

**OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE**  
**4<sup>th</sup> SEPTEMBER 2008**

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**WASTE MANAGEMENT SERVICE CONTRACT**  
**ANNUAL REVIEW 2007-08****Purpose of Report**

1. To present to Members the Annual Review of the County Council's Waste Recycling and Disposal Contract.

**Background**

2. The Contractor is required to produce an Annual Review of the waste management service provided for the County Council, with particular reference to waste tonnages, Household Recycling Centres (HRCs) and local Bring Sites ("Mini Recycling Sites"), recycling and composting performance, complaints and comments from the public and action taken to advise the public about services.
3. The Annual Review of Service 2007-08 was circulated to Members during August and is available on [www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)<sup>1</sup>.
4. In 1996 the Council awarded a 20-year contract to Hills Waste Group Limited for the disposal of waste from Kennet, North Wiltshire and Salisbury Districts. A separate contract with Viridor Waste Management, which expired in 2004, covered the disposal of waste from West Wiltshire District. To provide for the continued disposal of waste from West Wiltshire, a tendering process commenced in May 2001. This contract was also awarded to Hills and subsequently merged with the existing Hills contract to form a single, countywide, recycling and disposal contract between the Council and Hills Waste. Under the contract, continued use was made of the Westbury Landfill operated by Viridor until the site closed during 2004. The new countywide contract with Hills runs until 2016.

**Main Considerations for the Council**

5. For the County Council as Waste Disposal Authority, key aspects of the contract are :-
  - (i) The tonnage of waste arising and the effects of waste minimisation
  - (ii) Diversion from landfill by recycling and composting
  - (iii) The tonnage disposed of to landfill
  - (iv) Safe handling, treatment and disposal of waste.

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<sup>1</sup> Further statistics on waste management performance are published on the Wiltshire Waste Partnership's website [www.recycleforwiltshire.com](http://www.recycleforwiltshire.com) (see Strategy and Performance/Performance). The website now also includes a series of short films showing what happens to Wiltshire's recyclates (see link on website home page).

6. With these priorities in mind, Members' attention is drawn to the following aspects of the Annual Service Review 2007 – 08 (ASR).

(i) The tonnage of waste arising

7. A total of just under 258,000 tonnes was dealt with by the contractor (ASR page 3). This was a slight fall from the previous year. Tonnage growth during the last five years has been relatively insignificant. This has meant an easing of costs to the County Council in the form of contract charges and landfill tax, particularly when compared with the growth levels that were being forecast a few years ago. The reduction in waste growth is a national phenomenon, but can probably be attributed in part to the waste minimisation work of local authorities, including the members of the Wiltshire Waste Partnership. In Wiltshire a concerted campaign by the local authorities and the Wiltshire Wildlife Trust has helped draw attention to the need to reduce waste.

(ii) Diversion from landfill by recycling and composting

8. Overall Best Value<sup>2</sup> recycling percentage and tonnage fell during 2007-08. This was due to a decision by DEFRA to reverse previous guidance, which had allowed the use of treated wood in place of raw materials for works at landfills to be counted as recycling. The effect of this on Wiltshire's performance was to reduce the best value recycling rate to 36.7%, compared to 38.1% a year previously. If the definition of recycling had not changed, growth in recycling services would have increased the recycling rate to 40.6%, meeting the Wiltshire Waste Partnership Strategy target for 2010-11.
9. Further work therefore needs to be done to meet the recycling target for 2010-11. Completion of the coverage of the "black box" kerbside recycling in November 2007 (ASR page 6), an additional kerbside collection of plastic bottles and cardboard by Salisbury District Council, commencing by October 2008 (ASR page 10) and plans to open a new household recycling centre at Marlborough (ASR page 5) will all assist.
10. Kerbside collections of dry recyclates and garden waste both continue to grow. In particular, dry recyclates increased from about 24,800 tonnes during 2006-07 to about 27,000 tonnes during 2007-08 (ASR page 3).
11. Recycling collected at household recycling centres fell to about 47,200 tonnes during 2007-08 from a peak of about 53,500 tonnes a year previously (ASR page 3). Almost all residents now have access to kerbside services for basic recycling. However the HRCs continue to expand their range of recycling, accommodating the full range of Waste Electrical and Electronic Equipment (WEEE) Directive categories from July 2007 and recently installing bins for Tetrapaks (ASR page 5, 8).

