

OXFORDSHIRE WASTE PARTNERSHIP JOINT COMMITTEE

Minutes of a meeting of the Oxfordshire Waste Partnership Joint Committee held at Banbury Cricket Club, Bodicote, Banbury on Friday 28 September 2007 at 9.30am.

Present: Councillor Kieron Mallon (in the Chair) (CDC)

Councillors Roger Belson (OCC), Tony De Vere (VOWHDC), David Dodds (SODC), David Harvey (WODC) and Jean Fooks (O City).

Also in Attendance: Councillor J Hannaby (VOWHDC)

Officers: Wayne Lewis (OWP Co-ordinator), Colin Bailey (O City), Sharon Cosgrove (O City), Steve Bishop (VOWHDC), Ian Davies (CDC), Richard Dudding (OCC), Rob Finlinson (OCC), Cath James (WODC), Claire Kingston (SODC), Andrew Pau (OCC), Ed Potter (CDC), Matt Prosser (SODC) and Steve Lodge (CDC).

PART I: MATTERS NOT OF AN EXEMPT OR CONFIDENTIAL NATURE

224	MINUTES	ACTION BY
	The Minutes of the meeting held on 31 August 2007 were confirmed as a correct record and signed by the Chairman.	
225	DECLARATION OF INTEREST	
	There were no declarations of interest.	
226	MATTERS ARISING	
	In relation to matters arising –	
	(1) Andrew Pau stated that the business revenue efficiency and waste programme were seeking bids for projects to reduce and recycle business waste;	
	(2) Tony De Vere expressed his concern as to why there was such a difference between various District Councils in the amount of residual waste that was disposed of by each authority.	
227	NEW FINANCIAL ARRANGEMENTS	
	The Committee considered a further report on new financial arrangements and were reminded that at the last meeting they had reaffirmed the principle that the new financial arrangements should incentivise waste reduction as well as recycling and there was consensus that the proposed new financial arrangements achieve this. Consequently, the amount of residual waste and biodegradable municipal waste produced remained the basis for payments under the new arrangements.	
	The OWP had also decided that consideration be given as to whether a more equitable result would be achieved by using a demographic base rather than households. A briefing paper was considered where it was agreed that the financial modelling should not be changed to a per capita basis due to the adverse impact on 3 authorities.	

At the last meeting the County Council had stated that it would either pay the gate fees or recycling credit/new financial arrangement payments for waste treatment at In-Vessel Composting (IVC) facilities that it provided. The original financial model assumed that the County Council paid both.

The Oxfordshire Waste Partnership had decided that further financial modelling must include the estimated financial effects to all affected partner authorities of IVC. Extensive modelling had since been undertaken to assess the financial implications of firstly transferring the gate fees for IVC from the County Council to District Councils and secondly the financial implications of the gate fees remaining with the County Council but with no payments being made to the District Council for waste treatment by IVC.

The Committee considered a chart which forecast recycling and composting performances which showed that Cherwell would recycle and compost most waste per household and the City least. West Oxfordshire's predicted levels of recycling and composting were also above average. The Committee also considered a chart on residual waste per household which indicated that West Oxfordshire forecast most residual waste and Cherwell the least per household. The remaining authorities were clustered around the average.

IVC gate fees were predicted to be in the region of £22M between 2009/10 and 2019/20. The total payments to District Councils under the new financial arrangements before payments made for IVC waste had been deducted a total of £67.3M. When the gate fees for IVC were deducted this left approximately £45M of payments. This figure was similar to the total payment levels set out in the new model. As the County Council was currently developing a procurement exercise for IVC capacity, there was a general presumption that it would pay the gate fees. Early agreement on this issue by the OWP would help to facilitate the development of new financial arrangement by providing some clarity on the allocation of operating costs and payments within the model.

