

INTER AUTHORITY AGREEMENT – WASTE MANAGEMENT

11 Nov 2008

Item 15

EXECUTIVE MEMBER: Cllr George Clements & Cllr Geoff Blackwell
LEAD OFFICER: Cath Coombs
REPORT AUTHOR: Janice Carrol

Summary and Recommendation: This report outlines the proposal from Cumbria County Council for an Inter Authority Agreement for waste management.

That the Executive be recommended to support the proposal in principle.

1. INTRODUCTION

- 1.1 Members will be aware that Cumbria County Council is about to sign a 25 year multi-million pound contract for the treatment of Cumbria's municipal waste. The contract will provide waste treatment facilities that will ensure the use of landfill disposal is minimised and that Cumbria meets its landfill targets, thereby avoiding hefty financial penalties that would impact on the council tax payers in Cumbria.
- 1.2 At the same time the Cumbria Strategic Waste Partnership is working hard to further increase recycling and composting and reduce the amount of waste produced. The aim of this being to ensure that until the planned treatment facilities are operational, everything possible is done to divert waste from landfill thereby avoiding both the rising cost of disposal and fines for exceeding the county's landfill allowances.
- 1.3 The districts in Cumbria as Waste Collection Authorities manage two thirds of the municipal waste produced and therefore have a significant role to play in the achievement of targets. The County Council as Waste Disposal Authority manages the remaining waste through its Household Waste Recycling Centres previously known as Civic Amenity Sites. The County Council supports district council recycling through payment of Recycling Credits.
- 1.4 The aim of the Recycling Credit Scheme which was introduced with the Environmental Protection Act was to financially support recycling and composting by passing the savings from reduced landfill back to the WCA's. The Recycling Credit payment per tonne was set at the same value as the cost of waste disposal in each area.
- 1.5 The Clean Neighbourhoods and Environment Act, 2005 introduced the flexibility to enable WDA's and WCA's to develop new joint working arrangements to pay for recycling. The aim of this being to support Council's in meeting the extremely challenging targets set by the Landfill Allowance Trading Scheme.

1.6 Acknowledging the need to de-couple recycling payments from the cost of waste disposal, the Cumbria Strategic Waste Partnership agreed to implement an alternative scheme and tasked officers to develop proposals. Consequently the Officers group of the Cumbria Waste Partnership has been working together over the last year to find an appropriate alternative payment scheme. The Partnership Board agreed to continue the existing Recycling Credits scheme at the 2007/8 levels with an inflationary increase from 1 April to allow sufficient time for an alternative to be developed.

1.7 It was agreed that the requirements of any replacement payment scheme must meet the following criteria:

- Sustain all existing WCA recycling activities
- Reduce waste to landfill
- Increase the percentage of waste recycled
- Promote waste minimisation
- Incentivise low performers
- Reward high performers
- Allow for the difficulties of working in the more sparsely populated areas.
- Recognise LATS as the key driver to all recycling and landfill diversion activities.

Recent work carried out for the CSWP by WRAP (ROTATE) has highlighted the differences in the cost effectiveness of collection methods across the County and suggests an additional criterion:

- Promote efficiency (cost/benefit)

1.8 To ensure Cumbria does not exceed its Landfill Allowances before the proposed Waste Treatment facilities are operational, significantly more work must be done to maximize recycling and composting and waste reduction.

2. THE PROPOSAL & ITS IMPLCATIONS FOR COPELAND

2.1 An innovative alternative to Recycling Credits intended to fund district council waste minimisation schemes as well as further recycling initiatives, a Recycling Reward Scheme is now proposed. Under the new scheme, payments are based on the percentage of waste recycled rather than the weight of the material collected. It is proposed that payments will be capped at £70 per tonne and a safeguard applied to ensure that none of the districts receive less than through the existing credits scheme.

