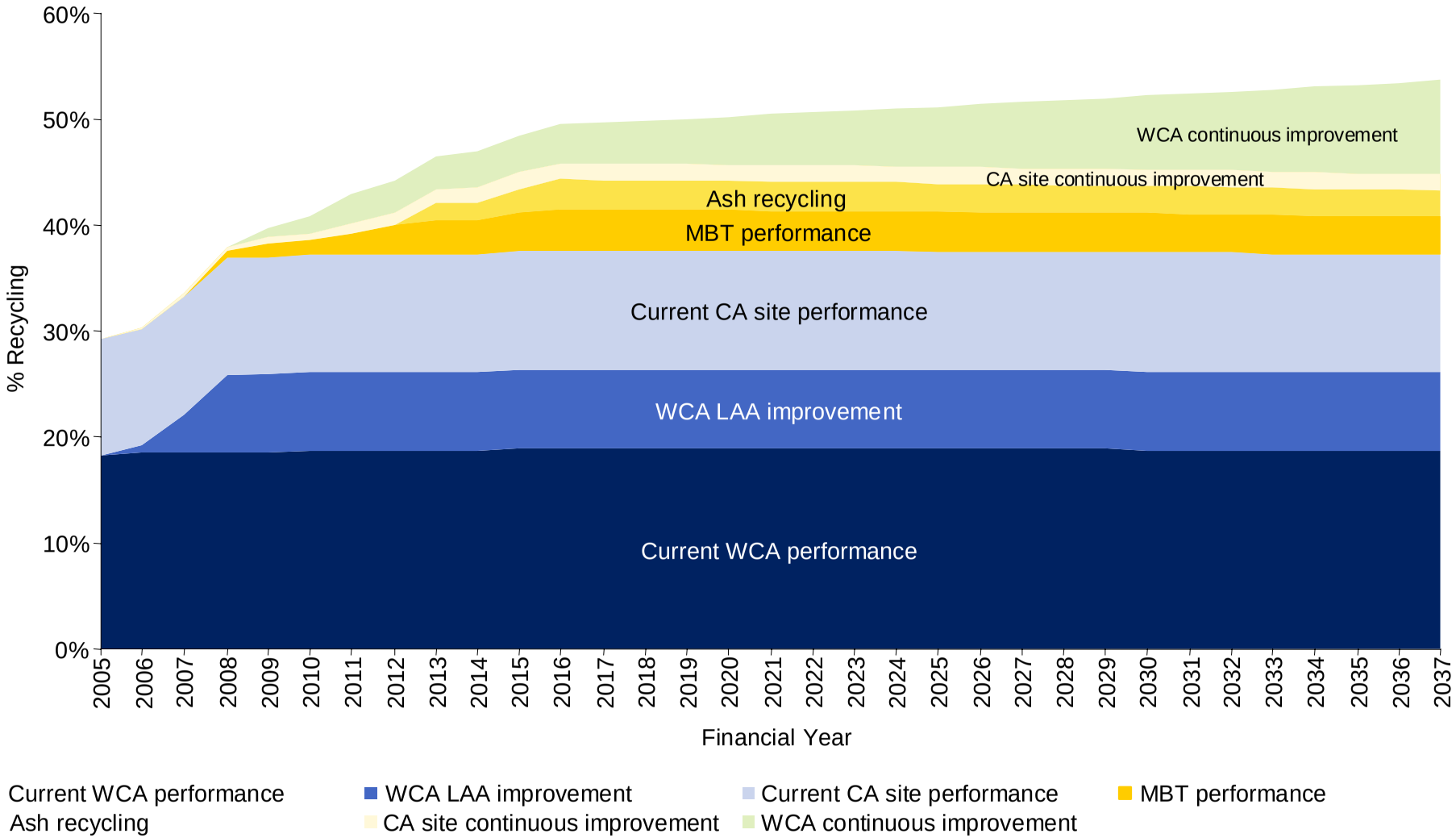
- Defra
- Treasury

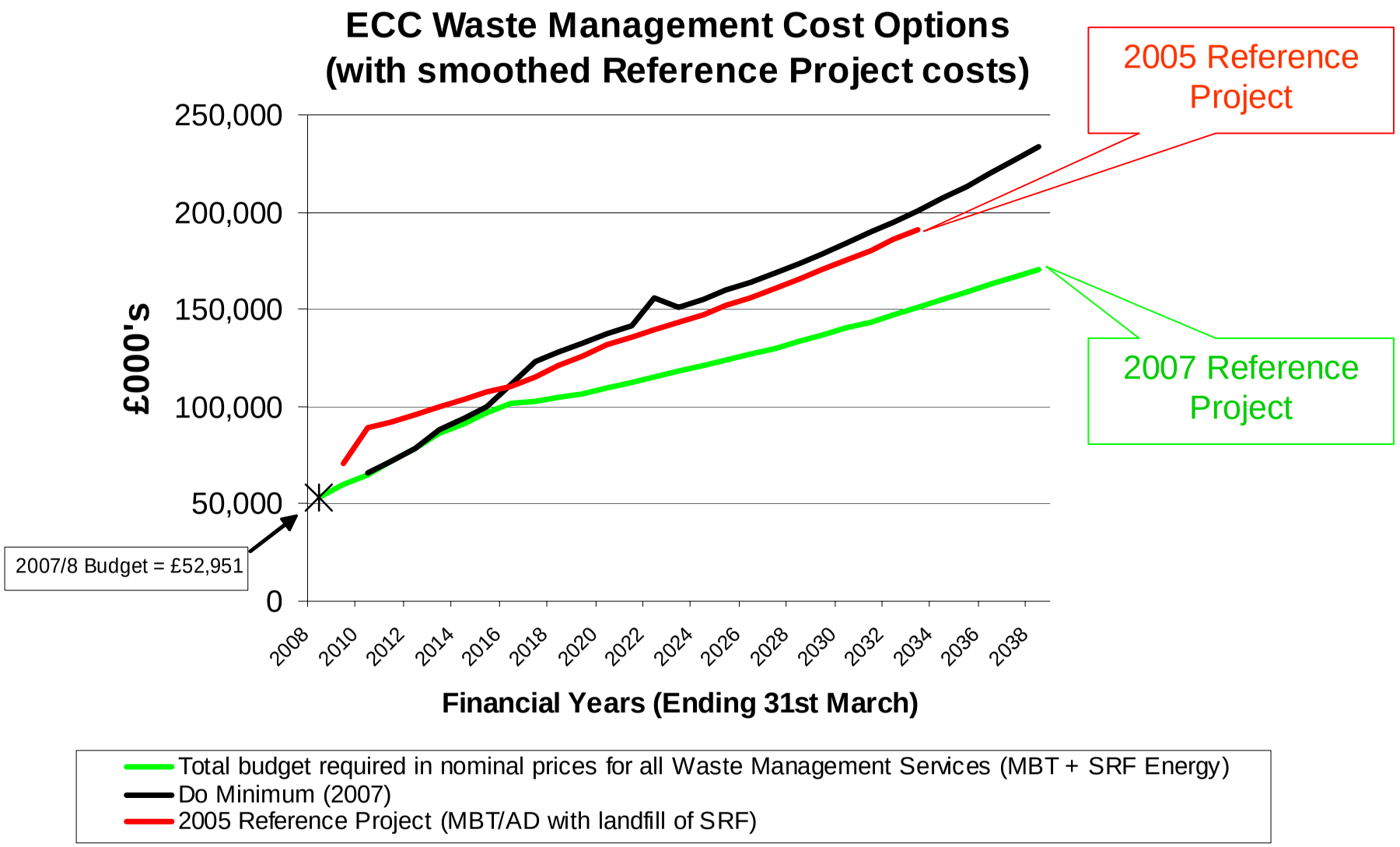
Reference Project

PFI Reference Project Waste-flows (Whole system)



Recycling Performance




ECC Waste Management Cost Options
(with smoothed Reference Project costs)
2005 Reference Project
2007 Reference Project
£000's
250,000
200,000
150,000
100,000
50,000
0
2007/8 Budget = £52,951
2008
2010
2012
2014
2016
2018
2020
2022
2024
2026
2028
2030
2032
2034
2036
2038
Financial Years (Ending 31st March)
Total budget required in nominal prices for all Waste Management Services (MBT + SRF Energy)
Do Minimum (2007)
2005 Reference Project (MBT/AD with landfill of SRF)

Reference Project - Technology Options and Benefits

Reference Project Benefits (1)

Anaerobic Digestion of Source Segregated Organic Waste (e.g. food waste)

- Produces high quality compost - meets nationally recognised quality standard (PAS 100);
- PAS 100 composts have a good long term, sustainable markets;
- Can also produce a useful liquid fertiliser;
- Yields higher rates of biogas - renewable energy
- Eligible for renewable obligation certificates (approx twice the value of normal electricity);
- In line with recent Waste Strategy for England.