The Committee noted that one of the issues for discussion was that Cherwell District Council received over £2m less under the new financial arrangements than it would under the statutory instrument formula despite Cherwell recycling and composting the most and presenting least residual waste. It was felt that consideration might be given as to whether some adjustments to payments under the new arrangements could be made for authorities such as Cherwell, operating commingled food and garden waste.

Oxford Waste Partnership believed that further work was required on waste minimisation and reuse and that scheduled work should be undertaken to achieve this. Therefore an annual reduction of 0.65% per annum had been applied to each District Council's forecast residual waste arisings and BMW arisings.

Recent changes in the new financial arrangements had added complexity. The new arrangements were becoming more difficult to fully understand and a simplified version was needed to be created so that it could be more widely understood and become more 'user friendly'. It was believed that these issues could be addressed by Officers within a timescale of a few weeks, but this work could only be undertaken once decisions had been made on the scope and content of the new arrangements.

Due to the complexity of the new arrangements consideration could also be

given to devising new, alternative approach that met as far as possible, the agreed financial principles of the OWP, whilst also acknowledging some of the potential stumbling blocks that had been encountered so far, such as the complexity, affordability, risk and uncertainty, it was likely that an alternative approach would maintain elements of the Statutory Instruments but would also introduce new incentive payments (and possibly penalties) based on residual waste.

At this stage of the meeting 10.00 am the Committee adjourned for 20 minutes to allow the various partnership authorities to consider the report. At the recommencement of the meeting, the various local authorities expressed their views and commented on the seven recommendations set out in the supplementary report as follows:-

Cherwell District Council

Chairman Councillor Mallon speaking as a Representative of Cherwell District Council stated that Cherwell recycled more waste than any other District Council and ensured that Oxfordshire was in the top quartile. It was felt that the Council should not incur a financial penalty as a result of IVC which benefits the whole county as would be the case with the new model. He felt that the model was too complicated and not easily understood or easily explained to the public. He could not recommend to the Executive of Cherwell why they would lose more than £2M as a result of the new model.

Ian Davies stated that decisions taken by Cherwell District Council with regard to waste were reflected in the good recycling figures and therefore he had several issues with the proposed new financial model. He confirmed Cherwell's willingness to remain a partner and stick with the group, but this could not be at any cost. He expressed concerns about the risks involved with the model and that a small percentage change could yield a high financial impact both positive and negative for any of the partners. IVC was acknowledged as being critical for waste minimisation, but the partners should recognise that IVC needed to be looked at again from a financial point of view. Cherwell considered that the model was too complex and needed to be simplified and that there was a need to review the model on a regular basis especially that in 2012/13 there would be new technologies for waste treatment, as yet unknown and the projected charts in the report showed that most partners waste would plateau around this time. He further stated that based on the outcome of the current model he could not recommend Cherwell District Council to sign up without modification.

South Oxfordshire District Council

Councillor Dodds confirmed that South Oxfordshire supported the model as there was not much change in respect of their district but felt that the model was right for the whole county. They agreed that the model needed to be simplified and reviewed regularly and stated that his authority could accept the first 4 proposed recommendations but could not support recommendations 6 and 7. In conclusion they were broadly in line with Cherwell's suggestions.

West Oxfordshire District Council

Councillor Harvey stated that West Oxfordshire would have a difficulty in supporting the new model and could not recommend a £3M loss to their Executive. He reiterated West Oxfordshire's support for the principles of the

Oxfordshire Waste Partnership which were to be unified not uniform and they recognised different standpoints of the various District Councils. They felt that some principles were acceptable but like other districts did not have £3M available and therefore could not support this model. He confirmed that they were committed and enthusiastic about the implementation of food waste but West Oxfordshire were unable to cover the financial implications now proposed.

Cath James stated that a simplified model would be appreciated even though West Oxfordshire was very similar to South Oxfordshire the perverse effects of the new model resulted in West Oxfordshire incurring a huge loss. She felt that the model was too sensitive and there was potential for huge unexpected losses and gains.