2.2 It is estimated that Copeland's payment or contribution towards the cost of recycling under the proposed Reward scheme will be around £50k per annum higher than the present scheme at current levels of recycling. As with Recycling Credit payments there is an expectation that the additional income is used to fund further recycling, composting or waste minimisation initiatives. It is anticipated that the IAA will include the requirement to invest the Recycling Rewards payments in recycling or waste minimization schemes.

2.3 In return for the Recycling Reward, and to protect the County's increased investment in sustainable waste management it is proposed that on 1st April 2009, and on 1st April in subsequent years, each WCA should enter a binding agreement called an Inter Authority Agreement (IAA) with the WDA. Although a number of criteria have been suggested, a draft agreement has not yet been produced. It is anticipated that the IAA will include

- An agreement on how the recycling rate is calculated.
- A payment mechanism which provides for the WDA to pay the Recycling Reward monthly (pro rata) in arrears and an annual reconciliation. Further work is required on the reconciliation element and the potential for ½% bands.
- WCA's to provide to the WDA tonnages and all associated data necessary to maintain an audit trail, e.g.:
 - Commitment to provide monthly waste data information by the end of the second week of every month and in an agreed (electronic) format.
 - All waste and recyclate collected should be supported by weigh tickets from an auditable weighbridge.
 - All waste and recyclate collected has a reported and auditable destination
 - A commitment to reporting rejected loads, the percentage of rejection and the destination of the rejected part of the load.
- The recycling and composting rate expected to be achieved in the year, the materials to be collected and the methods to be employed.
- Continuous improvement in the recycling/composting rate and the efficiency of collection until the recycling/composting target (48%) is met and optimum cost benefit achieved.
- A Waste Prevention programme agreed with the County Council waste prevention team.
- At least [55%] of the recycling/composting rate to be achieved with biodegradable materials to ensure that LATS targets are met.
- No additional inflation allowance until 48% recycling and composting achieved. Then inflation at RPI

2.4 It should be noted that a number of the above requirements are already in place and an excellent working relationship exists between the authorities in Cumbria.

3. CONCLUSION

3.1 The proposed Inter Authority Agreement/Recycling Rewards Scheme is supported by the Cumbria Strategic Waste Partnership Board where the proposal was presented on 20 August. The proposal has also been presented to the CLASB meeting on 3 October where agreement in principle was given subject to particular issues with individual issues being resolved. The County Council is now seeking individual written general support from each district prior to them signing the 25 year Waste Treatment contract with Shanks on 20 November.

- 3.2 Members are recommended to support the proposal of an Inter Authority Agreement subject to details being agreed by the Cumbria Waste Partnership.

5. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 5.1 As stated at 2.2 above, there is a positive impact on the Council's financial support for recycling of approximately £50k. The Council's Waste Officers are already working with officers from the County Council and other Cumbrian districts and this proposal is unlikely to require substantially more officer time.

6. IMPACT ON CORPORATE PLAN

- 6.1 This report directly supports Corporate Plan priority 3.3.4, Continue to work with the Cumbria Waste Partnership.

List of Appendices

List of Background Documents:

List of Consultees: Deputy Leader, Portfolio Holder, Corporate Team

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

| | |
|---|--|
| Impact on Crime and Disorder | None |
| Impact on Sustainability | Has a positive impact on sustainability |
| Impact on Rural Proofing | Recycling services supported by this proposal are provided across the Borough. Increased financial support may allow services to be further extended into rural areas. |
| Health and Safety Implications | None |
| Impact on Equality and Diversity Issues | Specific service requirements are dealt with on a case by case basis. |
| Children and Young Persons Implications | None |
| Human Rights Act Implications | None |
| Monitoring Officer comments | Executive needs to specify whether it |

| | |
|-------------------------|--|
| | wishes to have sight of the final version of the Agreement for approval of its proposed terms or whether it is prepared to delegate conclusion of the Agreement to specified officers in consultation with the relevant Portfolio holder |
| S. 151 Officer comments | |

Is this a Key Decision? No