

## JOINT WASTE DISPOSAL BOARD

### NOTICE OF MEETING

TUESDAY 21 SEPTEMBER 2010

**TO: ALL MEMBERS OF THE JOINT WASTE DISPOSAL BOARD**

You are invited to attend a meeting of the Joint Waste Disposal Board on **Tuesday 21 September 2010 at 6.00 pm** in the Council Chamber, Council Offices, Shute End, Wokingham. An agenda for the meeting is set out overleaf.

Mark Moon  
Project Director

#### Members of the Joint Waste Disposal Board

Bracknell Forest Council:	Councillor Mrs D Hayes Councillor McCracken
Reading Borough Council:	Councillor W Swaine Councillor T Stanway
Wokingham Borough Council:	Councillor R Stanton Councillor G Cowan

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WOKINGHAM  
BOROUGH COUNCIL



**JOINT WASTE DISPOSAL BOARD**  
**Tuesday 21 September 2010 (6.00 pm)**  
**Council Chamber, Council Offices, Shute End, Wokingham.**

**AGENDA**

	<b>Page No</b>
<b>1. APOLOGIES FOR ABSENCE</b>	
<b>2. ELECTION OF CHAIRMAN</b>	
<b>3. APPOINTMENT OF VICE-CHAIRMAN</b>	
<b>4. DECLARATIONS OF INTEREST</b> Members are required to declare any personal or prejudicial interests and the nature of that interest, in respect of any matter to be considered at this meeting.	
<b>5. MINUTES OF THE MEETING OF THE JOINT WASTE DISPOSAL BOARD</b> To approve as a correct record the minutes of the Joint Waste Disposal Board held on 1 July 2010.	1 - 6
<b>6. URGENT ITEMS OF BUSINESS</b> To notify the Board of any items authorised by the Chairman on the grounds of urgency.	
<b>7. PROGRESS REPORT</b> To inform the Board of progress since the last meeting.	7 - 10
<b>8. ANNUAL FINANCIAL STATEMENT</b> To note the contents of the Annual Financial Statement.	11 - 18
<b>9. WORK PROGRAMME</b> To note the progress made addressing the issues identified in the Work Programme.	19 - 22
<b>10. AUDITS</b> To note the process to be adopted for future audits of the re3 Joint Waste PFI.	23 - 24
<b>11. RBC SCRUTINY</b> To note the recommendations of the Reading Borough Council Scrutiny Panel review of the re3 Joint Waste PFI Contract.	25 - 26
<b>12. DEFRA CONSULTATION</b> To identify areas of waste policy on which to respond regarding a	27 - 40

DEFRA consultation review of waste policy in England.

**Reports Containing Exempt Information**

13. **RISK REGISTER**

41 - 44

To note the updated Risk Register.

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# Agenda Item 5

**JOINT WASTE DISPOSAL BOARD**  
**1 JULY 2010**  
**(6.00 - 8.30 pm)**

Present: Bracknell Forest Borough Council  
Councillor Mrs Dorothy Hayes MBE, Vice-Chairman  
Councillor Iain McCracken

Reading Borough Council  
Councillor Warren Swaine  
Councillor Tom Stanway

Wokingham District Council  
Councillor Rob Stanton, Chairman  
Councillor Gary Cowan

Officers: Pete Baveystock, Wokingham Borough Council  
Oliver Burt, Reading Borough Council, (Project Manager)  
Peter Butler, Reading Borough Council  
Janet Dowlman, Bracknell Forest Council  
Dave Fisher, Reading Borough Council  
Kevin Holyer, Reading Borough Council  
Steve Loudoun, Bracknell Forest Council  
Mark Moon, Wokingham Borough Council, (Project Director)

**35. Apologies for Absence**

There were no apologies for absence.

**36. Declarations of Interest**

There were no declarations of interest.

**37. Minutes of the Meeting of the Joint Waste Disposal Board - 24 February 2010**

The minutes of the meeting of the Joint Waste Disposal Board held on 24 February 2010 were approved as a correct record and signed by the Chairman.

**38. Re-use Trial - Presentation**

The Board received a presentation from Ella Clark, WRG on the Re-Use trial.

Ella updated the Board on the re-use trial taking place at the recycling centres. She explained that the aims for the trial were to increase the reuse of waste and reduce the amount sent to landfill. Re-usable waste comprised mainly of different household items such as; televisions, vacuum cleaners, game consoles, pictures, bikes and other general bric-a-brac. Some of these items are suitable for refurbishment and can be sold, with local charities being involved in the project.

Ella added that once the trial had been completed a permanent solution would be created. This would include developing relationships with re-use partners, creating an on-line directory and undertaking further publicity. A Community Repaint scheme would also be investigated, linking in a national community repaint network. There

were aims to work with The Green Machine and discussions were currently taking place.

The Project Manager added that a progress report regarding the discussions with The Green Machine would be brought to the next Joint Waste Disposal Board meeting.

The Board thanked Ella for the presentation and the progress being made at the recycle centres.

#### **Action Project Manager**

The Project Manager updated the Board on a violent incident that had taken place at Smallmead between a member of the public and a member of staff. The Project Manager said that there would be a press release regarding the incident explaining the pressures on staff at the sites.

#### **Action Project Manager**

### **39. Progress Report**

The Board considered the Project Director's latest progress report which covered the following topics:

- Operations and Facilities
- Finance and Performance
- Risk Register
- Use of re3 Facilities by West Berkshire Residents
- Lakeside Energy from Waste Facility

During the discussion the Board noted that:

- Waste output from the Lakeside Energy from Waste (EfW) facility with Bottom Ash from the process equivalent to 19% of total inputs is recovered and used in the production of building blocks. The Board requested that information on the ferrous content of Bottom Ash be provided. Fly Ash forms the equivalent to 3% of total inputs and is sent to a landfill.
- A new regime for residents to deposit asbestos would be limited to 2 hours a day, this was due to on-site staff having to wear protective equipment and would not have to repeatedly get changed into this.
- Works would begin in July for improvements to the fire detection and prevention systems at Smallmead MRF.
- Draft amendments were being made to the PFI Project Agreement in relation to the approval of the proposed procurement by DEFRA.
- There had been an under-spend for the project of £940,000 for 2009/10. Reasons for this included; a fall in waste tonnage, recycling and composting under forecasted, a low inflation rate, and a reduction in the estimated business rates cost.

The Board discussed what would happen if the overall waste tonnage fell below 190,000 tonnes and requested that the Project Director brief the Waste Board on the implications. The Board also requested that a break down of consultancy costs be provided to the Waste Board.

It was noted that the budget for 2011/12 was being drafted and this would be brought to the next meeting.

The Board also discussed the use of re3 facilities by West Berkshire residents, an update regarding the matter would be brought to the next meeting.

**RESOLVED that**

- 1 Progress made on the Project since the meeting of the Joint Waste Disposal Board on 24 February 2010 be noted.
- 2 That information be provided on the ferrous content of Bottom Ash from the Lakeside Energy from Waste facility be provided.
- 3 The Project Director provide details of implications of the overall waste tonnage falling below 190,000 tonnes.
- 4 That further details, regarding consultancy costs, be reported to the Board. .
- 5 That the Project Director bring the draft budget proposals for 2011/12 to the next meeting.
- 6 An update regarding the use of the re3 facilities by West Berkshire residents be brought to the next meeting.

**40. Performance Report**

The Board considered a report on the performance of the re3 councils for 2009/10.

The Project Manager informed the Board that there had been a reduction in waste and that could result in financial implications. The tonnage of refuse collected by the Councils had fallen on average by 3.3% and for mixed dry recyclables (MDR) by 6.3%. Influencing the performance levels included contamination of MDR and rejections at the Material Reclamation Facility (MRF) at Smallmead. The Project Manager added that the contractor would be undertaking a trial to test the MRF rejections and determine whether recirculation could be introduced. It was noted that further information regarding the MRF trial would be brought to the next Joint Waste Disposal Board meeting.

**Action - Project Manager**

The National Indicator (NI) targets gave percentage details for the re3 Councils during 2009/10 on the waste per household; reuse, recycling and composting; and municipal waste landfilled. The Project Manager reported that, both in performance and financial terms, the focus for the future should be on less landfill and more recycling.

