

# OXFORDSHIRE WASTE PARTNERSHIP JOINT COMMITTEE

23 October 2009

## Waste Partnership Financial Arrangements

### 1 Purpose of Report

- 1.1 To update on the Oxfordshire Waste Partnership (OWP) financial arrangements that began in April 2009.

### 2 Background

- 2.1 The new financial arrangements were agreed by the partnership on 29<sup>th</sup> Feb 2008. The arrangements are based on the payment of a recycling credit for every tonne recycled & composted, plus an incentive or penalty payment set at 50% of the recycling credit value for each tonne of residual waste below or above target.
- 2.2 The landfill diversion rate required to meet the 2009/10 Joint Municipal Waste Management Strategy target is 40%. In order to set an equivalent tonnage based target, a forecast of total waste arisings for 2009/10, together with the current actual number of households on each district's council tax base was used to calculate a residual waste tonnage target for each waste collection authority. OWP agreed the 2009/10 targets on 27<sup>th</sup> March 2009. There will be a requirement for a year end adjustment of payments to account for any difference between the forecast and actual total waste arisings for the year.
- 2.3 The financial arrangements apply only to household waste. A definition of household waste for the purposes of the new arrangements was also agreed on 27<sup>th</sup> March 2009. The value of recycling credit payments and financial arrangements bonus/penalty payments for 2008/09 were set at £40.60 and £20.30 respectively.
- 2.4 The performance figures for the first four months of this year (April to July) are given in appendix 1. From this it can be seen that four out of five district councils have received bonus payments each month for over performing against their residual waste target. West Oxfordshire District Council is the only authority to have currently exceeded its landfill allowance. It is worth noting the sharp increase in bonus payments to South Oxfordshire D.C from June onwards, which coincides with the launch of its new collection service contract. The alternate weekly collection of refuse and dry recyclables from wheeled bins, together with a weekly food waste collection has so far lead to a dramatic reduction in waste sent to landfill.

### 3 Financial, Risk and Staff Implications

- 3.1 The financial impact for each district council is set out in appendix 1. This has so far been a positive impact for all except West Oxfordshire D.C, which has incurred penalty payments. From April to July, Oxfordshire County Council has paid £167,282.44 bonus payments to districts under this local arrangement. This represents a pass through to district councils of approximately 50% of saved disposal costs achieved through over performance against the 2009/10 landfill diversion target of 40%.

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### **4 Areas Affected**

4.1 All Partner Authorities are affected by the matters within this report.

### **5 Effect on Strategic Policies**

5.1 The new financial arrangements have been designed to help meet many of the policies within the Joint Municipal Waste Management Strategy that relate to waste reduction, increased recycling & composting and landfill diversion. The new arrangements specifically support policy 14, which states that "The Oxfordshire Waste Partnership will develop methods of working together to improve the level of service through effective and efficient use of resources within Oxfordshire".

### **6 Options or Alternatives**

6.1 N/A

### **7 Recommendations**

7.1 That the payments under the financial arrangements from April to July are noted.

### **8 Reasons for Recommendations**

8.1 To develop the best overall waste management outcomes for Oxfordshire taxpayers and to develop incentivisation arrangements that help achieve this.

### **9 Contact Officer**

9.1 Author: Wayne Lewis Tel: 01295 221903

Email: Wayne.lewis@cherwell-dc.gov.uk

Background Papers:

## Appendix 1 Financial arrangements performance April to July 2009

<b>Cherwell</b>							
		<b>2009/10</b>		April	May	June	July
Residual waste	Target	32,584	Target	2,822.34	2,878.27	2,973.62	2,891.84
	Actual	9,588	Actual	2,485.50	2,258.17	2,310.24	2,534.03
	Variance	22,996	Diff	336.84	620.10	663.38	357.82
Reward/penalty per tonne		£ 20.30	Payment	£ 6,837.85	£ 12,588.08	£ 13,466.69	£ 7,263.66
						Total Apr - Jul	£ 40,156.29
<b>Oxford City</b>							
		<b>2009/10</b>		April	May	June	July
Overall residual waste	Target	32,409	Target	2,807.11	2,862.74	2,957.57	2,876.23
	Actual	9,586	Actual	2,312.41	2,224.49	2,412.38	2,636.50
	Variance	22,823	Diff	494.69	638.24	545.19	239.73
Reward/penalty per tonne		£ 20.30	Payment	£10,042.25	£ 12,956.34	£ 11,067.39	£ 4,866.47
						Total Apr - Jul	£ 38,932.45
<b>South Oxfordshire</b>							
		<b>2009/10</b>		April	May	June	July
Overall residual waste	Target	31,507	Target	2,729.03	2,783.11	2,875.31	2,796.23
	Actual	7,029	Actual	2,274.43	2,305.25	1,290.75	1,158.88
	Variance	24,478	Diff	454.60	477.86	1,584.56	1,637.36
Reward/penalty per tonne		£ 20.30	Payment	£ 9,228.40	£ 9,700.58	£ 32,166.54	£ 33,238.36
						Total Apr - Jul	£ 84,333.88
<b>Vale of White Horse</b>							
		<b>2009/10</b>		April	May	June	July
Overall residual waste	Target	28,143	Target	2,437.61	2,485.92	2,568.27	2,497.64
	Actual	8,618	Actual	2,128.34	2,087.60	2,107.43	2,294.92
	Variance	19,524	Diff	309.27	398.32	460.84	202.72
Reward/penalty per tonne		£ 20.30	Payment	£ 6,278.16	£ 8,085.93	£ 9,355.09	£ 4,115.18
						Total Apr - Jul	£ 27,834.35

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<b>West Oxfordshire</b>								
		<b>2009/10</b>		April	May	June	July	
Overall residual waste	Target	25,060	Target	2,170.63	2,213.64	2,286.98	2,224.08	
	Actual	10,076	Actual	2,528.34	2,406.29	2,408.32	2,733.40	
	Variance	14,984	Diff	357.71	192.64	121.34	509.32	
Reward/penalty per tonne	£	20.30	Payment	-£	-£	-£	-£	
				7,261.52	3,910.67	2,463.17	10,339.17	
							Total Apr - Jul	-£ 23,974.53
<b>Totals for All WCAs</b>								
		<b>2009/10</b>		April	May	June	July	
Overall residual waste	Target	149,703	Target	12,966.71	13,223.69	13,661.76	13,286.02	
	Actual	44,898	Actual	11,729.02	11,281.80	10,529.12	11,357.72	
	Variance	104,805	Diff	1,237.69	1,941.88	3,132.64	1,928.30	
Reward/penalty per tonne	£	20.30	Payment	£25,125.14	£ 39,420.25	£ 63,592.54	£ 39,144.50	
							Total Apr - Jul	£167,282.44