

Appendix A – Outline of Key Legislative drivers and sustainable and effective Waste Management Strategies

Introduction:

The principal statutory drivers for change have come through European Directives. Significant waste management directives, regulations and proposals impact directly and indirectly both on waste management operations and specific waste streams. Amendments to existing directives as well as new directives can be expected to continue the drive for change. Whilst the Framework Directive on Waste gives the direction in policy and principles it is the Landfill Directive that is currently the primary driver of change. The aim of this Directive is to prevent, or reduce as far as possible, the negative effects of landfill waste disposal on human health and the environment. As well as being the least sustainable waste disposal option available, landfilling biodegradable waste is also a major source of the greenhouse gas methane.

The Landfill Directive:

The Landfill Directive is currently the primary driver of change. The aim of this Directive is to prevent, or reduce as far as possible, the negative effects of landfill waste disposal on human health and the environment. As well as being the least sustainable waste disposal option available, landfilling biodegradable waste is also a major source of the greenhouse gas methane. The Landfill Directive has set mandatory targets (at a national level) to reduce the amount of Biodegradable Municipal Waste (BMW) such as paper, card, green waste that is sent to landfill sites for disposal, in three successive stages as follows:

- reduced to 75% of the 1995 baseline by 2010
- reduced to 50% of the 1995 baseline by 2013
- reduced to 35% of the 1995 baseline by 2020

Recycling/composting targets:

- recycle or compost at least 25% of household waste by 2005
- recycle or compost at least 30% of household waste by 2010
- recycle or compost at least 33% of household waste by 2015

The Lancashire Waste Partnership has set itself more challenging targets than those applied nationally. For example, LWP recycling/composting targets are as follows:

- recycle or compost at least 35% of household waste by 2005
- recycle or compost at least 44% of household waste by 2010
- recycle or compost at least 55% of household waste by 2015

WET Act 2003 and LATS:

Introduction of new legislation “Waste and Emissions Trading Act 2003” and “Landfill Allowances Trading Scheme 2004” has placed additional statutory requirements on Local Authorities to reduce the quantity of waste sent to landfill utilising a regime of tradable landfill allowances. LA’s that fail to limit landfill in accordance with their target will be penalised financially at a rate of £150 per tonne of excess BWM landfilled. LATS came into effect on 1st April 2005.

Landfill Tax:

In order to further divert waste from landfill and meet the targets under the Landfill Directive, the Government has also committed to increasing the rate of Landfill Tax for active waste by at least £3 per tonne each year from £18 in 2005/06, rising to a rate of £35 per tonne by 2010.

Waste Strategies:

Waste Strategy 2000 (WS2000):

Following adoption of the Landfill Directive, the government published Waste Strategy 2000 covering England and Wales. The Strategy set out a series of guiding principles, namely:

- **Best Practicable Environmental Option (BPEO)**

to establish for a given set of objectives, the option that provides the most benefits with the least damage to the environment as a whole at an acceptable cost

- **The Waste Hierarchy**

places reduction at the top, as the most preferable option for managing waste. This is followed by re-use, recovery through recycling, composting and energy recovery, and lastly disposal

- **The Proximity Principle**

requires waste to be managed as close to the place of production as possible. This avoids passing the environmental costs of waste management to communities which are not responsible for its generation. It also reduces the environmental costs of transporting waste

- **Self Sufficiency**

Waste should not be exported from the UK for disposal, and waste planning authorities and the waste management industry should aim, wherever practicable, for regional self sufficiency in managing waste

The Regional Waste Strategy:

The Government has sought to strengthen planning for waste management at the regional level, by encouraging waste management decisions to take account of the need for regional self-sufficiency and the proximity principle. In September 2004, The North West Regional Assembly issued a Regional Waste Strategy to guide the North West towards more sustainable waste practices over the next 20 years. The main aims of the strategy include:

- maximise the recovery and re-use of waste
- identify waste management requirements for the future
- promote awareness of waste in the community and the acceptance of facilities to deal with it

Local authorities should review development plans in order to specifically identify sites that they consider are suitable for waste management facilities in accordance with the capacities identified within the strategy. This will be either through the review of existing Waste Local Plans or through local development frameworks covering individual or combined unitary authority areas.