The performance of the re3 councils for 2009/10 and improvement plans for 2010/11 were discussed and outlined as follows;

**Bracknell Forest** – Results were below target for waste, with recycling at 37.05%. The percentage of landfilled waste had dropped due to the use of energy from waste plant in Colnbrook. During 2009/10 campaigns and events had taken place with articles in local papers, and road shows promoting and educating the public on waste issues. This work would continue in 2010/11

with focus on badly performing areas and promotion of recycling, reuse and waste minimisation.

**Reading** – The amount of residual waste per household had exceeded the target and winter weather had an affect on the amount of waste recycled and reused. During 2009/10 the 'Love Food Hate Waste' campaign had been promoted alongside recycling events and activities. Extra bottle banks and battery collection points had been established across the community, and work had taken place with students at the University of Reading which would continue into 2010/11. Future activities would include focus on contamination, collection rounds reorganisation, target of poor performing areas, and redesign of the website to link postcodes to recycling opportunities.

**Wokingham** – There had been a reduction in residual waste per household and a reduction in the amount of waste sent to landfill. Work had taken place in promoting the 'Love Food Hate Waste' campaign, and there had been continued talks and visits to community groups to promote recycling. Participation with the collection contractor to address contamination had been undertaken. A 'yellow' and 'red' card scheme would be developed to address recycling and contamination. Future work would continuing in promoting waste minimisation and increased recycling.

The Board discussed ways to promote recycling with focus on education and promotion. It was suggested that food waste could also be considered, it was noted that this had previously been investigated but was deemed too costly. However ongoing work was being reviewed regarding food waste with focus on new technologies.

**RESOLVED** that

- 1 The provisional National Indicator (NI) results for 2009/10 be noted.
- 2 The individual reports from the re3 councils on performance for 2009/10 be noted.
- 3 The individual actions plans from the re3 councils for 2010/11 be noted.

41. **Audits of re3 PFI**

The Board considered a report on the three internal audits undertaken on the re3 Joint Waste PFI. The first audit was undertaken by Reading Borough Council in 2008, by Wokingham Borough Council at the end of 2008 and then by Bracknell Forest in March 2010.

The Project Manager informed the Board that three of the fourteen recommendations from the audits had not yet been addressed however these would be dealt with by the Joint Waste Disposal Board at the AGM in September 2010.

The Board discussed the report and noted that the terms of reference would be updated. It was noted that future audits would be undertaken by all three councils at the same time.

**RESOLVED** that

- 1 The progress made in responding to the recommendations from the three audits carried out on the re3 Joint Waste PFI to date be noted.



- 2 The Internal Audit Teams from the re3 council investigate both the potential for future audits to be undertaken together and the principles by which they will be undertaken, as described within the report. The findings would be presented to the Joint Waste Disposal Board at the 2010 Annual General Meeting.

#### 42. **Shared Services**

The Board considered a report regarding the potential process involved in the consideration of a shared waste collection service for the re3 councils.

The report outlined a suggestion for one contract for the three councils, for the collection of waste, which would be able to take effect from 1 April 2019. The Council would need to agree on any changes to service and implement these changes in stages.

It was noted that Bracknell Forest were currently engaged in the tender process for their new refuse collection contract. Information received as part of that process could inform future discussion on this topic.

The Project Manager said that further information regarding the contract would be investigated and brought to a future meeting.

**RESOLVED** that the contents of the report be noted and that Officers update the Members at a subsequent meeting of the Joint Waste Disposal Board.

#### 43. **Exclusion of Public and Press**

That pursuant to Regulation 21 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000 and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of item 11 which involves the likely disclosure of exempt information under the following category of Schedule 12A of the Local Government Act 1972:

- (3) Information relating to the financial or business affairs of any particular person.

#### 44. **Risk Register**

The Board noted the exempt information detailed in the Risk Register.

#### 45. **Dates of next Meeting**

The dates of the next Joint Waste Disposal Board meeting are -

21 September 2010 - AGM  
21 December 2010  
22 March 2011

**CHAIRMAN**

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# Agenda Item 7

TO: **JOINT WASTE DISPOSAL BOARD**  
**21<sup>st</sup> Sept 2010**

## **JOINT WASTE DISPOSAL BOARD - PROJECT UPDATE** **(Report by the Project Director)**

### **1. INTRODUCTION**

- 1.1 The purpose of this report is to inform the Joint Waste Disposal Board of progress since its last meeting on 1<sup>st</sup> July 2010.

### **2. RECOMMENDATIONS**

- 2.1 **To note progress made since the last meeting on 1<sup>st</sup> July 2010.**
- 2.2 **That Members endorse the early procurement of a new haulage contract as described in paragraph 3.12 below.**
- 2.3 **That Members endorse the relaxation of the requirement for vehicles hauling re3 waste to be liveried (with the re3 logo) as described in paragraph 3.15 below .**
- 2.4 **That Members approve the changes to the access controls at both Household Waste Recycling Centre's as described between paragraphs 3.23 and 3.25 and at 3.28.**

### **3. SUPPORTING INFORMATION**

#### **Operations and Facilities**

- 3.1 A further incident of abuse towards a member of staff at the Smallmead Household Waste Recycling Centre (HWRC) occurred during August. The councils have made arrangements to highlight this issue, along with other information about safety and the 'contamination' of recyclables in the next issue of the monthly Green Pages supplement (in each of the Borough areas).
- 3.2 The Contractor is reviewing the coverage of its CCTV provision within the (HWRC) as a result of the aforementioned incident.
- 3.3 Repairs to the concrete floor slab in the HWRC shed at Longshot Lane are now complete. As a result, the contractor is now able to proceed with a trial of a mini-MRF. The mini-MRF is designed to capture recyclable materials such as metal or wood from the waste which residents deposit in the shed, for disposal, at the site.
- 3.4 The Contractor has negotiated a new outlet for wood collected at the HWRC's. With the new outlet both 'clean' wood (e.g. untreated) and 'dirty' wood (e.g. treated wood and mdf) can be placed in the same collection bay by patrons. This change has greatly increased the amount of wood captured. In the first two months of the new arrangement, the tonnage of wood collected has more than doubled on the same period in 2009.
- 3.5 The new reprocessor for wood is able to recycle 80% of that collected and sends the remaining 20% for recovery via a biomass process.
- 3.6 At the previous meeting of the JWDB (July 2010), Members received a presentation on the re-use trial being conducted at the Smallmead and Longshot Lane HWRC's. The trial period has ended with a combined average of 20t per week being diverted

from the two sites. The re-use activity continues at both sites and both the councils and Contractor will continue to explore ways in which activities can be expanded.

- 3.7 At the previous meeting of the JWDB (July 2010), Members requested further information regarding consultants costs and also the potential implications of Contract Waste falling below 190,000 tonnes. Officers have subsequently provided detailed answers in both cases.

### **Joint Working Agreement**

- 3.8 There are currently no known proposals for changes to the Joint Working Agreement between the councils.

### **Haulage Contract Re-let**

- 3.9 Schedule 31.1 of the Project Agreement for the PFI Contract specifies that the Contractor should commence Market Testing of the haulage contract no later than six months prior to the Haulage Market Testing Date.
- 3.10 Schedule 31.3 also specifies that, no earlier than eight months and not later than six months prior to the Haulage Market Testing Date, the Contractor should detail to the councils the charges for the current contract and engage in discussions about the specification for the impending procurement.
- 3.11 The Haulage Market Testing Date will be five years after the commencement of the Contract and thus will fall early in December 2011. The practical effect of the two Schedules referred to above, would therefore combine to require the Contractor to begin the procurement process no earlier than April 2011.
- 3.12 The Contractor has, requested that they be allowed to commence the process in December 2010. The reasoning behind this is simply that, should new vehicles be specified, the procurement and build-time for them would exceed the eight-month window envisaged in the Project Agreement.
- 3.13 All other requirements upon the Contractor in respect of involving and consulting the Councils with regard to the specification of the new Haulage Contract would be adhered to.
- 3.14 If Members approve a relaxation as described at 3.9 above, and it proves to be an effective course of action, the councils and Contractor could seek to formalise the arrangement in advance of subsequent Haulage Market Testing exercises. Retaining the current drafting until the outcome of this process is evaluated would protect the councils in future haulage procurements.
- 3.15 One other issue upon which the Contractor would value an early steer from Members is the issue of livery. At the commencement of the PFI Contract in 2006, the councils specified that the HGV 'tractor' units and trailers should be liveried with the re3 logo. It is felt that removing this restriction could result in greater flexibility for the successful haulage contractor. The potential flexibility of being able to call upon other vehicles, not marked with the re3 logo, may be reflected in the overall price for the new contract.
- 3.16 The haulier would still be subject to standards of maintenance and cleanliness for their vehicles and trailers.
- 3.17 Again, if this relaxation proves to be effective and there are no unintended consequences, it could be formalised at a later date. Retaining the current drafting

until that the outcome of this process is evaluated would protect the councils in future haulage procurements.

