



# MWDA Planning Strategy for the Treatment of Municipal Solid Waste

## **Provision of Professional Planning Advisor Services**

Merseyside Joint Waste Management Strategy  
Procurement Project

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*Produced for*  
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# Glossary

<b>Abbreviation</b>	<b>Description</b>
AWC	Alternate Weekly Collection
BMW	Biodegradable Municipal Waste
BVPI	Best Value Performance Indicator
DEFRA	Department for the Environment, Food and Rural Affairs
DPD	Development Plan Document
DSO	Direct Services Organisation
HWRC/ CA Site	Household Waste Recycling Centre/ Civic Amenity Site
IVC	In-Vessel Composting
IPPS	Interim Planning Position Statement
JWDPD	Joint Waste Development Plan Document
JMWMS	Joint Municipal Waste Management Strategy
LATS	Landfill Allowance Trading Scheme
LDF	Local Development Framework
LPA	Local Planning Authority
MOU	Memorandum of Understanding
MRF	Materials Recycling Facility
MSW	Municipal Solid Waste
MWDA	Merseyside Waste Disposal Authority
MWP	Merseyside Waste Partnership
NWRWS	North West Region Waste Strategy
OBC	Outline Business Case
ODPM	Office of the Deputy Prime Minister
PFI	Private Finance Initiative
PPS	Planning Policy Statement
RSS	Regional Spatial Strategy
SA	Sustainability Appraisal
SEA	Strategic Environmental Assessment
SOS	Secretary of State
UDP	Unitary Development Plan
WCA	Waste Collection Authority
WDA	Waste Disposal Authority
WS2000	The Waste Strategy 2000

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# 1 Executive Summary

The Local Waste Development Planning Document is due for adoption in 2010 with preferred options released for consultation at the end of 2007. Between now and 2010, the five Merseyside authorities require a framework for processing planning applications for waste management facilities in line with the Planning and Compulsory Purchase Act 2004.

Merseyside Waste Disposal Authority's (MWDA) procurement timetable for the treatment and disposal of municipal waste requires that the process of achieving planning consents must start now to avoid legislative non-compliance and resulting additional costs.

In order to meet this need, a planning framework must be established in the interim that aligns itself to existing national, regional, sub-regional and local planning policies.

This MWDA Strategy demonstrates the clear and immediate need for a policy framework. Subsequent to this, an implementation strategy will be developed by MWDA in conjunction with an interim waste planning strategy for agreement by all five Merseyside authorities. This will facilitate the planning process for infrastructure identified in this Strategy.

## 2 Planning Policy Framework

The planning policy framework affecting the development of new waste infrastructure is evolving rapidly. The interim-planning framework to be produced must align itself with current national, regional, sub-regional and local waste planning policies.

### 2.1 National Policy

#### 2.1.1 PPS10

Planning Policy Statements set out the Government's national policies on different aspects of land use planning in England. PPS10 was issued in July 2005 and covers Planning for Sustainable Waste Management. It encourages regional and local waste planners to develop a more integrated approach to waste planning by:

- Considering waste issues alongside other spatial planning concerns;
- Integrating spatial planning with municipal waste management strategies; and
- Embracing a wider view of sustainability when making decisions.

A selection of key planning objectives includes:

- Enabling sufficient and timely provision of waste management facilities
- Helping implement national waste strategy and supporting targets consistent with obligations required under European legislation (eg. Landfill Directive).
- Reflecting the concerns and interests of communities, the needs of waste collection authorities and waste disposal authorities.

A selection of decision-making principles to be adhered to in preparing planning strategies are as follows:

- Regional planning bodies should prepare regional spatial strategies (RSS) which aim to provide sufficient opportunities to meet the identified needs of their area for waste management for all waste streams. In turn, planning authorities should prepare local development documents that reflect their contribution to delivering the RSS.
- The planned provision on new capacity and its spatial distribution should be based on clear policy objectives, robust analysis of available data and

information, and an appraisal of options. Policy objectives should be in line with the planning policies set out in the PPS and be linked to measurable indicators for change.

- Sustainability Appraisal (incorporating Strategic Environmental Assessment) should be applied to shape planning strategies that support the Government's planning objectives for waste management set out in this PPS.

Waste planning authorities should adhere to the following principles in determining planning applications:

- Avoid duplication between planning, waste management and pollution control regimes and disparate conditions being imposed on developers under planning and pollution control regimes;
- Work effectively with waste management and pollution control authorities to ensure the best use is made of expertise and information and decisions on planning applications, waste management and pollution control permits are delivered expeditiously;
- In considering planning applications for waste developments before development plans can be reviewed to reflect this PPS, have regard to the policies in this PPS as material considerations which may supersede the policies in their development plan.

