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Oxfordshire County Council Waste Disposal Authority

Supporting Statement by Andrew Pau, Head of Waste Management

The need for residual waste treatment for Oxfordshire's Municipal Waste and Commercial and Industrial Waste

Executive Summary

1. Oxfordshire is amongst the best performing counties in the country for minimising the amount of waste produced by each person and also in terms of recycling and composting the waste that we do produce. This year a county wide recycling and composting rate of 48% will be achieved.
2. The Oxfordshire Joint Municipal Waste Management Strategy has been agreed by the County Council and all the District Councils. This strategy has the waste hierarchy at its core and sets stretching targets for increased recycling and composting.
3. European and nation legislation means the County Council has to dramatically reduce the amount of waste that is landfilled. Diverting waste from landfill will deliver real and substantial environmental benefits by stopping the production of methane gas which is a powerful greenhouse gas over 20 times more damaging than CO₂.
4. There are also very strong financial drivers that incentivise the County Council to divert waste from landfill. Increases in landfill tax means that the County Council's costs will increase by over £1 million every year until at least 2014.
5. Therefore the residual waste treatment facility proposed is needed to implement European, national and local waste strategy and avoid rapidly increasing costs of landfill.
6. The County Council has invested a considerable amount of time and money in the current procurement to deliver a local residual waste treatment facility. There are currently no realistic alternatives available. If this procurement did not lead to the delivery of a facility then there would be no certainty in how the county would treat residual waste. Environmental benefits would not be realised and the increasing costs of landfill disposal would need to be borne.
7. Oxfordshire produces large amounts of commercial and industrial waste. The environmental reasons to divert waste away from landfill apply equally to this waste as they do to the county's municipal waste. Sharply increasing landfill tax costs will also apply to commercial and industrial waste.

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Introduction

8. This paper is written by Oxfordshire County Council as Waste Disposal Authority to set out the need to treat Oxfordshire's residual waste, which is the waste left after reduction, reuse, recycling and composting.
9. It explains what the County Council is doing to reduce the amount of residual waste arising and increase waste reuse, recycling and composting.
10. The conclusion, at the end of this paper, gives the main reasons why Oxfordshire County Council, as Waste Disposal Authority, considers there is a strong need for the development of a local residual waste treatment facility and that the best way of addressing the need is through the delivery of the solution being proposed by Viridor Waste Management Ltd.

Legislative Context

11. Oxfordshire County Council, as a Waste Disposal Authority, has a statutory duty to dispose of the waste collected by the District Councils. It also has a responsibility to provide places for people to deposit their household waste and to manage this waste. The District Councils as Waste Collection Authorities have a responsibility to collect household waste in their areas, and also to collect commercial waste when requested to do so.

National Waste Strategy

12. The County Council and District Councils collectively and as individual authorities have taken an active role in recent years in promoting waste reduction and recycling to help move towards a more sustainable future for Oxfordshire and to achieve statutory and local targets. The need to continue to improve performance will continue, and is in particular being driven by European and national legislation.
13. The European Union (EU) Landfill Directive 1999 sets challenging targets for the diversion of the biodegradable fraction of municipal solid waste (MSW) from disposal to landfill as follows:
14. By 2010 to reduce biodegradable municipal waste landfilled to 75% of that produced in 1995;
By 2013 to reduce biodegradable municipal waste landfilled to 50% of that produced in 1995;
By 2020 to reduce biodegradable municipal waste landfilled to 35% of that produced in 1995.
15. The Waste and Emissions Trading Act 2003, effectively caps the amount of biodegradable municipal waste (BMW) which Oxfordshire will be allowed to landfill in the future. Under the Landfill Allowance

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Trading Scheme (LATS) the County must either reduce the amount it landfills every year, face being penalised financially if it fails to meet these targets, or purchase allowances from another authority (if they are available) in order to landfill more waste than would normally be allowed. Financial penalties will be £150 for each tonne of biodegradable municipal waste landfilled above the agreed landfill allowance in the target years of 2009/10, 2012/13 and 2019/20, plus potentially a share of any additional fine levied nationally by the EU. The cost of purchasing allowances in the future is currently unknown.

16. In addition the costs of landfill are rising due to increases in the landfill tax. The rate of landfill tax is currently £40 for each tonne of non inert waste sent to landfill. This rate will increase by £8 per annum until 2014 when it will be £80 per tonne. Increases in landfill tax mean the cost of waste disposal paid by Oxfordshire County Council will increase by over £1 Million every year until at least 2014. Landfill tax applies to both municipal waste and commercial and industrial waste so businesses in Oxfordshire will be facing similarly increased costs.
17. The Waste Strategy for England 2007 sets out the government's vision for sustainable waste management and sets a recycling target of 50% for 2020. The strategy highlights the fact that landfill accounts for some 40% of the country's methane emissions and proposes that landfill be "the home of last resort for waste".
18. Current European and national waste policy means that much more waste must be diverted from landfill to more sustainable ways of management, further up the waste hierarchy.
19. Waste Strategy for England 2007 introduced the concept of 'Zero Waste' and last year government held a waste summit titled 'Towards Zero Waste'. Zero waste, as described by Hilary Benn, Secretary of State for Environment, Food and Rural Affairs, seeks to minimise the amount of untreated residual waste sent to landfill by moving waste up the hierarchy and using residual waste treatment to recover further value.