### **Height Barriers and Access Controls**

- 3.18 Members approved the adoption of a Waste Acceptance Policy in September 2009.
- 3.19 The Policy established a published standard for patrons of the HWRC's. The Policy sought to control the amounts of waste which could be deposited on a single visit at a level appropriate with householder use of the facilities.
- 3.20 The Policy also established the presence of a height barrier at the Smallmead facility. A height barrier had been in use at Longshot Lane since 2002.
- 3.21 Because of the layout at Smallmead, the Contractor introduced a 'reception' system to manage the introduction of the height barrier at Smallmead. That system included the facility for householders without access to a vehicle which would fit under the height barrier to book-in and by-pass the height barrier between the hours of 8.00am-10am and 2.00pm and 4.00pm each weekday (8.00am – 10.00pm on Saturdays).
- 3.22 In practice this arrangement has placed a large and unexpected administrative burden on the Contractor. Patrons wishing to book an 'over-height' visit have phoned the Contractor to do so, and the Contractor has, at that precise point, no ability to test whether the waste being booked-in is genuinely household waste or not.
- 3.23 As such, the councils and Contractor have recently discussed the removal of the booking-in procedure. The proposed alternative is simply to retain the 'reception' arrangements at the front of the site between the hours described above. Overheight vehicles wishing to access the public site, would present themselves during the 2-hour periods and Contractor staff would then seek to ascertain whether the waste is genuinely of household origin or trade.
- 3.24 Where it is suspected that the waste is trade waste, the patron would have the opportunity to dispose of the waste through the trade route available on site.
- 3.25 By simplifying the procedures in this way, it is felt that the original objective of controlling trade waste ingress can be retained but that the ineffectual (but considerable) administrative burden can be reduced.
- 3.26 Another option was presented by the Contractor. It proposed the opening of the height barrier for periods of time and that the role of checking for trade waste be carried out within the HWRC's themselves.
- 3.27 Officers feel that option represents a significant change to the current system, which demonstrably works. It would create a higher level of uncertainty about the status and role of the existing height barriers amongst patrons – potentially resulting in concerns about safety. It would also involve moving the 'reception' activity for potential trade waste into the HWRC itself – at which point it is often very difficult to dissuade or redirect trade waste from utilising the public site. For these reasons, Officers advise Members against this change to the current systems.
- 3.28 There is also a proposal to simplify the access controls for trailers to enable all single axel trailers to access the site, subject to the waste carried being of household origin.

### **Performance**

- 3.29 Performance in terms of National Indicator 192 (% household waste recycled, reused and composted) and National Indicator 193 (% municipal waste sent to landfill) is outlined below.
- 3.30 Bracknell's Quarter 1 NI192 result is 40.9%, and NI193 is 20.5%.
- 3.31 Reading's Quarter 1 NI192 result is 33.3% and NI193 is 29.1%.
- 3.32 Wokingham's Quarter 1 NI192 result is 41.1%, and NI193 is 20.7%.
- 3.33 Due to seasonal variability, these initial results may not be indicative of the year-end position. The first half of the year tends to be the best in terms of recycling performance. The second half of the year invariably results in lower levels of performance, and a negative impact upon the annual result.

### **Risk Register**

- 3.34 The Risk Register is included within the agenda for this meeting of the Joint Waste Disposal Board.

### **Use of re3 Facilities by West Berkshire Residents**

- 3.35 At the last meeting of the JWDB, Members requested an update on negotiations with West Berkshire Council in relation to the costs, to the re3 partnership, of receiving waste from householders resident within that council area.
- 3.36 Members will be aware that discussions between officers, early in July 2010, appeared to move the issue forward.
- 3.37 Since that time, no further progress has been made and the re3 councils await a response from West Berkshire Council in relation to the position discussed at the aforementioned meetings.

### **Lakeside Energy from Waste Facility**

- 3.38 Negotiations between the contractor and the councils on specific details relating to the legal drafting of the agreement remain ongoing.

## **BACKGROUND PAPERS**

Progress Report to Joint Waste Disposal Board (24<sup>th</sup> February 2010)

Report on Waste Acceptance Policy (22<sup>nd</sup> September 2009)

## **CONTACTS FOR FURTHER INFORMATION**

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# Agenda Item 8

**TO: JOINT WASTE DISPOSAL BOARD**  
**21<sup>st</sup> September 2010**

**JOINT WASTE DISPOSAL BOARD – ANNUAL FINANCIAL STATEMENT**  
**(Report by the Project Director)**

**1. INTRODUCTION**

- 1.1 The purpose of this report is to summarise the financial position of the joint waste PFI for the 2010 Annual General Meeting of the Joint Waste Disposal Board.
- 1.2 It seeks to conclude the management of finances in the 2009/10 year, details the emerging position in the current year and presents the first draft of the budget for the 2011/12 year.

**2. RECOMMENDATIONS**

- 2.1 **To note the contents of the Annual Financial Statement.**

**3. SUPPORTING INFORMATION**

**2009/10 Annual Statement**

- 3.1 See Appendix 1 for the 2009/10 Annual Unitary Charge Statement.
- 3.2 This is an alternative version of the Annual Outturn which was presented at the July 2010 JWDB and provides details of the various elements of expenditure on the contract in the past year.
- 3.3 As reported at the July meeting, the major reasons for the underspend against the budget were the dramatic fall in contract waste tonnage, a significant reduction in inflation (from 4% to 1.7%) and business rates not increasing as much as expected following the revaluation of the sites.

**2010/11 Outturn**

- 3.4 The year to date outturn for 2010/11 is attached under Appendix 2.
- 3.5 Based on actual tonnage and costs for the first three months and estimated tonnages and costs for the remainder of the year, the Project is currently projecting a £170,000 underspend against budget. Contract tonnage is significantly below the tonnage estimated at the time of budget setting in November 2009.
- 3.6 The savings associated with lower tonnages are offset by the increased cost of inflation.
- 3.7 Inflation has been difficult to predict. The budget for the current year assumed inflation at 2.5%, based on indications at the time of budget setting. However, by April 2010 inflation had increased to 5.4%; this is the rate against which the 2010/11 contract year costs are indexed.
- 3.8 A statement of the Management budget and year to date expenditure is included under Appendix 3.
- 3.9 The current expenditure on the Management budget is low, partly due to an accrual of £75,000 brought forward from 2009/10 and also due to the expenditure only relating to the first 5 months of the year.

## 2011/12 Budgets

- 3.10 The draft Waste Disposal budget for 2011/12 is attached under Appendix 4.
- 3.11 The budget is based upon estimated tonnages derived from a waste modelling exercise which the Councils completed in conjunction with the Contractor in July 2010. The main underlying assumptions are highlighted below.
- 3.12 A growth factor of 0.7% has been applied to contract tonnage for 2011/12. This is based on the Contractor's companywide projection, but is lower than Defra's growth forecast of 1%.
- 3.13 Inflation is assumed at 5% based upon current levels. The financial model assumes annual inflation of 2.5% and the difference in rates represents a cost differential of around £380,000 for the year.
- 3.14 The budget includes the 10,000 additional tonnes of EfW currently being procured by the Contractor on behalf of Reading and Wokingham. The cost of this is allocated equally between the two Councils.
- 3.15 The allocation of assumed tonnage and costs of the Household Waste Recycling Centres is as per the November 2009 User Survey.
- 3.16 The draft Waste Disposal budget for 2011/12 has been shared with the appropriate accountants at each Council.
- 3.17 The draft Management budget for 2011/12 is attached under Appendix 5.
- 3.18 In common with the search for savings across the councils, the re3 Project Team has identified £63,900 of savings within the Management budget, detailed below. This figure exceeds the saving level of 20%.
- 3.19 Employee costs have reduced by £17,900. This is due to the pay freeze, a reduced training budget and the total for staff costs proving to be lower than was originally anticipated.
- 3.20 Costs of supplies have reduced by £6,000. The budgets for office and computer equipment have been reduced to reflect that no further 'setting up' expenditure is required at the offices.
- 3.21 The budget for legal and financial advice provided by external consultants has been reduced by £40,000. If an issue should arise, the Councils would collectively decide whether to procure external advice, possibly resulting in a budget pressure, or whether the advice of our in-house legal and financial teams would suffice.
- 3.22 The proposed Management Budget represents 0.8% of the budgeted project cost for the 2011/12 year. As previously reported, the Office of Government Commerce (OGC) guidance on resourcing contract management in PPP (Public Private Partnership) contracts, advises that a guide for contract management costs should be around 2% of the annual contract value.