Vale of White Horse District Council

Councillor De Vere considered that the aims of the OWP had been lost in the model which he felt should be simplified and should be focused on minimising waste and the amount of waste which was 'dumped' on the County Council's sites should be reduced and the District Councils should be rewarded and penalised accordingly. He found the new model confusing in that Cherwell with the lowest residual waste should be penalised as a result of the revised model. He supported joint procurement with other authorities and concluded that targets should be simple and concluded that a transitional arrangement in order to minimise waste should not penalise consistently high performers.

Oxford City Council

Councillor Fooks agreed with Vale of White Horse District Council that minimising the burden of the disposal of waste was the key to achieving the partnership's aims. Councillor Fooks stated that she considered that working to minimise disposal of refuse was the key issue and confirmed that the City had invested heavily in recycling. She agreed that the model seems sensitive but it was based over 11 years and might not be as sensitive as it first appeared. She advised that IVC was not the whole solution and other forms of disposal such as Anaerobic Digestion, shall be considered. She stated that the City had revisited the model per capita rather than per household using this method and the City Council did better. She confirmed that the City were dedicated to the partnership and should sympathise with those who did not do well from the model. She was happy to support recommendations 1 to 4 but not 6 and 7.

Sharon Cosgrove considered that a simple model would be better with a focus on reducing landfill. She stated whatever the model was used there would be winners and losers but the partnership should look to equalise things during the transitional period and arrangements should be made to do this.

Oxfordshire County Council

Roger Belson stated that he accepted recommendations 1, 2, 3 but in respect of 4 he felt that this hid issues and felt departures from this should only be in the short term. The incentives would go up and down during the period. In relation to recommendation 5 he felt that general simplification would be good.

Richard Dudding stated that careful assumptions were the way forward and not undue risks. He was concerned that there were risks to the County Council and felt these should be checked to be correct, equitable and mitigated.

Steve Bishop advised that from a Treasurers point of view it was better for there to be a decision as there would be figures to work with rather than to having to speculate on what the effect would be. A decision would enable each District to start to plan with certainty.

RESOLVED

- (1) that the OWP agrees that for the purpose of any further financial modelling, gate fee costs for waste food treatment should be paid by OCC;
- (2) OWP continues to prioritise waste reduction and reuse measures as these can potentially lower the overall waste management costs within Oxfordshire;
- (3) Officers to further explore the effect of the model in relation to waste food treatment to see if any adjustments might be needed to incentives;
- (4) OWP reaffirms its commitment to the new arrangements based on the minimising waste for disposal;
- (5) OWP supports short term transitional arrangements for any authority experiencing negative financial impact as a result of these arrangements;
- (6) that the model be progressed to contain improved risk control and reduced financial sensitivity plus simplification for public understanding;
- (7) OWP commits to continually monitor the model and review annually; and
- (8) OWP requests Oxfordshire Treasurers to assist in verification and simplification of the model and any short term transitional arrangements.

**Officer
Strategy
Group**

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DRAFT BUDGET 2008/09 – 2010/11

A draft budget report for 2008/09 to 2010/11 was submitted to the Committee for consideration.

The Committee were reminded that the Oxfordshire Waste Partnership agreement stated that the Partnership should advise the Partner Authorities by 31 October each year of the level of budget required for the next 3 years. The Partner Authorities should then approve and agree the level of the budget annually.

The Committee noted that in previous years the Government had paid authorities a Waste Performance and Efficiency Grant (WPEG). All Partner Authorities had previously agreed that this money should be ring fenced for partnership work. This year (2007/08) the Government had paid this money

to the Public Service Board and following a request from OWP the Public Service Board had passed this funding to the Partnership.

The value of the WPEG for 2007/08 had been £1.357M and this meant that each individual authority received a considerable amount after the OWP costs had been deducted and amounted to £1.047M in total.