Lancashire Waste Local Plan:

The Lancashire Minerals and Waste Local Plan (LMWLP) was adopted by the joint Lancashire, Blackpool, and Blackburn with Darwen authorities in December 2001. It covers the period up to the end of 2006 and is currently being reviewed. The plan sets out the strategic approach to minerals and waste development and introduces many of the objectives set out in WS2000, PPG10 and 'A better Quality of Life' the Governments 1999 sustainability paper. The concept of sustainable development forms the strategic basis for the LMWLP which is embodied in the overarching strategy for development.

Local Development Framework:

'Any development to be in keeping with recent changes to the Core Strategy and in accordance with the Local Development Framework'.

Lancashire Waste Partnership (LWP):

In November 1997, the fifteen local authorities in Lancashire formed the Lancashire Municipal Waste Management Strategy Steering Group (subsequently the Lancashire Waste Partnership)

to develop a long-term strategy for the management of Lancashire's municipal waste in order to meet statutory landfill diversion obligations. In 2002, the Steering Group agreed to adopt a working title which reflected its joint working arrangements and chose the title 'Lancashire Waste Partnership'. It included representatives from each of the authorities and its remit was to create a strategy and establish policies to guide the development of sustainable waste management in Lancashire over the next 20 years. In 2001, 'A Greener Strategy for a Greener Future' – Lancashire's Municipal Waste Management Strategy (LMWMS) 2001 – 2020 was approved by the partnership and published.

Lancashire's Municipal Waste Management Strategy (LMWMS) 2001 – 2020:

The Lancashire waste management strategy has been developed by a partnership of the fifteen local authorities in Lancashire. The strategy is designed to concentrate on a number of targets including:

- Manage over 1 million tonnes of waste per year by 2020
- Reduce waste growth throughout Lancashire and stabilise it at 1% per year by 2005
- Recycle and compost 40% of all municipal waste by 2005 rising to 56% by 2015
- Recycle and compost 36% of household waste by 2005 rising to 58% by 2015
- Waste Collection Authorities (WCA's) to implement a segregated waste collection system covering at least 90% of Lancashire's households by 2005
- Waste Disposal Authorities (WDA's) to provide/develop waste treatment facilities for the recovery of waste through recycling and composting
- Reduce total quantity of BMW waste landfilled to 20% by 2010 (from 85%)
- All fifteen local authorities to work jointly to put in place contractual and/or working arrangements to secure the targets of the strategy
- Lancashire to be divided in to nine catchment areas for the purpose of locating waste management facilities based upon population/household density, geographic constraints, road and rail network and distance travelled by refuse collection vehicles

Key objectives include:

- Effectively managing all of Lancashire's municipal waste
- Promoting and enabling waste reduction and re-use
- Maximising recycling and composting
- Minimising landfill disposal as far as practicable
- Developing strong partnerships between local authorities, community groups and the private sector
- Dealing with waste *as near to where it is produced as possible*
- Achieving sustainable environmental waste management within Lancashire at an acceptable cost

Government Drivers for the strategy include:

- Waste Strategy 2000 requirements to promote and practice waste minimisation, increase recycling and recover value from waste
- The need to meet statutory landfill diversion targets arising from the EU Landfill Directive
- The need to meet Best Value Performance Indicator (BVPI) targets

Cost drivers for the strategy include:

- The need to optimise existing and future waste budgets, control costs and ensure that there is an affordable waste management strategy
- Limiting exposure to increasing Landfill Tax costs
- Avoiding dependency on purchase of landfill allowances
- The need to ensure Best Value

The Implementation and the Evolution of the Strategy:

Since the publication of the strategy in 2001, the fifteen authorities in Lancashire have worked together to implement the strategy's recommendations and targets with major progress being made in recycling and composting. This process actually started before the adoption of the final strategy as LWP recognised the importance of reducing the growth in waste. The implementation of the strategy in practice had five key components, each of which was considered essential to the success of the entire strategy:

- Waste minimisation: A number of initiatives developed at both county and district level
- Household Waste Recycling Centres
- Waste collection: three stream separate kerbside collection provided by WCA's and supported through an innovative financial mechanism developed by LWP
- Landfill: Implementation of an innovative contract structure to address issues
- The Lancashire waste network: Provision of major treatment facilities across the county

The final part of delivering the Strategy is to put in place the new processing infrastructure to meet the provisions of the Landfill Directive and the (WET) Act. The main vehicle for delivering this infrastructure is the Lancashire Waste PFI Contract. In 2003, the Partnership and the County Council's Cabinet approved a modification to the Strategy, replacing Energy from Waste incineration with Mechanical Biological Treatment of Waste. This technology forms the basis of the Lancashire Waste PFI Contract.