The Oxfordshire Waste Partnership

20. Oxfordshire Waste Partnership (OWP) is a partnership of the County and District Councils of Oxfordshire who are working together to continuously improve waste management services within the county. The partnership was formed in 2003 and has operated as a formally constituted joint committee since 2007. Each authority is represented at member level by their environmental portfolio holder supported by the relevant strategic director.
21. The Oxfordshire Waste Partnership has agreed a clear vision for sustainable waste management and resource efficiency: "We will work in partnership to reduce waste and to maximise reuse, recycling and

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composting. We will treat residual waste before disposal to recover further value and to minimise the environmental impact of disposal.”

The Oxfordshire Joint Municipal Waste Management Strategy

22. The Oxfordshire Joint Municipal Waste Management Strategy has been developed by the Oxfordshire Waste Partnership following an extensive strategic review of waste management in Oxfordshire. This review evaluated the options available to the County as a whole for the collection and treatment and/or disposal of waste to ensure that the most appropriate solution is adopted. A community panel made up of Oxfordshire residents met four times to help develop the strategy. In addition to this a wider public engagement exercise was completed in spring 2006 to gain views on waste management issues. The strategy was agreed by the OWP in July 2006 and each constituent member authority has endorsed it.
23. The strategy has the waste hierarchy at its core and sets stretching targets for increased recycling and composting with a target of 55% for 2020. It also recognises that even with the most optimistic view of recycling and composting rates there will still be residual waste to treat in order to meet LATS targets. Policy 9 states “The Oxfordshire Waste Partnership will provide a system for recovering value from residual wastes in order to meet Landfill Allowance Trading Scheme Targets.”
24. Under policy 9 the strategy goes on to say that in delivering this policy “Whatever we choose must:
 - Be safe for the environment and human health;
 - Recover value from the waste; and
 - Not be a substitute for reuse, recycling and composting.”

Current performance and further strategy implementation

25. Oxfordshire is amongst the best performing counties in the country for minimising the amount of waste produced by each person and also in terms of recycling and composting the waste that we do produce. This year we expect to achieve a recycling and composting rate of over 48%.
26. However, the County Council recognises that more needs to be done to reduce the amount of waste produced and to recycle and compost as much as we can. The County Council works through the OWP to deliver a series of waste reduction initiatives. One of the vehicles that is used to communicate these messages are our Community Action Group network. This has over 25 groups and has been recognised as national best practice by the Waste and Resources Action Programme.

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27. Our recycling performance is good and we are implementing plans to increase this further which includes the collection of food waste. South Oxfordshire District Council started a new collection contract in 2009 which has increased recycling rates substantially. Cherwell District Council is currently implementing a food waste collection service. The Vale of the White Horse District Council has let a new contract which will deliver new collection arrangements from October 2010 and West Oxfordshire District Council is letting a new contract to deliver new collection services from the same date. Oxford City Council is currently trialling the collection of food waste from a third of houses in Oxford and carrying out a tendering exercise which will deliver new collection services from October 2010. Therefore new and comprehensive collection services will be in place from October 2010 which will deliver high recycling and composting rates.
28. In order to process food waste collected by the District Councils the County Council has let a food waste processing contract. This contract has resulted in the delivery of an In Vessel Composting facility which opened in February 2010 and an Anaerobic Digestion facility is due to open in the summer of 2010. The County Council is demonstrably delivering the waste infrastructure required to support high recycling and composting.
29. With the delivery of improved waste collection services and food waste processing capacity we are well on our way to delivering the Joint Waste Strategy. However, even with high recycling and composting we will still have residual waste i.e. the waste which is left after reducing, reusing, recycling and composting.

Environmental benefits of diverting waste from landfill

30. European and national legislation is aimed at providing financial drivers to ensure that we reduce the amount of biodegradable waste we send to landfill. Biodegradable waste when sent to landfill produces methane gas which is a powerful green house gas over 20 times more damaging than CO₂. It is important that the production of methane gas from landfills is minimised to protect our environment.
31. The County Council carried out an assessment of generic residual waste treatment technologies to investigate their impact on the environment. To do this WRATE (Waste And Resources Assessment Tool for the Environment) was used. This is a life cycle assessment tool developed by the Environment Agency. The parameter we looked at in particular was called 'global warming potential' and measured carbon or carbon equivalents. This work showed that landfill has a large detrimental environmental impact. It also showed that the technologies that produced electricity had a positive environmental impact. Processes that treated waste before landfill with no energy production scored less well.