### **2.1.2 The Waste Strategy 2000**

The Waste Strategy 2000 (WS2000) sets a long-term framework for the waste management industry, setting recycling and recovery targets for the following fifteen years and outlines requirements for best practice in waste management. WS2000 also outlines the requirements for a Municipal Waste Management Strategy, a requirement for Waste Disposal Authorities to set out their own strategy in accordance with National Policy.

The Government targets to increase the recycling of municipal waste are as follows:

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

To ensure that all local authorities contribute to achieving these targets, the Government set statutory performance standards for local authority recycling in England. The target years were 2003/04 and 2005/06. In order to achieve the 2010 target, a consultation was issued in October 2005 on proposed 2007/08 statutory



performance standards. The result was to freeze 2005/06 targets for all local authorities except those with a target of 18% (the lowest level) which was raised to 20%.

In order to comply with the Landfill Directive, the Government also established targets for the recovery of municipal waste, as follows:

- to recover value from 40% of municipal waste by 2005
- to recover value from 45% of municipal waste by 2010
- to recover value from 67% of municipal waste by 2015

“Recover” means obtain value from wastes through recycling, composting, other forms of material recovery (such as anaerobic digestion) and through energy recovery (combustion with direct or indirect use of the energy produced through gasification or pyrolysis for example).

### **2.1.3 Review of England’s Waste Strategy**

The Waste Strategy 2000 is undergoing a review from February until May 2006. The overall objectives are to provide a clearer long-term vision for waste and resource management as part of the Government’s wider framework of Sustainable Development. The consultation document sets out the progress made since 2000 in meeting the Government’s objective and implementing its policies with respect to waste. The consultation document includes proposals for changes to targets; including an increase in national targets for recycling and composting to 40% by 2010 and 50% by 2020, and setting targets for landfill of commercial and industrial waste. Other themes explored include non-municipal waste, producer responsibility and a move toward waste prevention.

## **2.2 Regional Policy**

### **2.2.1 Regional Spatial Strategy**

Prepared by the North West Regional Assembly, the RSS will be used in conjunction with local Development Plan Documents as a basis upon which planning applications are considered. The RSS sets out the planning policies in respect of the development and use of land in the region. In turn, individual planning authorities should prepare the Local Development Plan Documents that reflect their contribution to delivering the RSS.

PPS10 stipulates that the RSS should include a concise strategy for waste management and should:

- Look forward for a fifteen to twenty year period;

- Comprise the distribution of waste tonnage requiring management, a pattern of waste management facilities of national, regional and sub-regional significance and supporting policies.

A revised draft RSS was submitted to the ODPM on 30<sup>th</sup> January 2006 and is currently undergoing public consultation until June 2006. This replaces the current RSS approved as RPG13 in March 2003. The revised draft RSS incorporates a number of policies which are statutory regional planning policies relevant to the management of municipal solid waste, specifically policies EQ4, EQ5 and EQ6 which concern a regional approach to waste management and waste management facilities themselves.

In particular, the RSS considers the following issues with regard to municipal waste management:

Policy EM10: advocates a regional approach to waste management and ensures strategies incorporate 'sustainable new waste management infrastructure' that reduce harm to the environment, improve efficiency of resources and stimulate investment. It ensures strategies deliver the principles of the National Waste Strategy and PPS10 and the objectives of the Regional Waste Strategy.

Policy EM11: concerns waste management principles based on the waste hierarchy. It advocates schemes that promote waste minimisation, reuse, recycling, composting and recovery from waste that is not recycled.

Policy EM12: promotes regional and sub-regional self-sufficiency, ensuring that waste is disposed of as close to the source as possible and is in line with the Regional Transport Strategy.

Policy EM13: concerns the need to identify and safeguard sites for waste management use and promotes the co-location of appropriate facilities as well as joint working of authorities to produce joint local development documents to deliver this need.

Policy EM15: endorses strategies that promote sustainable energy production and consumption in accordance with the Energy Hierarchy.

### **2.2.2 North West Regional Waste Strategy**

The aim of the Regional Waste Strategy for the North West<sup>1</sup> is as follows:

*"To contribute to the sustainable development of the North West region by developing waste management systems that will reduce waste generation,*

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<sup>1</sup> Regional Waste Strategy for the North West, September 2004, North West Regional Assembly.