Application of the Proximity Principle:

LWP recognised that a correct application of proximity principle for the county would require its sub-division into catchment areas, each with its own waste management facility, thereby achieving an optimum balance between the distance travelled by RCV's and the number of facilities required. An assessment identified seven types of facilities, a subset of which would potentially be required to serve each catchment.

- Waste transfer station – where waste is bulked for onward transportation
- A small scale Materials recovery Facility (MRF) where appropriate level of sorting of co-mingled materials arising within that catchment area takes place
- A large scale Materials recovery Facility (MRF) where co-mingled materials from more than one catchment is sorted
- A small scale composting facility composting biodegradable waste arising within that catchment
- A large scale composting facility composting biodegradable waste arising from more than one catchment is composted
- An energy from waste facility where waste is incinerated to recover energy, possibly combined with a MRF
- A biodegradable landfill site

Each catchment would have a waste treatment and/or transfer facility where waste collected by the WCA's, including separately collected recyclables would either be treated or bulked up and transferred to other facilities for treatment. Output materials from the sites would then be transported elsewhere for reclamation and remanufacture (i.e. recyclables); for use (i.e. composts, soil improvers or refuse derived fuels; or for final disposal to landfill (i.e. residual waste). Thus, the catchments would be served by a hierarchy of interlinked sites, each containing facilities of the scale appropriate to the catchments and overall, providing an integrated waste network for the county.

Private Finance Initiative (PFI) bid:

In February 2002, the Lancashire Waste Partnership applied to DEFRA for funding of £384M to enable the delivery of the strategy by procurement of a long- term (30 years) disposal and collection services contract. Discussions were held with DEFRA officials and in November 2002, LCC and its partner authorities were advised that the bid was in excess of available resources but that a modified and reduced bid which focused on provision of major capital elements for waste treatment and recycling, and excluded capital elements relating to collection and landfill could well be supported. Accordingly the revised bid was submitted on behalf of the three WDAs and PFI credits totalling £75M were awarded in November 2003.

In September 2005, the consortium led by Global Renewables Ltd (GRL) was appointed as Preferred Bidder. At that time the overall costs of the proposals were considered to be unacceptably high and the appointment of GRL was on the basis of final negotiations taking place to reduce the overall cost of the proposals. The PFI for Lancashire waste processing facilities was signed up to on 02 March 2007. Blackburn with Darwen Council has since withdrawn from the project.

The initial catchment areas identified were developed with reference to final disposal points (i.e. landfill locations) and in some cases did not follow the administrative boundaries. The boundaries were therefore rationalised to follow the administrative boundaries as far as practicable.

In the development of the catchment areas it was assumed that each facility would be located approximately centrally to the main urban areas in its catchment

It should be noted that this is the 'outset' scenario and a number of changes have occurred since, effectively leading to a rescoping of the PFI – with certain elements detached and targeted for other funding options such as Prudential borrowing.

It should be noted that for financial reasons, Huncoat has since fallen out with the scope of the PFI and is being funded via Prudential borrowing

The following tables show the situation in Lancs as at July 2006:

Reception Points for Waste Collection Authorities (WCA) – as at July 2006

Blackpool Council	Direct delivery to Thornton Waste Technology Park
Wyre	Direct delivery to Thornton Waste Technology Park
Fylde	Majority to Preston Waste Transfer Station, part direct delivery to Thornton Waste Technology Park
Preston	Preston Waste Transfer Station
South Ribble	Direct delivery to Thornton Waste Technology Park
Chorley	Direct delivery to Thornton Waste Technology Park
West Lancashire	West Lancashire Waste Transfer Station
Lancaster	Lancaster Waste Transfer Station
Pendle	Pendle Waste Transfer Station
Hyndburn	Direct delivery to Huncoat Waste Technology Park
Rossendale	Direct delivery to Huncoat Waste Technology Park
Burnley	Direct delivery to Huncoat Waste Technology Park
Ribble Valley	Ribble Valley Waste Transfer Station

Timetable – as at July 2006

Ribble Valley Transfer Station	Site commissioning 2006/7
Lancaster Waste Transfer Station	Site commissioning 2009/10
Leyland Waste Technology Park	Site commissioning 2009/10
Preston Waste Transfer Station	Site commissioning 2009/10
West Lancashire Transfer Station	Site commissioning 2010/11
Thornton Waste Technology Park	Site commissioning 2010/11
Pendle Transfer Station	Site commissioning 2010/11
Huncoat Waste Technology Park	Site commissioning 2011/12

Authorities delivering direct to the Waste Technology Parks are geographically close to the reception points. There will be contractual considerations that apply also. With regard to East Lancashire Authorities, Blackburn with Darwen, Burnley and Hyndburn are geographically close to the reception points and deliver directly. Burnley have confirmed that on 01st April 2007, they entered into a 7 year contract for collection services with Veolia Environmental Services; but would probably look to review their situation in 5/6 years time.