## **BACKGROUND PAPERS**

### **CONTACTS FOR FURTHER INFORMATION**

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## Appendix 1

<b>2009/10 Annual Unitary Charge Statement</b>							
	BFBC		RBC		WBC		TOTAL
Baseline Payment	£	1,968,433	£	2,705,258	£	2,915,043	£ 7,588,734
Recycling Payment	£	296,489	£	356,448	£	356,012	£ 1,008,949
Composting Payment	£	277,029	£	256,115	£	478,144	£ 1,011,288
Landfill Tax	£	898,736	£	1,471,372	£	1,370,374	£ 3,740,482
Landfill Gate Fee	£	416,384	£	681,686	£	634,894	£ 1,732,964
Landfill Haulage	£	226,052	£	370,082	£	344,679	£ 940,813
EfW Payment	£	531,774	£	689,712	£	723,555	£ 1,945,041
Beneficial Use Payment	£	25,145	£	47,049	£	68,358	£ 140,552
Civic Amenity Site Payment	£	262,206	£	304,416	£	551,050	£ 1,117,672
Waste Minimisation Payment	£	42,650	£	58,582	£	63,132	£ 164,364
Pass-through Costs							
Waste (Chemicals etc.)	£	68,728	£	134,025	£	191,218	£ 393,971
Non-waste (Rates)	£	33,637	£	43,628	£	45,768	£ 123,033
RBC Trade Collection	£	-	£	184,697	£	-	£ 184,697
Bring Bank Passthrough	£	3,483	£	73,766	£	-	£ 77,249
Additional works	£	12,136	£	13,291	£	3,548	£ 28,975
Rental income	-£	356,097	-£	219,137	£	-	£ 575,234
Rental Payment	£	157,269	£	203,978	£	213,987	£ 575,234
Performance Deductions	-£	8,213	-£	6,704	-£	8,093	-£ 23,010
Extended Hours Payment	£	1,644	£	-	£	-	£ 1,644
Rejected Load Payment	£	-	£	45	£	-	£ 45
Royalty Payment	-£	26,237	-£	34,030	-£	35,700	-£ 95,966
	£	4,831,246	£	7,334,278	£	7,915,971	£ 20,081,495
<b>Additional Charges</b>							
Dilapidations Refund	-£	20,104	-£	20,104	-£	20,104	-£ 60,313
Additional Business Rates following Revaluation	£	86,813	£	112,596	£	118,121	£ 317,530
Contamination Payment	£	17,780	£	21,778	£	21,281	£ 60,840
EfW Delay Haulage	£	80,000	£	80,000	£	80,000	£ 240,000
	£	164,489	£	194,270	£	199,298	£ 558,057
<b>TOTAL UNITARY CHARGE PAYMENTS 2009/10</b>		<b>£4,995,736</b>		<b>£7,528,548</b>		<b>£8,115,270</b>	<b>£ 20,639,553</b>
2009/10 Budget	£	5,335,450	£	7,666,769	£	8,590,446	£ 21,592,665
<b>2009/10 Underspend</b>	-£	<b>339,714</b>	-£	<b>138,221</b>	-£	<b>475,176</b>	-£ <b>953,112</b>

## Appendix 2

### re3 PFI Budget Monitoring

#### 2010/11 Waste PFI Outturn

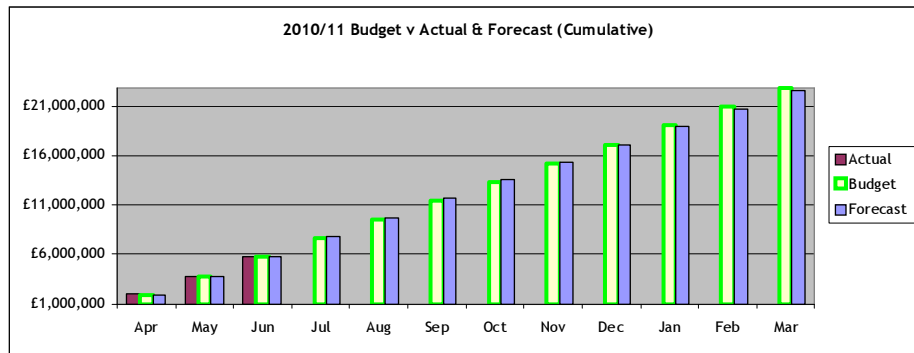
		BFBC £	RBC £	WBC £	TOTAL £
Apr-10	Actual	497,336	685,025	772,635	1,954,996
May-10	Actual	481,157	602,854	713,664	1,797,675
Jun-10	Actual	485,946	684,446	739,851	1,910,243
Jul-10	Forecast	508,169	661,161	757,740	1,927,069
Aug-10	Forecast	503,049	647,106	752,261	1,902,417
Sep-10	Forecast	509,433	667,634	756,822	1,933,888
Oct-10	Forecast	494,101	639,932	734,573	1,868,607
Nov-10	Forecast	467,340	635,699	689,813	1,792,852
Dec-10	Forecast	436,686	592,357	643,251	1,672,293
Jan-11	Forecast	486,706	633,645	730,330	1,850,681
Feb-11	Forecast	424,686	586,309	629,562	1,640,557
Mar-11	Forecast	483,569	660,951	710,976	1,855,497
<b>TOTAL</b>		<b>5,778,179</b>	<b>7,697,119</b>	<b>8,631,478</b>	<b>22,106,775</b>
Business Rates		106,441	138,055	144,829	389,325
Additional EfW		0	42,300	42,300	84,600
<b>2010/11 Outturn</b>		<b>5,884,620</b>	<b>7,877,473</b>	<b>8,818,606</b>	<b>22,580,700</b>
2010/11 Budget		6,011,277	7,874,406	8,949,805	22,835,488
Revised 2010/11 Budget		5,832,480	7,874,406	8,949,805	22,656,691
Variances Declared		94,000	0	0	94,000
<b>Under Spend</b>		<b>-41,860</b>	<b>3,067</b>	<b>-131,199</b>	<b>-169,991</b>

-0.7%

#### Notes

1. Based on actual invoices and forecasts
2. Trade waste currently included in RBC costs & budget until account is set up
3. Additional tonnes EfW split 50:50 between RBC & WBC. Assumed start Oct 10 (5000 tonnes).
4. BFBC budget reduced to exclude non-contract waste (Housing no longer Council-run) and a proportion of the previously estimated business rates increase.
5. The underspend takes account of the £94,000 variance that BFBC have reported.

re3 Management Budget/Costs not included



Appendix 3

<b>JWDB - re3 Waste PFI Management Costs</b>				Period to 31 August 2010
<b>2010/11</b>				
<b>Employees</b>	<b>Budget</b>	<b>Cost</b>	<b>Variance</b>	<b>Comments</b>
	£	£	£	
Salaries, NI & Super	166,800	53,913	-112,887	April-August only. New post filled in August 10.
Training (£3,000)	3,000	0	-3,000	
<b>Employees sub total</b>	<b>169,800</b>	<b>53,913</b>	<b>-115,887</b>	
<b>Other Costs</b>	<b>Budget</b>	<b>Cost</b>	<b>Variance</b>	<b>Comments</b>
Transport				
Car Allowances	1,000	43	-957	
Supplies & Services				
Equipment	3,500	0	-3,500	
Stationery	500	0	-500	
Consultancy Fees	60,000	-45,514	-105,514	Includes accrual of £75k from 2009/10.
Purchase of Computer Equipment	6,700	22	-6,678	
Mobile Phones	400	0	-400	
Support Services/Recharges	20,900	8,708	-12,192	
<b>Other Costs sub total</b>	<b>£93,000</b>	<b>-£36,741</b>	<b>-£129,741</b>	
<b>2009/10 Total</b>	<b>£262,800</b>	<b>£ 17,173</b>	<b>-£245,627</b>	
<b>Council Recharge (to date)</b>		<b>£</b>		
Reading		£7,362		
Bracknell		£2,449		
Wokingham		£7,362		
<b>Total</b>		<b>£17,173</b>		

Note: Bracknell recharge is lower than Reading and Wokingham as expenditure on legal advice relating to additional EfW is split only between Reading and Wokingham.