*lessen the environmental impacts of waste production, improve resource efficiency, stimulate investment and maximise the economic opportunities arising from waste in line with specific targets”.*

The Strategy outlines a total of 19 targets and actions for the North West. The key targets and actions are quoted as follows:

(S1) All local authorities in the North West should now be planning and implementing changes to waste management practices in order to work towards achieving statutory targets. This will include...the development of new infrastructure.

(S2) The Strategy sets an initial target for reducing growth in municipal waste across the North West to 2% by the end of 2006 with the ongoing targets of a further reduction in growth to 1% before 2010 and 0% before 2014 across the region.

(S3) The Strategy sets the following recycling/composting targets for household waste across the North West:

- recycle and/or compost 25% of household waste by 2005
- recycle and/or compost 35% of household waste by 2010
- recycle and/or compost 45% of household waste by 2015
- recycle and/or compost 55% of household waste by 2020

(S4) This Strategy encourages WDA's and WCA's to implement kerbside recycling schemes for household waste in order to collect dry recyclables ..... at the soonest opportunity. This Strategy recognises that separation of dry recyclables through Material Recovery Facilities (MRF) may be required to achieve targets and that civic amenity (CA) sites also have an important role to play.

(S5) The region's targets in respect of recovering value from municipal waste are the same as those promoted nationally:

- Recover value from 40% of Municipal Solid Waste (MSW) by 2005 (including recycling targets)
- Recover value from 45% of MSW by 2010
- Recover value from 67% of MSW by 2015

(S6) WDA's should undertake detailed assessment of the need for intermediate treatment and energy recovery facilities in their areas during the life of their

MWMS. This will mean the early assessment of progress in waste minimisation, raising recycling rates and reducing residual waste arisings in order to provide sufficient time to plan and construct facilities to assist in achieving later, more stringent targets.

(S7) The Strategy recognises the need for additional landfill capacity.....Local planning authorities, WDA's, .....should work together to identify suitable landfill disposal sites.

(S15) The development of new waste treatment technologies to serve all waste streams is supported by the Strategy.

(S17) Local authorities should review development plans in order to specifically identify sites that they consider are suitable for waste management facilities..... This will be either through the review of existing Waste Local Plans or through local development documents.

## **2.3 Sub-Regional Policy**

### **2.3.1 Joint Municipal Waste Management Strategy**

The JMWMS was produced in June 2005 by the Merseyside Waste Partnership (the collaboration of the five WCAs and the MWDA). The strategy sets ambitious but realistic targets for dealing with waste in a more sustainable manner for many years into the future. As well as setting targets, it provides a framework for the development of new waste management facilities. It is the main foundation for the development of a procurement strategy and Waste Local Development (Planning) Framework.

The JMWMS is based on short-term measures to improve performance over the next couple of years, together with a longer-term process of identifying preferred residual waste management routes and securing new waste management facilities for future years<sup>2</sup>. It is therefore important to allow the processing of planning applications in line with the procurement timetable.

The objectives of the JMWMS is to instigate the Waste Hierarchy in optimising the reduction, reuse and recycling of waste in Merseyside. The targets of the JMWMS are as follows:

- Reduce the growth in municipal waste arisings to 2% by 2010 and to 0% by 2020.

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<sup>2</sup> Supporting Documents, The Merseyside Waste Partnership, MWDA Version 2, June 2005.

- Recycle or compost 22% of household waste by 2005, 33% by 2010, 38% by 2015 and 44% by 2020.
- Recover<sup>3</sup> value from 40% of municipal waste by 2005, 45% by 2010 and 67% by 2015 (same as Waste Strategy 2000).

In order to deliver these targets, the JMWMS requires a significant increase in the number and range of suitable new waste management facilities across Merseyside. Work to determine the reference project, that is, the final mix, number and location of these facilities is shown in Section 5.

The main risks arising from a failure to produce and deliver the Joint Municipal Waste Management Strategy are as follows:

- Failure to fulfil statutory duty
- Failure to effect the timely procurement of residual and recycling facilities
- Failure to achieve statutory recycling and diversion targets

The knock-on effects of these risks are:

- Very large potential additional costs to MWDA and the WCAs (in terms of continuation of landfill disposal, cost of collection/ treatment facilities and fines resulting from the failure to comply with statutory targets)
- Loss of reputation
- Loss of credibility
- Possible Government intervention

Ultimately, the total cost of implementing the JMWMS is likely to be significantly lower than continuing with current practice of landfill.