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32. Recovering electrical energy from residual waste supports the low carbon agenda. If heat can be recovered and used this brings even better environmental benefits. The facility being proposed will be classified as a waste treatment facility under the Waste Framework Directive. This means it is recognised as a recovery facility which produces electricity, rather than just a disposal facility.
33. The County Council recognises that some residual waste will not be suitable for processing by way of energy recovery. Whilst this waste will be minimised there is likely to always be a proportion of this waste which will need to be disposed of to landfill. Oxfordshire does not yet have the chronic shortage of landfill that some counties have and it is important that the remaining landfill capacity that we do have locally is husbanded to ensure it is available well into the future to dispose of wastes not suitable for treatment. This is in line with Policy 10 of the Oxfordshire Joint Municipal Waste Management Strategy which states 'The Oxfordshire Waste Partnership will ensure optimum use of landfill void.'

Residual Waste Treatment Capacity

34. In 2008/9 Oxfordshire produced over 320,000 tonnes of Municipal Waste i.e. the waste managed by the Districts and County Council. Over 190,000 tonnes of this waste was landfilled. This equates to about 60% of total municipal waste arisings for Oxfordshire.
35. In the recent past there has been a reduction in waste arisings nationally. Oxfordshire County Council has seen a reduction in household waste arisings of approximately 10% over 2 years. Whilst some of this reduction is thought to be due to our waste reduction initiatives it is also likely that it is largely due to the recent recession. When the recession is over it is anticipated that there will be a reversal of this recent trend and a resumption of historic trends of increasing waste arisings.
36. The joint waste strategy sets a challenging target to stop waste growth per person by 2012. However, over 55,000 homes are planned to be built in Oxfordshire between 2006 and 2026 and allowance needs to be made to manage this new waste.
37. A residual waste treatment facility needs to be sized to cope with treating varying levels of residual municipal waste including higher than expected waste tonnages.

Procurement of a residual waste treatment facility

38. Oxfordshire County Council has been undertaking a procurement process to secure residual waste treatment in order to implement policy 9 of the Oxfordshire Joint Municipal Waste Management Strategy.

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39. The County Council prepared a business case in 2006 which confirmed that a case could be made for procuring a residual waste treatment facility compared with continuing to landfill waste. The contract was advertised in 2007 on a technology neutral basis, assuming a Public Private Partnership (PPP) style of contract, and is being procured using the competitive dialogue procurement process under the Public Contracts Regulations 2006.
40. The procurement has progressed through several stages during which companies have been invited to submit proposals in increasing detail. These have been evaluated using a range of technical (including environmental) financial and legal criteria, until the two strongest solutions from Viridor and WRG were selected to take part in competitive dialogue. All the proposals received were based on energy from waste technology.
41. Competitive dialogue with both companies was undertaken from October 2008 to April 2009, during which detailed negotiations took place to develop each company's solution for meeting the Council's needs for residual waste treatment and develop contract and financial terms and conditions. Final tenders were submitted in April 2009 and Viridor was selected as preferred bidder by the Council's Cabinet in September 2009.
42. The Council and Viridor are now in the final stage of the procurement process which involves clarifying and confirming commitments. It is anticipated that the Council will be in a position to award the contract later this year.
43. If planning permission for the current proposal is not secured, the procurement process will have failed and a new procurement would need to be started. This would have severe implications on Oxfordshire's ability to divert waste away from landfill and specifically on the Council's ability to treat residual waste in line with the Oxfordshire Joint Municipal Waste Management Strategy. Any delay in the delivery of residual waste treatment will have a significant and negative impact on the environment and also leave the County Council exposed to the full financial impact of Landfill tax increases and the future costs of landfill allowances. Also the outcome of any new procurement process would be uncertain.

Fall back position

44. Currently there is no capacity within Oxfordshire to treat residual municipal waste or residual commercial and industrial waste. Also there are no other treatment facilities within practicable transport distances of Oxfordshire. Even if there was a treatment facility within transportable distances it is very unlikely that capacity would be available. This is because demand for treatment capacity is growing so much that any spare capacity at treatment facilities is being used to

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process either waste brought in under long term contracts or local waste looking for a cheaper disposal route than landfill. It should also be remembered that much of the negative environmental impact of waste management is a result of the transportation of waste.