Reference Project Benefits (2)

Energy Plant for Solid Recovered Fuel (SRF)

- SRF is manufactured from only a fraction of the waste after as much material has been pulled out for reuse and recycling first;
- SRF is a higher quality product than refuse derived fuel and has much tighter quality specifications;
- The use of SRF is not mass burn incineration; only a fraction of the waste is used to manufacture SRF (20% of the total waste stream);
- If both heat and electricity can be captured, then the power generated will be eligible for renewable obligation certificates;
- Can contribute to security of energy supply;
- The energy produced could provide electricity for 55,000 homes in Essex.

Reference Project Benefits (3)

MBT and Energy Plant

- The use of MBT to treat residual waste and recovering energy from the SRF rather than burying it, are more beneficial in terms of climate change impacts than continuing to send waste to landfill;
- Any energy plant built will meet the highest standards of emission control set for industrial facilities;
- Using SRF in an energy plant is also a more cost-effective solution than landfilling SRF due to:-
  - Avoided landfill costs;
  - Avoided Landfill Tax;
  - Avoided risk of failure to comply with landfill diversion targets;
  - Higher value renewable energy supply.

Partnership Support - MOU

Benefits to Districts of Signing MoU and Letter of Support?

- Evidence of continued partnership working;
- Potential to access partnership infrastructure:-
  - *Transfer stations;*
  - *MRFs;*
- Access to funding formula support – incentives for high recycling;
- Contribution towards delivery of the Essex Waste Strategy;
- Does not go beyond existing recycling performance commitment (LAA);
- Significant environmental and financial benefits to Essex;
- Reduces overall waste management costs to Council Tax payers of Essex.


Questions

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Report to the Council

Subject: Roding Valley Lake - Emergency and Urgent Expenditure **Date: 28 June 2007**

Portfolio Holder: Councillor M Cohen **Item: 21A**

Recommendation:

That the need to incur expenditure of £6,000 outside of the Budgeting Framework, as advised by the Leisure and Young Persons Portfolio Holder, with respect to urgent measures taken to reduce the impact of adverse environmental conditions experienced at the Roding Valley Lake be noted.

Report

1. In accordance with Financial Regulations I am advising Council of the need to incur expenditure outside of the budgeting framework, on the grounds of urgency.

2. On Friday 22 June 2007, the Council were made aware of a substantial number of dead fish evident in the Roding Valley Lake, Roding Valley Recreation Ground, Loughton.

3. Officers from Leisure and Environmental Services immediately attended the site where they met with representatives of the Environment Agency and Thames Water.

4. Initial indications based on the scale of the fish loss, the pervading smell and the recent history of sewerage failures in the vicinity, led Thames Water on their own volition, to undertake emergency remediation works.

5. In response to the situation and in order to minimise any potential health risks and distress to the public, Leisure Services erected warning notices advising people to keep clear of the lakeside. They also arranged for a specialist contractor to attend, to start removing the dead fish.

6. Over the course of the weekend, additional resources were deployed by the Environment Agency to re-oxygenate the lake. The Agency undertook regular water tests to gauge the oxygen levels and to try to identify the cause of the contamination.

7. However, based on these initial water test results and dye-testing of the integrity of the sewer, the indications are now that a natural occurrence is likely to be the cause as opposed to a sewerage leak. Although this has yet to be finally confirmed by the definitive results of a suite of more comprehensive bacteriological tests, Thames Water vacated the site, on Tuesday 26 June withdrawing the majority of their equipment.

8. In order to preserve remaining fish stocks, Leisure Services have hired aeration equipment, which has to be staffed at all times for safety and security

reasons. In addition, additional costs have been incurred by the engagement of the specialist fish removal contractor. To date the current level of unanticipated expenditure is approximately £6000. There is no certainty in the immediate short term, as this is largely dependant on the rate that oxygen levels rise in the lake, around how much longer it will be necessary to retain the aeration equipment. The best estimate at this stage is until early in the week beginning 2 July 2007.

9. Thames Water have indicated that they believe they are not responsible for any pollution arising from their activities, and as such are minded to submit a claim for reimbursement of their costs against the Council. This potential claim which is at this time largely unsubstantiated will likely be refuted by the Council, as Thames were not working under instruction from the Authority.

10. The Council's Insurers have been advised. Finally, I will report back to Council on the final level of costs at a future meeting along with steps being taken to mitigate this unforeseen expenditure.