### **2.3.2 MWDA Approach to Sustainability**

MWDA is preparing a Sustainable Development Policy. This has arisen through commitment to a Best Value Review of operations. The review, currently in progress has identified the need for MWDA to align with the Government's Sustainable Development Principles and its main priority areas. The review has also identified the need to reconsider purchasing procedures and in particular sustainable procurement practices. The proposed work programmes will consist of:

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<sup>3</sup> Recovery incorporates the recycling, composting and recovery of heat, electric power and other form as of energy from waste.

- Embracing the principles of Corporate Social Responsibility (CSR). MWDA recognises that its activities and services have a significant impact on the wider social, environmental and economic well-being of the Merseyside area. MWDA will implement programmes to address these impacts to improve the quality and performance of the core organisational processes and responsibilities
- The development of a Sustainable Development Policy
- Develop suitable Environmental Management Systems for the Authority

In support of the above over-arching principles, MWDA has also commenced an informal process to develop an initial SA to be undertaken on emerging planning documents which together with the Interim Position Statement (IPS) agreed through the WDPD partnership. The documents under review are as follows:-

- Draft MWDA Planning Strategy Document
- Draft Waste DPD Interim Position Statement (IPS) for Planning
- Portfolio of Sites taken from the BSS report
- Approved Criteria Based Screening Methodology Statement
- Draft Sites Deliverability Assessment
- Communications Implications
- Programme to take forward site selection and planning process (links/alignment with WDPD process)
- In addition, work would also encompass undertaking a review of key SA principles on the preferred list of sites coming out of the criteria based search process in order to further refine the sites to be taken forward into the Deliverability Assessment process.

The work programme for the above has specifically been identified in the Sites Deliverability Assessment Document.

### **2.3.3 JMWMS for Merseyside**

MWDA during 2006 will be implementing a review of the JMWMS taking into account the implications of the MWDA Procurement Programme, Planning Strategy, National Waste Strategy Review, LATS Implications, Waste Minimisation and Re-Use and overall Performance.

To support the review MWDA is currently seeking advice on the potential need to undertake a more wider ranging Sustainability Appraisal which may incorporate a Strategic Environmental Assessment of the JMWMS. The benefits for MWDA to undertake this level of work are being considered as it will contribute to the need for the whole planning WDPD/JMWMS process to be comprehensively documented and will provide the benefit of joint consultation programmes. This work would also ensure maximum alignment to the WDPD process. This is particularly relevant to common evidence baseline work to feed into the WDPD SEA process to commence in 2006. MWDA would utilise the Merseyside Sustainability Appraisal Process Objectives, targets and indicators.

The emerging MWDA Planning Strategy will consider any additional formal SA/SEA process linked to the review of the JMWMS for Merseyside.

#### **2.3.4 Merseyside Waste Development Planning Document**

Waste planning is an important component in the delivery of the JMWMS and is dealt with through the production of the Waste DPD. Due to the controversial nature of waste management facilities and the need to consider the principles outlined in the National Waste Strategy, it has been decided that there will be significant efficiency and equability in terms of cost distribution and the application of sustainable development principles in developing a Waste DPD on a Merseyside-wide basis. Upon adoption the Joint Waste DPD will form part of each authority's Local Development Scheme. The production of the Waste DPD will be a process of joint working between Merseyside Planning Authorities and will be compliant with the requirements of the Planning and Compulsory Purchase Act (2004) and other ODPM guidance.

Ultimately, the project aims to deliver a Waste DPD that facilitates the provision of waste management facilities for all controlled wastes (household, commercial and industrial) for Merseyside, to assist the implementation of the Merseyside Joint Municipal Waste Management Strategy and smooth the planning process for non-municipal waste facilities as they arise, thus helping to reduce planning and procurement risk. The Waste DPD will do this by identifying strategic sites across Merseyside that are suitable for development as waste management facilities. It will also include unified waste planning policies which are complementary to the identified strategic sites, are consistent across Merseyside.

As detailed above, the WDPD process will seek to identify potential waste management sites and systematically assess each site against numerous appraisal criteria. It will involve needs assessments, technical site appraisals, development and refinement of waste planning policy options resulting in the preferred options and strategy. Sustainability appraisal and Strategic Environmental Assessment are a mandatory part of this process. Extensive public consultation will also taken place and is designed to recognise and manage the tensions between potential planning constraints and the clear need for waste management facilities. Following a joint

public examination and inspectors report, the WDPD will be adopted by individual authorities<sup>2</sup>.