(iii) The tonnage disposed of to landfill

12. Despite the loss of wood waste from recycling to landfill, the total tonnage sent to landfill during 2007-08 remained at the level of the previous year, about 158,000 tonnes. A slight fall in waste arisings (see (i) above), increased diversion of non-household wastes, and increases in other recycling services all assisted.

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<sup>2</sup> The recycling rate is that used for comparison of local authority performance by the Government. This is the Best Value Performance Indicator (BVPI) 82a and b. This measure includes composting.

13. The delay in opening of the Lakeside incinerator to July 2009 will put additional pressure upon the County Council as it seeks to stay within its Landfill Allowances Trading Scheme (LATS) allocations and avoid fines. 2009-10 is likely to be a very tight year and some trading may be needed. However, the slow down in waste growth, improving recycling and composting performance and plans to divert wood tonnage to alternative energy from waste markets (ASR page 11) will all assist.

(iv) Safe handling, treatment and disposal of waste

14. The Annual Service Review explains the contractor's policies and practices for environmental compliance and health and safety (ASR, pages 13 to 16). As client, the County Council has responsibility to ensure that the contractor has appropriate policies and practices. These topics are therefore on the agenda at each monthly and quarterly contract meeting. Officers are supporting plans by Hills to achieve ISO 14001 standard in environmental management. The need for particular care in these matters is shown by the fact that the contractor was recently prosecuted and fined for failure during 2005 and 2006 to monitor leachate levels and implement an emergency leachate management plan at the Lower Compton Landfill Site near Compton Bassett, as required by the site's Pollution Prevention and Control (PPC) permit.

### **Environmental Impact of the Proposal**

15. The County Council's Corporate Plan Wiltshire 2009 includes goal 12 "encourage the minimisation, re-use and recycling of household waste". The Wiltshire Strategic Board (WISB) has an aim to make Wiltshire the most waste efficient county by 2014. Both these aims reflect Government and EU guidance on the environmental priority of greatly reducing the amount of waste sent to landfill.
16. The Waste Contract is playing a key part in pursuit of these aims, principally through the achievement of much higher recycling and composting rates. However, success depends not only upon the endeavours of the Contractor, but also upon partnership with the Waste Collection Authorities and from April 2009, the strategy, targets and budget of the new Wiltshire Council.

### **Risk Assessment**

17. Waste management risks include significant increased costs due to growth, higher statutory recycling targets, LATS penalties or Landfill Tax, changes to District Council policy for collection of recyclates and residual waste, lack of suitable landfill sites and the long term environmental impacts of closed sites.

### **Financial Implications**

18. The costs of providing the waste management service are increasing each year due to the Waste Contract's provision for inflation, plus:
- (i) The growth of municipal waste – although this is now much reduced
  - (ii) Increased costs of waste disposal due to Landfill Tax and LATS
  - (iii) Higher costs per tonne of recycling or other treatment compared to traditional (i.e. pre-landfill tax and LATS fines) landfill
  - (iv) Costs of improving the management of closed landfill sites.

### **Options Considered**

19. The Contract has a further eight years to run and is delivering significant improvements in recycling performance in accordance with strategic priorities. Over time, these will deliver considerable savings in LATS fines. Costs are rising but are about average for shire county waste disposal. For these reasons, no significant changes are proposed. When the County Council's waste budget allows, negotiation of costed improvements through the quarterly meetings with the contractor can be sought.

### **Proposal**

20. That Members note the Annual Review of the County Council's Waste Recycling and Disposal Contract.

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**The following unpublished documents have been relied on in the preparation of this Report:**

None.