## Appendix 4

<b>2011/12 Draft Budget</b>				
	<b>BFBC</b>	<b>RBC</b>	<b>WBC</b>	<b>TOTAL</b>
Baseline Payment	£ 2,362,207	£ 2,778,404	£ 3,032,566	£ 8,173,177
Recycling Payment	£ 350,873	£ 409,399	£ 422,921	£ 1,183,193
Efw Payment	£ 1,326,934	£ 2,253,784	£ 2,338,235	£ 5,918,953
Composting Payment	£ 385,586	£ 295,749	£ 597,520	£ 1,278,854
Landfill Tax	£ 851,490	£ 1,034,820	£ 842,122	£ 2,728,432
Landfill Gate Fee	£ 385,558	£ 468,570	£ 381,316	£ 1,235,444
Landfill Haulage	£ 169,269	£ 205,714	£ 167,407	£ 542,390
Beneficial Use Payment	£ 30,934	£ 51,837	£ 72,010	£ 154,780
Civic Amenity Site Payment	£ 369,356	£ 307,112	£ 561,050	£ 1,237,519
Waste Minimisation Payment	£ 54,828	£ 64,489	£ 70,388	£ 189,705
Hazardous Waste Pastthrough Rates	£ 69,736	£ 135,991	£ 194,023	£ 399,750
Additional works	£ 8,974	£ 12,369	£ 2,910	£ 24,253
RBC Trade Waste Collections	£ -	£ 226,492	£ -	£ 226,492
Rental income	-£ 394,119	-£ 242,535	£ -	-£ 636,654
Rental Payment	£ 174,061	£ 225,757	£ 236,835	£ 636,654
Royalty Payment	-£ 30,746	-£ 39,878	-£ 41,835	-£ 112,459
Contamination Payment	£ 24,516	£ 28,605	£ 29,550	£ 82,671
	<b>£ 6,251,220</b>	<b>£ 8,361,635</b>	<b>£ 9,059,089</b>	<b>£ 23,671,945</b>
PFI Grant	-£ 815,173	-£ 1,057,280	-£ 1,109,160	-£ 2,981,613
<b>Total Budget 2011/12</b>	<b>£ 5,436,047</b>	<b>£ 7,304,355</b>	<b>£ 7,949,929</b>	<b>£ 20,690,332</b>

### Key Assumptions:

Inflation assumed at 5%.

Tonnage growth assumed at 0.7%.

10,000 additional Efw tonnes included (split 50:50 between RBC & WBC).

Based upon November 2009 User Survey.

Appendix 5

**2011/12 Draft re3 Management Budget**

2010/2011 Approved Budget	Description	2011/2012 Draft Budget
£		£
	<b>Employees</b>	
155,200	Salaries	146,100
11,400	NI	9,400
21,100	Super	15,300
3,000	Training	2,000
190,700		172,800
	<b>Transport</b>	
1,000	Car Allowances	1,000
1,000		1,000
	<b>Supplies &amp; Services</b>	
3,500	Equipment	500
500	Stationery	500
60,000	Legal/Financial Advice	20,000
6,700	Maint of Computer Equipment	3,700
400	Mobile Phones	400
71,100		25,100
2010/11 Total Budget		2011/12 Total Budget
£ 262,800		£ 198,900

**Reduction from 2010/11 Budget -£ 63,900 -24%**

2011/12 Allocation of Management Costs		
BFBC	£	66,300
RBC	£	66,300
WBC	£	66,300
	£	198,900

TO: JOINT WASTE DISPOSAL BOARD  
21st September 2010

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## WORK PROGRAMME (Report by the Project Director)

### 1. INTRODUCTION

- 1.1 At the 2009 Annual General Meeting of the Joint Waste Disposal Board a report proposed the establishment of a Work Programme for the Board. This report describes the progress made towards addressing the issues identified in the Work Programme.

### 2. RECOMMENDATIONS

- 2.1 That Members note the issues from the 2009/10 Work Programme which have been addressed.

- 2.2 That Members agree a date for the initial workshop.

- 2.3 That, Members agree to:

- (i) Formulate a new Work Programme for 2010/11 at, or immediately following, the forthcoming workshop session on waste management (date to be confirmed).
- (ii) Formally adopt the above mentioned Work Programme at the December 2010 meeting of the Joint Waste Disposal Board.

### 3. SUPPORTING INFORMATION

#### Background

- 3.1 The Joint Waste Disposal Board (JWDB) established a Work Programme at the 2009 AGM.
- 3.2 An appendix to this report details the specific Joint Waste Disposal Board meetings at which the items identified in the 2009 Programme were covered.
- 3.3 Members will see that only one item, the issue of a Joint Waste Authority, has not been specifically covered during the preceding year.

#### Proposal

- 3.3 Members have been invited to attend a Workshop on waste management within the re3 partnership.
- 3.4 Dates for the workshop, which it is assumed would be in an evening, have been requested and the following dates have been identified as 'possibles' by Member responses to date.
- 6<sup>th</sup> October
  - 7<sup>th</sup> October
  - 13<sup>th</sup> October

- 21<sup>st</sup> October
- 22<sup>nd</sup> October
- 27<sup>th</sup> October

- 3.5 It is proposed that the initial workshop be pitched at two levels. Firstly to set partnership priorities and secondly to inform Members about developments within waste management.
- 3.6 Officers are mindful of the requirements for savings and efficiencies and therefore engaging Members across the partnership in a session at which priorities can be shared and agreed will be most useful.
- 3.7 It is then intended to hold a second session, later in 2010 or possibly early in 2011, at which our contractor, WRG, would be invited to attend.
- 3.8 In the period between the two workshops, it is intended that the re3 Project Team and WRG would work together to develop proposals to address the priorities identified by Members. As such the second workshop, should take the form of a series of proposals for Member consideration.
- 3.9 It is proposed that the Work Programme could also be identified during the course of the first workshop. It would then be agreed in a report to the Board at the December 2010 meeting of the Joint Waste Disposal Board.

## **BACKGROUND PAPERS**

## **CONTACTS FOR FURTHER INFORMATION**

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## **JOINT WASTE DISPOSAL BOARD (22<sup>nd</sup> September 2009)**

### **WORK PROGRAMME - APPENDIX 1**

The proposed Work Programme includes both regular items, which should be covered at each meeting, and those which it is initially intended to investigate in depth only once during the year. Some of the latter items may of course, at the request of the Board, be revisited as appropriate. No date has been allocated to the items below, Members may wish to request an item be added to the agenda for a specific meeting.

**REGULAR ITEMS – for regular review at Joint Waste Disposal Meetings.**

- PFI Financial Review – Reported at each meeting
- Council Performance Review – Reported at each meeting
- Communications Review – Presentation by WRG (24<sup>th</sup> Feb 2010)
- Contract Monitoring Review – Considered in part via report on Council Audits (1<sup>st</sup> July 2010)
- Joint Municipal Waste Management Strategy Review – Report to JWDB (19<sup>th</sup> Dec 2009)

### **SPECIFIC ITEMS**

- Food Waste – Report to Board (24<sup>th</sup> Feb 2010)
- Charity Waste (including the WRG proposal in lieu of the Retail Function at Smallmead) – Presentation by WRG (1<sup>st</sup> July 2010)
- Mini-MRF at Longshot Lane – Addressed in Progress Report to JWDB (21<sup>st</sup> Sept 2010)
- Public and Trade access to Household Waste Recycling Centre's - Addressed in Progress Report to JWDB (21<sup>st</sup> Sept 2010)
- Waste Minimisation and Education – Presentation by WRG (24<sup>th</sup> Feb 2010)
- Joint Waste Authority – not covered
- Shared Services – Included in Progress Report (24<sup>th</sup> Feb and 1<sup>st</sup> July 2010)
- Contamination of Mixed Dry Recyclables (MDR) – Included within the WRG Presentation on Communications/Education (Feb 24<sup>th</sup> 2010) and the report on Council Performance (1<sup>st</sup> July 2010)
- Joint Working Agreement (at AGM) – Referred to within Progress Report (21<sup>st</sup> Sept 2010)



**TO: JOINT WASTE DISPOSAL BOARD  
21<sup>st</sup> September 2010**

**JOINT WASTE DISPOSAL BOARD  
REPORT ON AUDITS OF THE re3 JOINT WASTE PFI  
(Report by the Project Director)**

**1. INTRODUCTION**

- 1.1 The purpose of this report is to inform Members of the process to be adopted for future audits of the re3 Joint Waste PFI.

