



HERTFORDSHIRE WASTE PARTNERSHIP

MEMBERS' GROUP

25th January 2010

Item 8: Strategy Review – Scoping Report

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1 Purpose of Report

- 1.1 To present for discussion a plan for a review of the joint municipal waste management strategy agreed by the constituent authorities in 2007.
- 1.2 The revised plan takes into account changes agreed during discussion on previous scoping reports presented to the Heads of Waste and Directors' groups in November and December.

2 Background – Local Perspective

- 2.1 In 2007 Hertfordshire's constituent authorities agreed a new Joint Municipal Waste Management Strategy, underpinned by an extensive consultation exercise which attracted over 11,000 responses.
- 2.2 The strategy contains a number of core policies and objectives which support efforts by the constituent authorities to achieve a number of targets including recycling 50% of household waste by 2012; and by the same date to have reduced residual household waste per head to 285kgs.

3 Background – National Perspective

- 3.1 DEFRA is currently reviewing the duty contained in Section 32 of the Waste & Emissions Trading Act 2003 that requires local authorities in two-tier areas to put together joint municipal waste management strategies.
- 3.2 This follows implementation of the Local Authority Performance Framework in April 2008 which abolished Comprehensive Performance Assessments and statutory recycling targets. Good performance under these frameworks were grounds for exemption from Section 32. The final year of CPA ratings and statutory recycling targets was 2007/08 and therefore it was not be possible after the 31st December 2009 to base exemptions on these criteria.

- 3.3 Consequently DEFRA had intended to bring forward legislation this autumn to ensure that authorities currently exempt from Section 32 do not acquire an automatic duty to produce a joint strategy by virtue of the removal of CPA ratings and statutory recycling targets.
- 3.4 It is DEFRA's intention that exemptions based on previous performance will remain in place until a new policy approach has been agreed and comes into effect. However, this does not prevent authorities in two tier areas putting together new or revised joint strategies if they so wish.

4 Background – Local Government Funding

- 4.1 As 2009 has progressed the full effects of the downturn in the global economy have become much clearer. While the economic turmoil is a global phenomenon, the IMF has predicted that the UK economy will be one of the hardest hit.
- 4.2 In addition, the effects of the public support for the banking sector in the UK are already estimated to have cost £94bn with the Government also guaranteeing a further £1,002bn. The overall effect of this is that the Chancellor previously predicted that Government debt as a percentage of Gross Domestic Product (GDP) will rise to around 79% by 2013/14. Even on Treasury forecasts, which many commentators view as optimistic, the level of debt will not begin to fall significantly as a proportion of GDP until 2017/18.
- 4.3 In keeping with the move to three yearly settlements in Government grant, the Government has confirmed the Local Government settlement for 2010/11 (the last year of the initial three year settlement under CSR07). However, there are clearly hard times ahead.
- The latest Government projections allow for limited growth in the public sector with a 0.7% real increase, but these projections include both Education and the National Health Service. Therefore the reality is no increases in resources for Local Government and the real possibility of decreases both in real and cash terms.
 - The Government has placed great emphasis on efficiency savings, with a target 4% year on year efficiency saving
 - The Government's Operational Efficiency programme is a challenge to all public bodies to share services, squeeze assets, improve use of IT, collaborate on procurement and take holistic view of public spend in a defined area.
- 4.4 Taking into account the prospect of the general election, making predictions about the level of future financial support from Government is extremely difficult. However, what can be said with certainty is that in real terms funding levels will decline against a back ground of increasing demands and expectations from residents and other stakeholders.

- 4.5 It is therefore imperative that the review does not shy away from traditionally difficult areas such as long term changes to governance and the joint procurement of collection services where analysis indicates the potential for significant savings either on the front line or in management arrangements for these services.