When the Government first announced the WPEG funding it did so for the years 2005/06 to 2007/08 and they were now discussing the contribution of this funding in a similar or improved form, but were yet to make a formal announcement of its intentions. Therefore, at this stage, the draft budget had been prepared without the benefit of any external Government funding. This meant that a substantial contribution might now be required from each Partner Authority to continue the work of the OWP. The Partnership Agreement set out that the County Council would contribute 50% of the overall funding and the 5 District Councils were to contribute 10% each.

In this connection A Pau stated that if no WPEG funding were received then further consideration would need to be given to the budget by the Partnership.

The Partnership had also benefited from approximately £440,000 of funding from the Waste and Resources Action Programme (WRAP) to deliver the county wide 'Recycling for Oxfordshire' campaign and this funding ended in March 2008. It was proposed to continue the campaign and an allocation had been made in the draft budget. In addition to this, an allocation had been made for a Communications Officer to deliver this campaign and this would essentially be a continuation of the current WRAP Project Manager post.

The Committee noted that the Joint Waste Strategy recognised the importance of waste minimisation and an important part of this was ensuring that the Partnership Authorities only managed household waste. To this effect a budget entry had been made for a Waste Enforcement Officer post. This would develop waste enforcement policies to reduce residual waste arising including policies aimed at driving out any trade waste that might currently be collected as household waste at the kerbside and at waste recycling centres. This post would also develop and help deliver joint enforcement measures to ensure that LAA clean green targets were achieved.

Concern was expressed at the proposed appointment of the Communications Officer and Waste Enforcement Officer and it was felt that funding of these posts might be better used in other ways. However it was recognised that the two functions of communications and enforcement were important and therefore the budget proposals should remain with further considerations given to the best use of this additional resource.

RESOLVED

- (1) that the provisional draft budget is noted;
- (2) that further information is provided on the proposed posts with more detailed budget information on the Communications Plan;
- (3) that the Chairman of the OWP writes to DEFRA requesting the continuation of WPEG funding and an early announcement to this

**A Pau
W Lewis**

**K Mallon
Chairman**

effect.

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COMMUNICATIONS PLAN

The Committee considered a report which contained a draft Communications Plan for Oxfordshire Waste Partnership. The Plan set out details of existing work and objectives of future communications efforts. It identified the audiences that the Partnership wished to reach and the key messages it wished to be communicated. A detailed implementation plan had been included which set out planned activities.

Some of the main proposed activities included the development of an OWP website and E newsletter. Press releases and the continuation of a communications campaign, such as the current Recycle for Oxfordshire campaign, were also planned and this accounted for the majority of the budgeted expenditure.

Appended to the Communication Plan was a brand manual, which set out how the recently developed OWP brand should be used and a media protocol; an agreement on how the OWP should develop news releases and deal with media queries.

The Chairman stated that the Communications Plan often referred to Oxfordshire when in fact it should have referred to the Oxfordshire Waste Partnership and it was agreed that this should be amended accordingly.

It was felt that any press releases issued by Oxfordshire Waste Partnership should be sent to District Councils prior to issue with reciprocal arrangements being undertaken by District Councils issuing press releases relating to waste issues.

RESOLVED

- (1) that the draft Communications Plan be approved;
- (2) that further details and costs of the continuation of a county wide communications campaign be presented to the Partnership for approval in November 2007; and
- (3) continuing officer support be provided in order to implement the Communications Plan.

W Lewis

W Lewis

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OWP SUPPORT AND DELIVERY STRUCTURE

The report setting out a support and delivery structure for Oxfordshire Waste Partnership was circulated to the Committee.

The purpose of this document was to consider the requirements necessary for an improved structure to support the delivery of the actions in the Joint Municipal Waste Management Strategy (JMWMS) and the local area Agreement (LAA) environmental block targets. The report addressed the principles only and details would emerge from wider engagement.