**2. RECOMMENDATIONS**

- 2.1 To note the process proposed by the Audit Teams of the re3 councils and the re3 Management Team for future audits.**

**3. SUPPORTING INFORMATION**

**Audits To Date**

- 3.1 There have, since the commencement of the PFI contract at the end of 2006, been three internal audits which have either focussed on the re3 PFI or touched on it.
- 3.2 The recommendations of those audits were detailed in a report to the Joint Waste Disposal Board on 1<sup>st</sup> July 2010.

**Future Audit Process**

- 3.3 It is proposed that the re3 councils work together to audit their shared PFI contract.
- 3.4 The reason for this proposal is to avoid inconsistency, utilise resources effectively and to ensure a robust and coherent audit process.
- 3.5 The previous report on this matter (1<sup>st</sup> July 2010) highlighted how different approaches across the three councils may have contributed to some issues which could make it difficult to address audit recommendations across the partnership.
- 3.6 Following the last Board meeting, Officers across the partnership have discussed future audits. It is therefore proposed that the PFI henceforth be audited as follows:

1. The re3 joint waste PFI to be audited biennially, starting in 2011.
2. With both the council partnership and our ongoing contractual arrangements with WRG in mind, each audit will look at:

Finance

Facilities

Governance

Relationships

3. Reading Borough Council to carry out audits (in its role as administering authority) liaising with the Audit Teams at Bracknell Forest Borough Council and Wokingham Borough Council as appropriate.
- 3.7 The Audit process will be carried out in accordance with the usual standards of such a procedure. Terms of Reference will be agreed in advance and in liaison with appropriate officers at each of the three councils.
- 3.8 As future audits will be carried out across the partnership, their findings and recommendations will be reported to the JWDB. The adoption of measures to address the recommendations, particularly those which relate to the Joint Working Agreement between the re3 councils, can also be achieved at a partnership level.

## **BACKGROUND PAPERS**

Report to JWDB (1<sup>st</sup> July 2010)

## **CONTACTS FOR FURTHER INFORMATION**

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**TO: JOINT WASTE DISPOSAL BOARD  
21<sup>st</sup> September 2010**

**JOINT WASTE DISPOSAL BOARD  
REPORT ON READING BOROUGH COUNCIL SCRUTINY PANEL RECOMMENDATIONS  
(Report by the Project Director)**

**1. INTRODUCTION**

1.1 The purpose of this report is to present to the Joint Waste Disposal Board, for consideration, the recommendations of the Reading Borough Council Scrutiny Panel review of the re3 Joint Waste PFI Contract.

**2. RECOMMENDATIONS**

**2.1 To note the recommendations of the Reading Borough Council Scrutiny Panel review of the re3 Joint Waste PFI Contract.**

**2.2 To endorse a partnership approach to addressing the Reading Borough Council Scrutiny Panel recommendations, as detailed at 3.9 below.**

**3. SUPPORTING INFORMATION**

3.1 The Scrutiny Panel review began towards the end of 2009. It consisted of a comprehensive report, put together by officers, followed by two sessions in which the Scrutiny Panel asked questions of, and invited contributions from, Members and officers.

3.2 Amongst those who gave evidence at the two sessions were Councillor Rob Stanton, Deputy Leader of Wokingham Borough Council and Chair of the Joint Waste Disposal Board, and Mark Moon, General Manager Place and Neighbourhood Services at Wokingham Borough Council and re3 Project Director.

3.3 In addition, the sessions were well attended by Members and officers from across the re3 partnership.

3.4 In practical terms, recommendations or proposals from an individual council can most easily and appropriately be addressed via the Joint Waste Disposal Board (the governing body established by the three councils for the purposes of the shared PFI contract).

3.5 At the Reading Borough Council Cabinet meeting on July 12<sup>th</sup> 2010, it was agreed that the Scrutiny Panel recommendations should be presented to a future meeting of the Joint Waste Disposal Board. The intention being that consideration could be given, by the Board, as to how to address the recommendations as a partnership.

3.6 This report is intended to present the recommendations from the Reading Borough Council Scrutiny Panel to the Joint Waste Disposal Board.

3.7 The Reading Borough Council Scrutiny Panel recommendations read as follows

- a) The annual report produced by re3 include a section that looked at emerging technologies and considered what might be appropriate to incorporate in future years;
- b) Re3 investigate appropriate technology to sort out non-residents of the three councils and how a charge to cover re3 costs in disposing of waste be made;

- c) More effort be made by the three councils to educate their residents about what could and what could not be recycled and how to minimise their waste.

### **Recommendations**

- 3.8 Members are asked to consider how the recommendations could be addressed by the partnership.
- 3.9 One option is to await the agreement of the Work Programme for the Joint Waste Disposal Board for 2010/11. If the issues covered by the Scrutiny Panel recommendations are not covered in the Work Programme contents, they could be specifically added.

### **BACKGROUND PAPERS**

#### **CONTACTS FOR FURTHER INFORMATION**

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TO: **JOINT WASTE DISPOSAL BOARD**  
**21<sup>st</sup> September 2010**

**JOINT WASTE DISPOSAL BOARD**  
**REPORT ON re3 PARTNERSHIP RESPONSE TO DEFRA REVIEW OF WASTE**  
**POLICIES 2010**  
**(Report by the Project Director)**

**1. INTRODUCTION**

- 1.1 The re3 councils have an opportunity to respond, as a partnership, to a call for evidence to be submitted in support of a Review of waste policy in England.

**2. RECOMMENDATIONS**

- 2.1 **To note the attached briefing on the consultation process for the DEFRA review of waste policy in England.**
- 2.2 **To identify any specific areas of waste policy upon which Members would like the partnership to respond to DEFRA by the consultation deadline of October 7<sup>th</sup>.**

**3. SUPPORTING INFORMATION**

**Consultation Process**

- 3.1 The Secretary of State for the Department for Environment, Food and Rural Affairs the Rt Hon Caroline Spelman MP has announced that the Government will be undertaking a full review of waste policy in England.
- 3.2 On the July 29<sup>th</sup> a call for evidence was published. The deadline for evidence to be received is relatively short (October 7<sup>th</sup>).
- 3.3 The attached briefing paper was circulated to Members on August 6<sup>th</sup>.
- 3.4 There is an opportunity for the re3 councils to respond as a partnership.
- 3.5 Members have an opportunity, via the Joint Waste Disposal Board meeting, to make known, and clarify the detail of, any specific areas of waste policy that they would like to include in a partnership response.

**BACKGROUND PAPERS**

None

**CONTACTS FOR FURTHER INFORMATION**

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## REVIEW OF WASTE POLICIES

July 2010

The Secretary of State for the Department for Environment, Food and Rural Affairs the Rt Hon Caroline Spelman MP has announced that the Government will be undertaking a full review of waste policy in England. On the July 29<sup>th</sup> a call for evidence was published. The deadline for evidence to be received is relatively short (October 7<sup>th</sup>).

With that in mind, and also the potential limitations on time at the September AGM of the Joint Waste Disposal Board, I have put together a briefing to set the ball rolling.

It has been assumed, as with other consultations, that we will seek to make a partnership response. Alongside the chance to have our views taken into account, it is also an opportunity for us to raise the profile of the re3 councils and the Joint Board. I'm happy to try to collate contributions to a response in time for a discussion at the JWDB Meeting at the end of September. If you think that's a good idea, it would be most helpful if responses could be sent to the re3 Project Team by the middle of September (Monday 13<sup>th</sup>). Alternatively, you could make contributions via your appropriate officers. That will allow a report to be written in time for the Board.

The Call for Evidence can be viewed at the following website address:

[www.defra.gov.uk/corporate/consult/waste-review/](http://www.defra.gov.uk/corporate/consult/waste-review/)

On the above page there is an online survey, an invitation to join an online Waste Review debate between July 29<sup>th</sup> and 9<sup>th</sup> September and the Call for Evidence document and Background information which I have circulated with this draft response.

