

FUTURE WASTE STRATEGY

1 SUMMARY

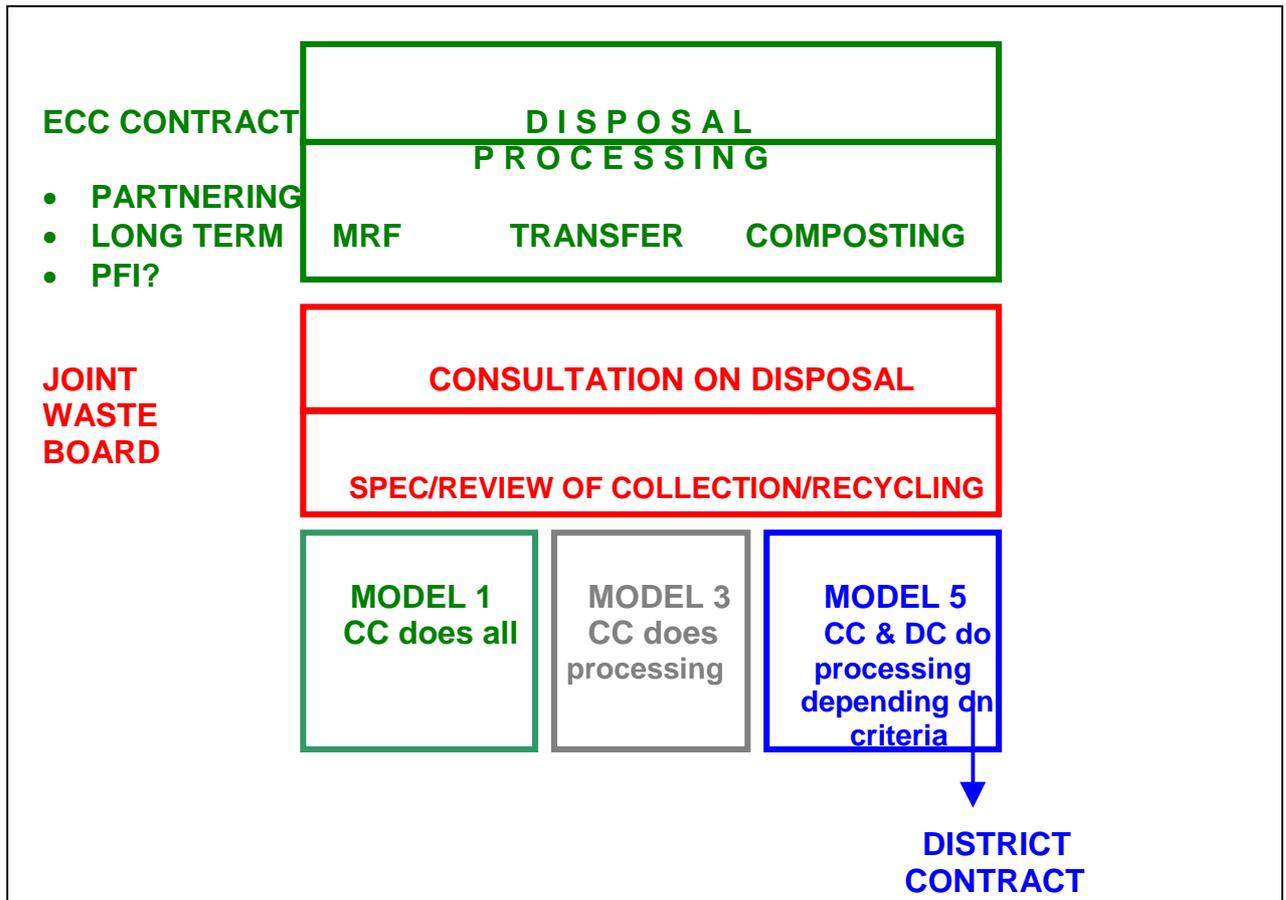
- 1.1. As Members will be aware, the Essex County Council as the Waste Disposal Authority, is working to develop a new waste disposal contract as part of the Future Waste Strategy.
- 1.2. The object of this report is to advise Members as to how the new contract is anticipated to work and seek a view in principle as to how the Council wishes to be involved in the project.

2 PROGRESS TO DATE

- 2.1. An officer workshop was held in late February where the whole issue of the way forward in respect of the disposal of waste was considered.
- 2.2. The report emanating from this workshop has been presented to a meeting of the Waste Management Advisory Board of the Consortium of Essex Waste Collection Authorities on 19 March 2001. The way forward set out in this report has been endorsed by the Board.
- 2.3. The County Council is anxious to have a new contract in place by early 2003 in order to be fully operational by 2007. The long time between placing the contract and becoming operational recognises the significant amount of capital investment required for new facilities.
- 2.4. The County Council will be exploring the various options available in order to attract the capital investment required. This will almost invariably require input from the private sector. This could be in the form of a long term partnership type of contract such as this Council is considering for the leisure contract. Another option would be to devise a contract which conforms to the requirements of the Private Finance Initiative (PFI). This route would delay the placing of a contract and would also require more "up front" costs in order to arrive at a suitable arrangement. The advantage of the PFI is that it brings an element of Government funding for the capital element of the contract.
- 2.5. The project plan for delivering a long term waste management contract is shown at Appendix 1 of this report.

3 PREFERRED OPTION FOR WAY FORWARD

- 3.1. In order to meet the diverse needs of the County Council and the individual Districts, it is recommended that a hybrid form of contract is developed. The type of contract is shown in the diagram set out below:-



Under this model:

- ◆ The County Council contracts with private sector to price each element of the total waste service
- ◆ Each District Council assesses benefits to it in respect of County Council contractual service package.
- ◆ District Council can opt to utilise all or part of the County Council's contracted service package
- ◆ District Council can choose to contract themselves or collectively with other waste collection authorities.

As may be seen from the above diagram, only Models 1, 3 and 5 are shown. Model 2 was Districts being responsible for all and Model 4 was Districts being responsible for processing. Both of these models were discounted by the Working Group as being impractical. Model 5 was chosen as the best way forward.

4. ROCHFORD POSITION

- 4.1. At present, Rochford is in the position where it collects the refuse and has a contract for disposal with Serviceteam for kerbside recyclables. The County Council disposes of all materials not collected through the recycling initiative.

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- 4.2. The hybrid model proposed would allow the Council to continue with this type of arrangement. It would then be up to Serviceteam to decide whether or not to buy into the County recycling disposal service or continue with their own arrangements.

5 RESOURCE IMPLICATIONS

- 5.1. At present these are not known. Any decision given by the Council at present is only in principle. Resource implications will need to be known when final decisions are made in Autumn 2002.

6 RECOMMENDATION

It is proposed that the Sub-Committee **RECOMMENDS**

- 6.1. That the Essex County Council be advised that this Council would wish to participate in the new Waste Management Contract in accordance with our current method of operation.

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Background Papers:

Draft Facilitator's Report to Essex Waste Contracts Strategy Workshop, 26/27 February 2001.

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