5 DEFRA Guidance on Municipal Waste Management Strategies (Summary)

- 5.1 Municipal waste management strategies are 'living processes' with the documentation providing a means to communicate a shared vision. Because it is not possible to accurately predict the medium to long term future strategies will cover (in declining detail) a period of time over which inevitably the course of events will differ from those anticipated when strategies are first agreed.
- 5.2 For these reasons, in addition to the requirement to review strategies every five years (Section 32 of the WET Act 2003), there may be a number of other factors which necessitate a review including : -
- changes in policy, legislative or regulatory frameworks;
 - changes in technological possibilities, i.e. evolutions in end markets for recycled materials based on new reprocessing technology;
 - changes in the quantity of waste and recyclables (normally linked to prevailing economic conditions);
 - changes in waste composition;
 - general changes in markets for materials / energy products.
- 5.3 Each of these factors is relevant to Hertfordshire's current circumstances reinforcing the need for a review.

6 Depth of the Review

- 6.1 Such reviews normally involve significant support from external consultants. The Merseyside waste disposal authority have recently budgeted for a review costing in the region of £195,000. This not only involves external consultancy support, but will also include an extensive consultation exercise to underpin the likely magnitude of changes to their strategy.
- 6.2 However, in Hertfordshire we need to consider the proximity of the general election after which there are likely to be changes in policy which could alter the legislative framework under which a joint strategy will evolve.
- 6.3 For this reason it is proposed that the review process is undertaken primarily by the Heads of Waste and Directors. The need for external consultancy support can be scoped out as the process evolves.
- 6.4 It is also proposed that the review process should be documented by way of a 'technical paper' as opposed to a formal strategy. This avoids the need for costly strategic environmental assessments as well as consultation exercises at this early stage.

- 6.5 Through this approach key messages can be used to inform a wider more formal exercise once we understand the legislative context under which the HWP will be operating from next summer onwards.

7 Summary of Proposed Areas to Be Covered by the Review

- 7.1 In no particular order it is proposed that the review should cover the following areas as set out below :-

- Why change is needed – looking at relevant legislation including :-
 - ◆ Global policies
 - ◆ European policy
 - ◆ National policy
 - ◆ Regional policy
 - ◆ Sub regional policy
 - ◆ Local policies

- Predictions for growth – looking at household, population and waste projections based on the latest trends. Data currently being assembled as part of the review of the Alternative Financial Model will assist in this area.

- Current waste practices and performance – establishment of a new baseline for service provision and performance looking at the progress of each individual authority since the last strategy was agreed and the prospects for achieving agreed targets.

- Improving our performance - this will look at the actions to be delivered by each individual authority in pursuit of agreed targets and how these efforts can be supported by the HWP. To a large extent the information can be taken from the action plans presented to HWP member meeting on 26th October 2009, which can be updated to take account of progress made.

8 Why Change Is Needed

- 8.1 European and national legislation is one of the key drivers behind changes to service provision. Therefore perhaps unsurprisingly the review will need to take stock of the numerous pieces of legislation now relevant to waste management in the UK including :-

- Controlled Waste Regulations 1992 (inc. Schedule 2)
- Landfill Tax Regulations 1996
- The Waste Minimisation Act 1998
- The Landfill Directive (1999/31/EC)
- Waste Electrical and Electronic Equipment Directive (2002/96/EC)
- Waste and Emissions Trading Act 2003
- Household Waste Recycling Act 2004

- Hazardous Waste (England and Wales) Regulations 2005
- Clean Neighbourhoods and Environment Act 2005
- Planning for Sustainable Waste Management (PPS 10)
- Producer Responsibility Obligations (Packaging Waste) Regulations 2007
- Waste Strategy 2007
- Climate Change Act 2008
- Revised European Waste Framework Directive (2008/98/EC)

8.2 It is also likely that any new national strategy will look to bring future waste management policy under the auspices of the Government's climate change agenda.

8.3 Consequently the review should start to scope out what alternative target frameworks may look like, i.e. moving from weight based targets to carbon based and what implications this may have for service provision, i.e. mandatory separate food waste collections to feed anticipated increases in anaerobic digestion capacity.

