

‘Responding to wider challenges’

Sandwell MBC Waste Improvement Plan

The Waste Challenge

- “Fair” one star, with uncertain prospects for improvement
Audit Commission 2005
- 2007/08 collected 145,000 tonnes of municipal waste (mostly from households) > 20% recycling and composting (29,000 tonnes) – bottom quarter in national league table
- By 2030, increase in population will mean collecting over 200,000 tonnes > By 2020 Govt target 50% recycling (100,000 tonnes) and 65% reduction in use of landfill
- Existing operation does not have capacity to more than double % and triple tonnage of recycling

What If We Don't Change?

- Currently costs £80/tonne (or £100 per household) to collect and dispose of waste.
- Landfill Tax now £32/tonne (£48/tonne by 2010).
- LATS (landfill permits) up to £150/tonne.
- Estimated £88m extra by 2020 just by doing nothing.

Why?

- Improve performance
- Reduce risk
- Stabilise finances

Cabinet Approval

- Waste Partnership
 - > join-up waste collection and treatment to maximise recycling
 - > invest in new Waste Treatment Facilities to replace landfill
 - > include street cleansing, so that all waste is within the Partnership

Report on Progress

- Waste treatment scenarios
- Performance analysis of scenarios
- Financial Analysis of scenarios
- Funding Routes
- Risk
- Timetable

Waste Treatment Options

Scenario	Dry recyclables	Green & food waste	Residual	RDF
Base Case	Similar to present	Similar to present	Similar to present	N / A
2,3,4,5 & 2 PFI	MRF at Pikehelve	IVC at Pikehelve (within MBT complex)	MBT producing RDF	To industry
Scenario 8	MRF at Pikehelve	IVC at Pikehelve (within MBT complex)	MBT producing RDF	Landfilled
Scenario 9	MRF at Pikehelve	IVC at Pikehelve (standalone)	Bulked at Pikehelve to EfW outside Sandwell	N / A
Scenario 10	Bulked at Pikehelve to a merchant MRF	IVC at Pikehelve (standalone)	Bulked at Pikehelve to merchant MBT	N / A

Performance Scenarios

Scenario	Recycling + Composting	MSW recovery	LATS
Do Nothing	Fails in all years	Fails in all years	Fails in all years
2	Achieves targets in all years once facilities operational.	Achieves targets in all years once facilities operational.	Achieves targets in all years once facilities operational.
3			
4			
5		Fails from 2014 / 15 onwards as still reliant on landfill of processed material.	Fails from 2014 / 15 onwards as still reliant on landfill of processed material.
8			
9		Achieves targets in all years once facilities operational.	Achieves targets in all years once facilities operational.
10			

Preferred Options

- **Option 2**
 - Facilities at Pikehelve – without PFI
 - Facilities at Pikehelve – with PFI

- **Option 9 / 10 Hybrid**
 - Limited facilities at Pikehelve – No PFI
 - Subject to market

Financial Analysis of Scenarios

- Land – Area and CPO?
- Facilities:
 - What and Where?
 - New build or Existing?
- Wide range of variables – model or market?

Funding

- Prudential Borrowing
- PFI
- Merchant Funding

Risk

1. Including Waste Disposal magnifies risk
2. Timetable too ambitious
3. Waste growth over-estimated

Risk Mitigation

1. Separate waste disposal route – opportunity to join Staffordshire PFI
2. Extend procurement timetable to two years
3. Reviewed waste growth – keep original estimates

Cabinet 11th June 2008

- Do not proceed with Sandwell PFI.
- Support Staffordshire PFI and commit 50,000 tonnes per year.
- Move to early procurement (OJEU) for:
 - Collection Services
 - Recycling / composting treatment facilities
 - Street cleansing services.

Timetable

Cabinet 11th June 2008

STAGE	DATE
OJEU	July 2008
Outline solutions	November 2008
Competitive Dialogue up to	September 2009
Contract Award	December 2009
Contract Commences	Spring 2010
Commence Facilities	Summer 2010
Facilities Available	MRF / IVC Spring 2012 CHP Spring 2014

Any Questions?