The Review is intended to be complete by April 2011.

The Call for Evidence poses a set of questions and this document constitutes a limited briefing to most of them. If there are other issues, not covered by the questions, which you would like to include then feel free to do so - the Call for Evidence asks us to do just that.

## General

2.3 This group of questions considers some aspects of our general approach to waste policy and waste delivery. We would welcome your views on the Government's approach to waste, including these specific questions:

- What should the nation's ambition for waste management be? What do we need to do to achieve a 'zero waste economy'?

Zero waste is not a particularly clear term to be using. Particularly for the public who may be sceptical or unsure of what it means, or even turned-off by the scale of what it suggests.

Nevertheless, as described in the background information, its aims are laudable and it can certainly provide a focus for policy and strategy.

As regards what we need to achieve, perhaps the key achievement would be markets and demand for the materials which we will be seeking to divert away from ultimate disposal. That's a bit 'chicken and egg' because the market won't develop without the raw materials at start-up but equally (as we know with 'other' plastics) without the market it's tricky to start the collection. This is probably a key area for Government.

- How could the contribution waste management in England makes to the economy and our environmental and energy goals be maximised?

The promotion of EfW and particularly AD is a step in the right direction here.

- How can Government make the best use of the skills and knowledge of the private sector, civil society and local communities in delivering a zero waste economy?

It's likely that the skills and knowledge of the private sector are already utilised to the fullest extent. It's hard to think of an area of waste management which is currently barred to the private sector. Our own contract is a case in point - a partnership where the private sector applies its expertise to service delivery.

As regards civil society and local communities, there is certainly scope for more involvement and that is something investigated later in this document.

- Do local authorities have the right responsibilities for waste services? Are there further services that could be devolved to local authorities or directly to local communities?

Within re3, our role as combined Waste Collection Authorities (WCA) and Waste Disposal Authorities (WDA) has enabled the councils to plan ahead and make massive improvements in waste management over the last decade. Other, similar partnerships have also followed the same route.

Projects such as our own do demonstrate the strategic potential for combining the direct delivery of an essential service to residents, at the edge of curtilage, with the longer term requirements of waste management, processing and disposal.

How could responsibilities be apportioned differently?

Councils could be asked or required to do more, for example as advocates and enablers of trade waste recycling. It may not require the councils to actually do the collections themselves, there is a mature market for trade waste collections and there would be risks for new entrants. Councils could do more, however, to promote (in a practical sense) better practices for traders. Any new, public sector funded, facilities could be required to provide a certain percentage of capacity for local trade recycling. This is something that the re3 councils and WRG have already begun. The councils won an award for their business waste strategy and we have pushed WRG to supporting local businesses, utilising current spare capacity within our facilities, and to their credit they are.

There certainly is a case for greater involvement of the community in waste management. Whether residents, if they were directly consulted, would take some of the tougher decisions that may from time to time need to be made is uncertain however. But their involvement may not need to be in direct decision making. It could be a greater involvement in the collection and performance of the services delivered to them. It's a horrible word to use but there may need to be some parameters to the involvement so that it served a common purpose - whether that purpose was decided by the community, the council or central Gov't.

- How can illegal waste activity be minimised, including reducing levels of fly-tipping? Are sanctions for breaches of waste regulation fair and proportionate?
- How can we balance regulation to ensure that we protect health and the environment without unnecessarily burdening businesses and local authorities? What are the opportunities to reduce or remove the burdens of regulations?

## Waste Prevention

2.4 Waste prevention is the term used for taking measures to reduce the quantity of waste that is generated. These measures range from simple actions such as reducing food waste and reusing items to technical activities such as extending the lifespan of products. It also includes measures taken before a material becomes waste to reduce its hazardousness or other negative impacts of waste. As the first layer of the hierarchy, it should be promoted as a priority over the others. We would welcome your views on waste prevention in England, and in particular on:

- What roles should (i) national and local government; (ii) businesses; (iii) voluntary organisations; and (iv) individuals take in order to prevent waste from arising, and to reduce the hazardousness or environmental impact of waste?

There is already a lot going on in this area. The Courtauld Commitment is a perfect example of how the businesses can set their own targets for improvement. They may not bite to the same extent as a legislated target but there is clearly a balance to be struck.

There is a case for some continuity in these areas and rather than introducing a raft of new initiatives, supporting those which have shown signs of delivering results. In that way, the principles they promote might stand a better chance of becoming the accepted norm.

- What can be done to encourage businesses to design and manufacture products which produce less waste – such as those which last longer, can be upgraded and/or repaired, and don't have hazardous components? How might Responsibility Deals contribute to this?

There are unlikely to be many successful businesses for whom wastefulness is a part of their production process. That's not to gloss over this question in any way but it simply is not sustainable. That probably makes this issue more about the life of the product than the efficiency of the production.

If we assume that significantly longer life-spans are achievable then this issue may *simply* require a change of perspective on the part of consumers and businesses. Firstly, consumers may need to be prepared to pay more for a product with a longer useful life. Secondly, businesses may need to be prepared for a longer period between purchase and replacement.

It remains to be seen whether businesses, some of whom already consider themselves active in a Corporate Social Responsibility sense, would respond to the idea of Responsibility Deals.

- Which waste streams or materials should be a priority for waste prevention?

There are perhaps two approaches here. Firstly to address waste by volume so that the most prevalent waste types are targeted and potentially the greatest reduction in waste is achieved. Secondly, to address waste by impact so that the most valuable resources or the most potentially damaging waste types are targeted and their wastage reduced.

A third way of prioritising, which involves elements of the above, might be to do so on cost grounds alone.

This is an area where, after the initial level of consideration, local authorities have limited scope. As local authorities, we are successful at the collection and commissioning end but we do not have a stake in the reprocessing, marketing and retailing end of the 'chain'. That is where this question leads because, to prevent waste, products need to be more robust and reliable or simple to de-manufacture.

- How should waste prevention be measured?

There is an argument to say that it shouldn't directly be measured.

Here's an example of how trying to measure something which you've prevented can be problematic. In the past, some local authorities wanted to see greater value from measures they'd taken to prevent waste - in a theoretical sense. There were debates about the way in which home composting might contribute to local authority recycling targets. That may be a false debate. Material which never comes into the council sphere of influence, such as material composted by a resident in their own garden, has already contributed to council performance. It's waste that the resident had, but they dealt with it themselves and it did not contribute to the amount requiring management by the council. To press, as some local authorities did, for the apportionment of material (composted by residents at home) to the council's recycling rate was to argue for double counting.

The value of prevention is inherent in the residual cost. If we prevent more, then the cost of that which has yet to be prevented should benefit. A business prevents wastage because it is counter-productive, it probably doesn't need any more incentive than that. The same principle could apply elsewhere too.

### **Preparing for Reuse**

2.5 Preparing for reuse means checking, cleaning or repairing recovery operations, by which products or components of products that have become waste are prepared so that they can be re-used without any other pre-processing. Examples of preparing for reuse are refurbishing old IT equipment or discarded furniture. We would welcome your views on preparing for reuse in England and in particular:

- What more do you think Government, businesses and civil society could do to increase activities that prepare waste for reuse?

We need to be prepared to reuse more than we do at present. That's a tough nut to crack - if we're honest, who doesn't relish unwrapping something new from its packaging?

Could businesses be encouraged to develop more products which have reuse potential readily designed into them? Wouldn't that be counter-intuitive to a business for whom the turnover of new products is essential to profitability.

- Which waste streams or products are priorities for reuse?

Packaging would appear to be the obvious one although there may be some concerns from consumers.

Electrical and 'white' goods could also be a target. Many are discarded before the point at which they no longer work. While the WEEE Regulations ensure that larger amounts than ever before are recovered, a period of reuse prior to deconstruction, might be a better outcome for WEEE.

- What are the existing barriers to preparing more waste for reuse from both the household waste stream and the 'Commercial and Industrial' and 'Construction and Demolition' waste streams?
- Who is best placed to deliver an increase in reuse? How could civil society take a role?

There is no 'best placed' individual or organisation. This sort of activity can be helped by existing practitioners but it really needs to become the mainstream before it will have an impact in waste terms.

## Recycling

2.6 Recycling means converting used materials into new products. For most materials and products, recycling is better for the environment than energy recovery and disposal. We would welcome your views on recycling in England generally, and in particular:

- What should the role and nature of local authority waste management collection and disposal services be?