In terms of the timetable, the WDPD broad site search has now been completed and work is commencing on the issues and options report which will receive consultation in September 2006, in accordance with the requirements of the Planning and Compulsory Purchase Act (2004). It is programmed to have the WDPD ready for adoption following an Examination in Public in 2010.

The implications of this timetable mean that the delivery of planning obligations for MSW must be in advance of the WDPD. Without a waste planning policy and interim planning strategy, the MSW procurement process will fail.

## 2.4 Local Policy

The adopted local policy varies in age but the policies contained within them are still part of the saved adopted development plan for those boroughs. However it is now necessary to update and review the Merseyside suite of waste policies (primarily via the preparation of the Joint Merseyside Waste DPD) in order to take into account and reflect emerging Regional and National Policies and Position Statements, such as the Regional Spatial Strategy, PPS1, PPS10 and PPS12, relevant DEFRA guidance or in some cases the Joint Municipal Waste Management Strategy (JMWMS). This has a bearing on the weight that can be attached to policies in determining planning applications. Under the MOU, it is proposed that waste matters will be covered by the Joint Waste DPD. This will become a Development Plan Document in each LPA as part of their suite of policy documents.

In situations where local policies have not kept pace with national guidance PPS10 states:

*Waste planning authorities should adhere to the following principles in determining planning applications:*

- *in considering planning applications for waste management facilities before development plans can be reviewed to reflect this PPS, have regard to the policies in this PPS as material considerations which may supersede the policies in their development plan. Any refusal of planning permission on grounds of prematurity will not be justified unless it accords with the policy in 'The Planning System: General Principles'- PPS1'*

*In the interim period before the development plan is updated to reflect the policies in this PPS, planning authorities should ensure proposals are consistent with the*



*policies in this PPS and avoid placing requirements on applicants that are inconsistent.*

Therefore, at present there is not a common policy in order to ensure a consistent handling of proposals in the Merseyside sub-region, ahead of the adoption of the WDPD.

## 3 Legislative & Commercial Drivers

### 3.1 The Landfill Directive

The primary legislative driver in the waste management sector today is undoubtedly the EU Landfill Directive. This states that by 2010, the amount of biodegradable municipal waste (BMW) disposed in landfill must be reduced by 25% of the total produced in 1995. By 2013, the amount must be reduced by 50% of the 1995 total and by 2020, by 65%.

Through the technical modelling undertaken by Enviros in the development of the Reference Project, the table below identifies the performance of the reference project against some key targets.

Table 1: MWDA landfill diversion targets

Year	JMWMS Recycling Target	Recycling/Composting Forecast (Reference Project)	BMW to Landfill – LATS Allowance (tonnes)	Forecast BMW to Landfill - Reference Project) (tonnes)
2009/10	-	-	310,848	398,865
2010/11	33%	44%	276,284	290,322
2012/13	-	-	207,047	291,917
2015/16	38%	49%	180,403	42,567
2019/20	-	-	144,877	42,303
2020/21	44%	51%	-	42,381

*(all recycling/composting figures are reported as a percentage of MSW not household waste, and include rubble recycling, and re-use contributions from 3<sup>rd</sup> Party activities and franchises, which would not be eligible to count toward BVPI indicators.*

The final options modelling has concluded that the “Reference Project” incorporating two Mechanical Biological Treatment plants co-located with two Energy from Waste facilities will be taken forward with the Outline Business Case for PFI Credits.

The technical modelling undertaken by Enviros Consulting on behalf of MWDA accommodates MWDA’s procurement strategy for the development of the waste management infrastructure. It is divided into three separate waste streams to identify the required service levels which must be delivered by each of the three proposed contracts consisting of:

- The Recycling Contract
  - Operation of Household Waste Recycling Centres
  - Material Recycling facilities
  - In-Vessel and Open Windrow Composting facilities
  - Existing Waste Transfer Loading Stations for the receipt of “black bag” waste collected by the District Councils and as needed, residual waste from recycling facilities along with subsequent transport to recovery or landfill.
- The Recovery Contract (PFI funded)
  - High capital cost residual waste treatment and recovery facilities, based on the reference project two MBT/ two Energy Recovery processes
- The Landfill Contract
  - Security of landfill capacity to meet future requirements

### 3.2 The Landfill Allowance Trading Scheme

LATS came into effect on 1<sup>st</sup> April 2005 as a mechanism to trade landfill allowances (ie Biodegradable Municipal Waste tonnages) in order to achieve the targets set by the Landfill Directive.