The OWP Member and Officer Joint Committee were supported by a Strategy Group which was the only body recognised in the OWP constitution. The Officers Strategy Group was made up of senior officers

from all Partner Authorities. In addition to this key group there was (1) a Waste Operations Group; (2) a Waste Projects Group; (3) OLEG consisting primarily of Waste Enforcement Officers and a Clean and Green Group.

The Committee noted a number of issues and factors which influenced the need for change. These were

- (1) the current support structure had developed over time without clear focus and direction. These had been influenced by joint working possibilities rather than driven by OWP requirements. They are now needed to be better aligned to the delivery of the JWMMS.
- (2) there would, in future, be a growing emphasis on LAA targets in terms of development, delivery, monitoring and the future use of reward money and this needed to feature prominently in a revised support structure;
- (3) sufficient capacity needed to be created to improve performance in waste minimisation, recycling, waste disposal and the cleaner environment agenda;
- (4) OWP now assumed the responsibility for the Clean and Green LAA target and must ensure that it had robust mechanisms in place to manage and deliver the actions associated with the improved performance;
- (5) additional commitments would be required from all Oxfordshire Local Authorities if the OWP was to succeed in the future. This commitment needed to be at both strategic director and operational level and embraced within a more formal structure;
- (6) whilst partnership working could assist with service delivery and improved performance it could be time consuming. Therefore, it was important that the best use was made of all officer time. Clarity of structure and purpose would assist in achieving this.

The LAA 2 targets from April 2008 had yet to be determined. It appeared inevitable that climate change and green agenda would be prominent with a continued focus on waste minimisation and recycling and in this connection the Committee were reminded the current LAA targets for waste recycling and a clean and green targets.

It was suggested that a support and service delivery structure could be built on the current groups was better aligned to the two LAA environmental block targets associated with waste and recycling and clean and green while at the same time focussing on the delivery of the JMWMS actions. One way of achieving this was to establish 3 groups with co-ordination between them achieved by the Strategy Group supported by the OWP Co-ordinator as follows:

- (1) Waste and Recycling Operations Group which would be responsible for waste collection, waste disposal and waste recycling;
- (2) an Environmental Protection and Cleansing Operations Group which would be responsible for litter, fly tipping, abandoned vehicles, fly posting, graffiti, street and highways cleansing, and other cleansing;

- (3) a Clean and Green Projects Group similar to the current activities of the Waste Project Group and responsible for communications, education, special promotions and market research.

A report outlined how each of the groups would operate and their responsibility to JMWMS and LAA actions.

It was intended that formal terms of reference would be drawn up for each of the 3 groups in consultation with the current groups so that there was an engagement with and clarity on what was expected of them. All 3 groups should report on a quarterly basis to the Officer Strategy Group prior to each OWP meeting on their activity and performance in relation specifically to the OWP, JMWMS actions, LAA actions and performance monitoring. This structure would also be able to effectively link into the reporting requirements of the Public Service Board for the environmental block of the LAA.

Some concern was expressed relating to the difficulty some authorities might have in providing additional resources to assist the workings of the 3 new groups. The Committee also felt that full consideration should be conducted with the existing official groups ahead of detailed implementation.

RESOLVED

The Committee agree:

- (1) the support and delivery structure as proposed;
- (2) that the precise terms of reference and operational aspects of each group be developed and finalised in conjunction with the existing groups; and
- (3) that the performance of the structure be reviewed after two years operation.

Ian Davies

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WASTE COLLECTION JOINT PROCUREMENT REPORT

The Committee considered a report on waste collection and joint procurement project which had been prepared by the Project Manager Mike Mackay.

The study looked at 3 scenarios for Oxfordshire Waste Partnership, these being:

- (i) no change (all authorities continue to source services independently);
- (ii) the 3 WCAs without source services enter into joint contract; and
- (iii) all WCAs participate.

Three pronged methodology had been employed to model each scenario looking at qualitative and quantitative factors and risks.