45. Neighbouring authorities to Oxfordshire are either in the procurement process or yet to start their own procurement. Therefore, facilities delivered by other authorities are unlikely to be of use to divert Oxfordshire's municipal waste from landfill in the short to medium term. If the facility being proposed is not delivered it is likely that residual waste will continue to be landfilled locally which damages the environment and uses a valuable local resource.
46. The County Council has invested a considerable amount of time and money in the current procurement which started at the beginning of 2007. If this procurement did not lead to the delivery of a facility then the procurement process would need to start again. There is also no certainty that a new procurement would reach a successful outcome. However, if it was successful this route would still mean years of delay before a facility to treat Oxfordshire's waste was delivered and waste diverted from landfill. As well as the environmental disbenefit this would cause, it would also mean very significantly increased financial costs, because of the increasing cost of landfill, being borne by the County Council and local businesses too.

Commercial and industrial Waste

47. Waste Planning Authority figures currently estimate the tonnage of commercial and industrial waste arising in Oxfordshire as approximately 600,000 tonnes per annum. It is envisaged that a high proportion of this waste is recycled or composted. However, it is envisaged that a proportion of this waste will be residual waste that will need to be managed by a combination of treatment and landfill disposal.
48. Local residual waste treatment capacity to treat some of this waste rather than landfilling it would be consistent with Waste Strategy for England 2007 and would deliver real environmental benefits by reducing the amount of biodegradable waste landfilled and therefore the quantity of methane gas produced. Sizing a facility to manage some of this C&I waste would give businesses in Oxfordshire an opportunity to access a local treatment facility and therefore insulate themselves to some extent from increases in the costs of waste management.

Conclusion

49. As Waste Disposal Authority, Oxfordshire County Council considers there is a strong need for the development of a local residual waste treatment facility for the following reasons;

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- Landfilling biodegradable waste produces methane gas which is a powerful greenhouse gas. There are strong financial drivers such as landfill tax and the Landfill Allowance Trading Scheme (LATS), which are increasing the costs of landfill with the objective of diverting waste away from landfill in line with the national waste strategy.
- Oxfordshire is good at reducing the amount of waste produced and recycling and composting. Our current recycling rate is over 48%. However, increased recycling and composting will not be enough to meet our Landfill Allowance Trading Scheme Targets or to deliver the government's zero waste agenda.
- Oxfordshire has a clear waste strategy which is aligned with national waste strategy and is based on the waste hierarchy. The County Council is working with District Council partners to further reduce waste and increase recycling and composting. Delivery of a residual waste treatment facility will complete the implementation of Oxfordshire's Joint Municipal Waste Management Strategy.
- Residual waste treatment is required to recover value from the waste left after reduction, reuse, recycling and composting. Residual waste treatment will deliver real environmental benefits by reducing the amount of methane gas that our landfill sites produce. Recovering energy, and if possible heat, will bring even more environmental benefits.
- Oxfordshire currently does not have any residual waste treatment capacity. Neither are there any valid planning permissions for residual waste facilities. Also there are no residual waste treatment facilities outside Oxfordshire that it would be practicable to transport waste to.
- In response to the above environmental and financial drivers the County Council has been procuring a residual waste treatment facility to implement the Oxfordshire Joint Municipal Waste Strategy. If planning permission for the current proposal is not secured, the procurement process will have failed and a new procurement would need to be started. This would have a severe impact on Oxfordshire's ability to divert waste away from landfill and specifically on the Council's ability to treat residual waste in line with the Oxfordshire Joint Municipal Waste Management Strategy. Any delay in the delivery of residual waste treatment will have a significant and negative impact on the environment and also leave the County Council exposed to the full financial impact of landfill tax increases and the future costs of landfill allowances. Also the outcome of any new procurement process would be uncertain.

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- Oxfordshire produces large amounts of commercial and industrial waste. The environmental reasons to divert waste away from landfill apply equally to this waste as they do to the county's municipal waste. Whilst the LATS regime does not apply to commercial and industrial waste sharply increasing landfill tax costs will apply to this waste.
 - While waste arisings have recently been reducing and waste reduction initiatives will have had some impact, the economic recession has also had a major influence. As the economy recovers it is anticipated that waste arisings will increase. It is essential for the County Council to take this into consideration as well as the impact on waste arising as a result of the significant housing growth planned in Oxfordshire up to 2026.
 - It is important to husband the landfill capacity we do have as there will be a continuing need to landfill a small proportion of the waste that we do produce. This is in line with Policy 10 of the Oxfordshire Joint Municipal Waste Management Strategy which states 'The Oxfordshire Waste Partnership will ensure optimum use of landfill void.'
50. In conclusion, a facility as currently proposed by Viridor Waste Management Ltd with capacity to treat 300,000 tonnes per annum of residual waste would have sufficient capacity to treat all of Oxfordshire's residual municipal waste and will also provide capacity for some of Oxfordshire's commercial and industrial waste too. The facility proposed is in line with national and local waste policy and would bring real environmental and financial benefits.