The existing framework of local authorities as providers and/or commissioners of waste management services has seen massive improvements in overall waste management over the last decade. The regulatory framework has also improved greatly and has played its role in measuring and stimulating improvement.

See directly below...

- How can individuals, businesses and communities best be motivated to recycle more?

It was certainly the case in the past, that recycling was seen as something done for the council by the residents. That has never really been the way that the councils envisaged it, but it has been the perception by residents. Perhaps the role of local authority in waste management could more obviously be about enabling the community. The existing responsibilities for collection and disposal do work, and a case for change there is not clear. However, the involvement of local businesses, community groups and individuals is not always easy. If local authorities were tasked with enabling the community to play their part, within the framework set out by central Gov't and local plans, then perhaps the perception of a top-down requirement to recycle could be overcome.

It would seem counter-productive for a rash of services, simply duplicating those already provided by the councils, to spring up in an area. That said, if an increase in performance (more diversion from landfill, more re-use, more recycling, better communication) results, it could be a consideration that the local authority should support the initiative.

- How does the choice, including frequency, of collection service impact on the quantity and quality of waste fit for recycling?

This is an issue which could be quite tricky for us to answer. Bracknell Forest and Reading have adopted an alternate collection frequency and have been able to introduce additional services and seen increases in recycling as a result. Wokingham has not chosen to introduce such a collection and, via a different route, has also seen increases in recycling.

Perhaps this issue should be explored less as a choice between two different methods of service delivery but more in the context of what changing the prevailing method would mean.

For LA's with an alternate schedule, returning to weekly collections would almost certainly entail additional costs and may see subsequent drops in recycling rate.

There was an increase in the amount of recycling collected by Bracknell Forest and Reading after the introduction of their alternate schedules.

It is difficult to say whether the quality of the material collected is any different as a result of the schedule of collection. Each of the re3 councils is working hard to address the quality of the mixed dry recyclables they collect so there would appear to be no clear answer.

- Should greater emphasis be placed on using recyclable/recycled materials in manufacturing and production and, if so, how should this be achieved?

This subject is, again, one of those in which local authorities have a limited stake.

On the face of it, it would be nice to advocate the use of UK recyclables in UK products. It would go some way to reducing carbon emissions from transporting waste and would seem to be supportive of the national economy. It may, however, fall foul of competition laws and may put UK businesses at a disadvantage against global competitors who may not have the same requirements.

The materials market is a global one and the wider use of recycled and recyclable materials and components will, no doubt, happen at the point that they are more economic to use than those alternatives which utilise 'virgin' materials.

It may be the role of central Gov't to liaise with European and Global trade partners over the economics and environmental benefits from specifying the recycled content of products, and their subsequent recyclability.

### **Energy recovery**

2.7 Energy recovery is about extracting, through various technologies, energy from the waste left once as much as possible has been prevented, reused and recycled. Energy derived from bio waste can contribute to renewable energy targets. Energy from Waste (EfW) covers a range of established technologies including combustion and anaerobic digestion, as well as emerging technologies such as advanced gasification and pyrolysis. The Government is committed to delivering a huge increase in EfW through anaerobic digestion. We would welcome your views on EfW in England, and in particular:

- What are the barriers to delivering an increase in EfW capacity, including a huge increase in generation from anaerobic digestion? How might these be addressed?

Cost is probably the biggest factor. Not necessarily in terms of a straight comparison between gate fees for AD and other treatment types but because of the potential changes to existing collection arrangements. The potential contribution of AD, for example, in waste management and energy production is not in doubt but the question asks for barriers and the cost of both processing and collection is clearly one.

Linked to cost is proximity. Because of their nature, quite a few AD plants are located outside of the centres of population. That may make it necessary to bulk the material and then haul it for processing over relatively long distances. That's not too much different from what happens with other wastes but they do not need the sorts of handling required for food waste.



Linked to proximity is planning. Obtaining planning permission for new waste management infrastructure can be a complex process. Also, going back to their earlier question on the involvement of residents in waste management, it may be questionable whether residents would approve of a proximate AD plant. This is not intended to be critical of either residents or the planning process but simply to acknowledge another potential barrier.

Perhaps lastly, a market for the product of the process is also a factor. If we are processing waste to create energy, either by burning a product of the processing (directly burning it in EfW or generating gas and then burning that, as with some AD), or creating a gas which can be fed into a grid, then we have existing markets for the energy. However, can we find uses and support markets for what's left over? We have seen from our contract with Lakeside that a market exists for some of the residual ash.

- What role should Government, industry and voluntary groups play in communicating the benefits of EfW to local communities?

Communities will need to see the benefits, or at least be assured of them. The example of South East London Combined Heat and Power facility (below) may place a question mark against past and current thinking in this area.

Decentralised power generation could represent a clear illustration of the benefits of EfW. The commercial viability of schemes may have to take into account the potential expectation of the community for a direct subsidy on their power bills.

- How can Government best support local government in the development of waste management plans that include EfW facilities?

The Government could actively support the commissioning of EfW facilities where the business case for them can be made. That may result in certain types of EfW being favoured over others. For example, the type of EfW will determine the degree to which energy can be produced and exported directly to a National Grid or the extent to which heat could be exported to local households, businesses, schools, hospitals etc. In order to transfer heat, it is necessary to be proximate to the ultimate recipient of the heat. That may make combustion less favourable (even though it can be a good source of heat) to the recipient community.

It may be that the energy requirements of a community are at least as significant, if not more so, than the waste management requirements when making a case for a facility type. Government could set criteria in that area to ensure that both requirements are satisfied. It might be relevant for EfW to contribute to energy production and for EfW to be an expectation in both waste management and energy terms...local government does not have the same level of obligation to produce an 'Energy Strategy' as they do for a Waste Strategy for example?

This shift in focus may be helpful in moving towards the goals of zero waste. Rather than being motivated by what we don't want to do with a waste type, it might be our first thought to consider how its properties can be put to a range of uses.

- What steps can be taken to encourage community ownership of EfW facilities?

It is unclear whether the use of 'ownership' in this question relates more to a feeling of acceptance and good will on the part of a community or whether it relates to actual ownership of the facility. Also, what size of community are we considering?

South East London Community Heat and Power (SELCHP) is a 420,000t p/a EfW facility built within an urban environment and opened in 1994. It takes waste from Lewisham, Greenwich, Westminster and Bromley Borough's and generates energy equivalent to the requirements of 48,000 households. In terms of energy production, it is unclear how the presence of SELCHP directly benefits the community within which it resides. Energy produced at SELCHP is exported to the London Electricity system. It appears that the facility uses or releases all the heat it produces (despite its name, the system for transferring heat locally has apparently never been installed) and there is no mention of any direct benefits to the immediate locality from the energy production.

Smaller scale facilities which may not involve combustion or those where the heat in particular could be transferred to local users, might be appreciated by the community they served. Additionally, as technology progresses and the financial frameworks for contributing energy to the Grid (including the capacity for local authorities to sell energy they produce) it is conceivable that facilities could make a contribution to, and be incorporated within, communities (at the sort of scale that would be meaningful to the community).

Given the required capital cost of EfW facilities, and the necessity for a return on investment for private sector funders, it seems less likely that *actual* ownership by a community could be achieved. That should not, however, overshadow the potential benefits that might accrue from EfW in its various guises.

## Disposal

2.8 Disposal is now considered the last resort for many types of waste. Biodegradable waste in landfill decomposes to release methane, one of the most dangerous greenhouse gases. Disposing of valuable resources rather than using them again is also economically unsustainable. We would welcome your views on the use of waste disposal in England, and in particular on:

- How best to further reduce the amount of waste going to landfill?

Retain a Landfill Tax escalator of some sort. It may be necessary for the rate of growth to be considered but, as a mechanism, it has worked.

There are moves afoot at a European level which are likely to set a ban on the landfilling of certain waste types. That level of prescription can only work where there are alternatives to landfilling. Landfill Tax does go some way to providing an economic environment in which alternatives can become viable.

- What are the types of waste where a continuation of landfill might be acceptable?

Waste for which there is no reuse or recycling potential.

- When should we aim to be as close to zero waste to landfill as possible?

A balance between realism and aspiration might suggest sometime in the decade between 2020 and 2030. There certainly should be a push for activity and improvement now and perhaps, similar to LATS, there could be some interim levels of achievement along the way.

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