9 Predictions for Growth

9.1 It is proposed that this section of the review will attempt to assess the likely direction of future waste trends based on anticipated growth in housing and population.

9.2 Significant changes in tonnages over the last 12 to 18 months bring into question the basis on which previous projections were made. Therefore the review will need to make an early start at trying to predict future trends based on the latest information available. As noted above work relevant to the review of the Alternative Financial Model will assist in this regard.

9.3 This work will need to be coordinated with the Hertfordshire Waste Procurement Programme as the data used will also be relevant to the preparation of the final business case in support of the ongoing PFI process.

9.4 Importantly this section will also need to try and determine the likely impact of any changes to the Controlled Waste Regulations 1992 stemming from current discussions around Schedule 2 wastes. Potentially this could have significant implications for both the County Council and the districts.

10 Current Performance and Practices

10.1 Having established the basis on which future tonnage predictions should be founded, the review will need to assess current performance across the HWP and the practices by which that performance is delivered.

10.2 In order to appropriately structure this part of the review it is recommended that we follow the waste hierarchy detailed in the revised Waste Framework Directive. Therefore this part of the review will assess performance and practices under the following headings :-

- prevention
- preparing for use (*)
- recycling (including composting)
- other recovery, e.g. energy recovery and disposal

(*) The revised WFD has drawn a distinction between materials that can be reused without preparatory reprocessing and those which do need to be processed before they can be reused. The reuse of materials without preparation has been removed from waste management controls by the revised WFD which is why reuse by itself no longer features in the hierarchy.

10.3 Given the general push towards considering the long-term management of municipal, commercial and industrial wastes together it is likely that any changes to the national waste strategy, (or indeed a brand-new strategy implemented after the next general election), will give local government new targets with respect to the management of non-domestic municipal wastes.

10.4 Therefore this section of the review will need to pay particular attention to what services are currently provided to local trade waste customers with specific emphasis on the range of recycling and other landfill diversion services available.

11 Improving performance

11.1 This section is perhaps the most important one of all as it will set the tone with respect to how the constituent authorities under the auspices of the HWP develop services in future.

11.2 To this end there are a range of issues that the review should address :-

- Planned service changes. We should highlight what service changes are planned across the HWP and how these will impact on recycling rates for individual authorities as well as the HWP's collective target.
- Based on bids to the Waste Infrastructure Capital Grant fund it is likely that by the end of 2010 9 out of the 10 waste collection authorities will be providing some form of restricted residual waste collection. On this basis the review should assess the implications of 'equalising standards upwards' in terms of service provision across the HWP'. This will also link to current commitments with respect to joined up service provision.
- The review will need to assess collection systems in light of experience with the paper and packaging consortiums to ensure that the HWP is fully realising the benefits of this approach whilst at the same time addressing any operational issues.

- The review should set out a defined process to assess possible options for the development of partnership working including a full analysis of the advantages and disadvantages of different working models. This will link into discussions relevant to the formulation of the final inter authority agreement. Work to be undertaken by a new Directors' sub group will also assist in this area.
- The review should consider how best to contribute towards any strategic shift towards a low carbon economy.
- The review will also need to establish appropriate links to climate change work streams underway in each constituent authority.
- The review will need to contribute to the CAA perspective via networks associated with the Local Strategic Partnership including specifically the Transport Access & Sustainable Development and Better Places to Live partnerships.
- The review should consider targets detailed in the Regional Spatial Strategy (currently under review) when agreeing new targets for recycling and residual waste. However, this will not preclude local agreement on more stringent local targets, subject to any changes in national policy.

12 Recommendations

- 12.1 That the review process is documented by way of a technical paper thus avoiding the need and cost of undertaking a strategic environmental assessment and consultation exercise at this early stage.
- 12.2 That the Members' group confirm that the review should cover the areas detailed in paragraphs 6.1 - 11.2.
- 12.3 That the Members' group confirm what other aspects should be covered by the review.