Revised Strategies/Augmented Targets:

Waste Strategy 2007:

The Government published its Waste Strategy for England 2007 on 24 May 2007. The Strategy Builds on WS2000 with much more ambitious targets and challenging goals:

- Recycling and composting of household waste – at least 40% by 2010, 45% by 2015 and 75% by 2020
- Recovery of municipal waste – 53% by 2010, rising to 75% by 2020
- Reduction of commercial and industrial waste going to landfill
- Consultation on allowing LAs to introduce household financial incentives for waste reduction and recycling
- Reforms of the permitting and exemption systems & controls on waste handling, transfer and transport
- Consultation on the introduction of further restrictions on landfilling of biodegradable wastes or recyclable materials.
- Targeting action on key waste materials: paper, food, glass, aluminium, wood, plastics and textiles
- Increasing the value from recyclates material collected by LA's
- Ensuring that Regional Spatial Strategies and local development plans conform to national planning guidance on waste
- Strengthening the ability of LAs in two-tier areas to work together through: new powers; use of Local Area Agreements; and the new local government performance framework ; Establishing a new local performance package for LAs to support the delivery of the Government's waste outcomes; Encouraging LAs to take on a wider roles to help local businesses reduce and recycle their waste; and encouraging Regional Development Agencies & other bodies to coordinate business waste and resource management in partnership with LAs and third sector organisations
- Incentivising excellence in sustainable waste management through zero waste places initiative
- Stimulating investment in collection, recycling and recovery infrastructure, and markets for recovered materials that will maximise the value of materials and energy recovered
- Establishing a new local performance package for local authorities to support delivery of the Government's waste outcomes

The focus will be on:

- planning and investing in new infrastructure to divert waste from landfill
- different collection systems and their impacts, helping get the most environmental value from recycled materials in a cost-effective way. This includes evaluation of separate food waste collection.

The current individual authority recycling targets will be replaced. There are proposals for a new indicator emphasising waste prevention as well as recycling, setting a minimum recycling service level across the country and giving incentives for joint working. In the longer term, an indicator measuring the climate change impact of a local authority's waste management operations is to be developed.

Government will be launching a zero waste places initiative in the autumn inviting a number of cities, towns or villages, with their local communities and businesses to become exemplars of good practice on all aspects of waste

Review of Lancashire's Municipal Waste Management Strategy:

The LMWMS is currently being reviewed in anticipation of even more challenging statutory requirements and targets and to 'Promote a culture within society whereby waste is recognised as a resource and there is acceptance of responsibility for minimising its production and maximising its recovery'. Aims include achieving zero % waste growth per household and maximising resources to achieve 81% resource recovery, with some proposed objectives being:

- To deal with waste as near to where it is produced as possible
- To achieve sustainable waste environmental waste management within Lancashire at an acceptable cost
- To develop local markets and manufacturing for recovered materials
- To develop strong partnerships between local authorities, community groups and the private sector
- To ensure services provided will be accessible to all the County's residents

As described earlier, LWP has historically set more challenging local targets than those applied nationally. The current review of the strategy for Lancashire includes:

- extending the 3 stream collection service
- introducing a key principle that by 2010, there is provision for a separate collection service for residual, dry recyclables, and green waste to 100% of households, systems to be designed to be easy to use based on property type
- introducing a key principle that by 2012, there is provision for a collection service for kitchen waste for composting to 100% of households, systems to be designed for ease of use based on property type
- by 2010, all commercial waste services supplied by District Councils to provide a segregated collection service. Systems to be designed based on appropriateness to waste composition.
- all collection schemes to be supported by education and awareness programmes
- developing recovery systems for street scene waste with pilot schemes to be launched in 2008 to ascertain best practice prior to rolling out the scheme as appropriate across County.