The report recommended Option 2 as the option offering lower risk. It was felt that although Option 3 generated the largest financial savings this was considered high risk due to the need to have contracts in place for South Oxfordshire District Council by early 2009 and West Oxfordshire District Council and Vale of White Horse District Council by 2010. The Committee

noted that for Option 2 savings in a range of 2 – 11% were achievable based on specification H/1 in the Joint Municipal Waste Management Study. This did not include any savings achieved via the procurement process through the 3 WCAs acting jointly. It was highlighted that one of the main savings was dependent on the 3 WCAs integrating their waste teams.

Although not part of the brief Enviros reported that Oxfordshire should consider the provision of a Materials Recycling Facility (MRF) within the county and they considered that there was significant savings to be achieved through the construction of a MRF.

The Project Manager was continuing to work with the South East Centre for Excellence (SECE) to confirm whether this would provide the best procurement route for WCAs via proposed Regional Waste Collection Framework Agreements (RWCFA).

Proceedings down this route would lessen the risk for WCAs further, subject to SECE being able to meet South Oxfordshire's deadline for new contract. This route offered greater flexibility for individual WCAs to opt into RWCFA at a time of their choosing within a 4 year time window and might simplify the governance arrangements which had been identified as a potential issue for West Oxfordshire DC.

SECE had been requested to produce a paper by mid October identifying the risks and benefits of RWCFA compared to the 3 Oxfordshire Authorities proceeding jointly. The decision would need to be taken at the end of October as to whether to progress with SECE or proceed independently.

RESOLVED that

- (1) the Enviros recommendation that West, South and Vale of White Horse District Councils proceed with joint procurement be accepted; and
- (2) that it be agreed that the Enviros report be made available via the DEFRA website.

M Mackay

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WASTE TREATMENT PROJECT UPDATE

The Panel considered the latest position of the Oxfordshire Waste Partnership on progress on the residual waste and food treatment procurement projects.

The Committee were reminded that the diversion of waste from landfill was essential to reduce the risk of fines for exceeding targets for limiting the amount of bio-degradable waste that was landfilled under LATS. The County Council was proceeding with the procurement of waste treatment capacity for both residual and food wastes.

In relation to residual waste the County Council had invited 8 companies into the Invitation to Submit Outline Solutions (ISOS) stage of the competitive dialogue process. A copy of the press release announcing this was circulated to Members of the Committee.

A series of clarification meetings had now been completed and market interest had been good and a number of ISOS submissions were expected by the 19 October deadline. These would be carefully evaluated before the

results were presented to the Waste Treatment Board and Cabinet. Up to 4 companies would then be invited to the invitation to submit detailed solutions stage early next calendar year.

Because of the heavy workload of the OWP Co-ordinator it had been decided to appoint a substitute to the Waste Treatment Team and Mike Mackay of the Vale of White Horse District Council had volunteered.

In connection with food waste processing an external Project Manager had now been appointed and a small project team had been formed with representatives from legal, financial and procurement sections of the County Council representatives from the Officer Strategy Group and the Environmental Agency and ENTEC (the County's Technical Consultants).

Visits had been made to both Buckinghamshire and Warwickshire County Councils who were going through similar procurements and lessons learnt incorporated for Oxfordshire. Indications were that there would be sufficient interest to provide competitive bids.

Draft tender documentation had now been prepared and it was expected that the project would be advertised in October with pre qualification documents to be returned in November and shortlists drawn up. Tenders would be issued December/January 2008 with contracts awarded February/March 2008. The successful tenderer would apply for planning and other consents, unless already received and for plant commissioning by March 2009 or before.

In relation to questions from Members A Pau indicated (1) that the location for the processing of food waste was very important and that many factors would be taken into consideration in order to obtain the optimum benefit for the location of the sites and (2) that if residual waste was disposed of through a waste disposal incinerator then the size of the incinerator would be agreed following consultations with the company chosen to provide the facility.

RESOLVED that the Committee note and support the progress made on the procurement of both residual and food waste treatment.

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END OF MEETING

The meeting ended at 12.10pm.