In simple terms, a Disposal Authority can buy and sell their allowances with other authorities at the prevailing market rate (£/tonne). In addition, authorities can bank allowances (save credits for future years when it is anticipated that the authority will exceed their allowance) and borrow allowances (up to 5% of the following year's allocation). However, no trading may occur in the target years mentioned above (2010, 2013 and 2020).

If MWDA do not meet these targets, there are severe financial cost implications. It is likely that DEFRA will penalise Disposal Authorities at a rate of £150 per tonne for every tonne landfilled over the authority's allowance<sup>4</sup>. Furthermore, if the UK fails to meet its Landfill Directive targets in target years the UK as a whole will be liable to incur EU penalties of up to £0.5 million per day. The Government has reserved the right to pass some or all of any fine imposed by the European Court of Justice for the UK breaching its targets on to those WDAs responsible for the breach<sup>5</sup>. This penalty

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<sup>4</sup> The Landfill Allowances and Trading Scheme (England) (Amendment) Regulations 2005

<sup>5</sup> <http://www.defra.gov.uk/environment/waste/localauth/lats/pdf/lats-roadshow-08q&a.pdf>

will be proportionate to the contribution the WDA made to England’s breach. In other words, there is likely to be a double hit to poor performing authorities. Therefore, delaying the establishment of new waste management infrastructure will only result in exacerbating these penalties.

Table 2 shows the total accumulated predicted LATS penalties to MWDA at the end of the 25 year contract period in 2033. The total is based upon the net aggregated annual penalties between 2005 and 2033. It must be noted that the values are indicative since they are based upon numerous assumptions relating to recycling rates, waste minimisation and waste growth rates as well as the value of LATS fines and market value of LATS credits.

*Table 2: Predicted LATS penalties for MWDA based on indicative aggregated values from 2005-2033 based on information provided by Enviros..*

Option	Aggregated BMW allowance to landfill (m tonnes)	Aggregated actual BMW to landfill (m tonnes)	Excess BMW to landfill (m tonnes)	Predicted net LATS penalty (£'000'000)
Baseline Option	6.0	13.1	7.1	605.5
Reference Project	6.0	3.9	-2.1	-173.3

The true cost implications of LATS cannot be accurately calculated. However, the figures set out in Table 2 gives an indication of the LATS penalties as a function of the total BMW predicted to be sent to landfill versus the aggregated BMW allowance to landfill by 2033. It must be stressed that although the Authority is able to purchase Landfill Allowances from other Authority’s, accurate pricing cannot be estimated as costs will fluctuate in response to supply and demand.

### 3.3 Landfill Disposal Cost

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 to a rate of £35 per tonne by 2011/12 (ie. MWDA currently pay £18 of tax per tonne of waste sent to landfill).

On top of this, the contractor of the landfill applies a gate fee of £20 - 60 per tonne, although this figure varies depending on the contract. However, it is valid to assume

that advances in technology, a shortfall of void space and a tightening of landfill management operations and cost implications associated with PPC repermitting means that gate fees are likely to increase<sup>6</sup>.

In 2005/06 the landfill tax bill<sup>3</sup> for MWDA will be approximately £14.4m. The impact on this two-tiered pricing structure means that it is likely the bill will rise significantly in subsequent years. Therefore, there is an urgency to divert waste from landfill since the costs incurred will inevitably be passed to the tax payer.

### **3.4 Local Government Act**

The Local Government Act 1999 places a duty on authorities to provide Best Value. This means MWDA must consult local people, review all its functions periodically, measure its performance and produce a performance plan that will be audited by an independent auditor. In other words, it requires authorities to secure continuous improvement having regard to a combination of economy, efficiency and effectiveness.

Authorities satisfy this requirement by reporting performance through the Best Value Performance Indicator (BVPI) framework, carrying out Best Value Reviews and producing yearly Best Value Performance Plans. Performance is assessed by the Audit Commission through the Comprehensive Performance Assessment<sup>7</sup>. Should an authority not demonstrate Best Value, the SoS may intervene and take action to remedy failing services.

Failure to seek planning permission for facilities is one of the main issues that can affect the likelihood of a successful procurement. MWDA will seek to manage that risk by conducting an open and consultative approach to the selection of suitable sites. The objective of the procurement strategy is to deliver a 'Best Value' procurement solution that fulfils the requirements of the JMWMS.

### **3.5 Household Waste Recycling Act**

The Household Waste Recycling Act 2003 states that collection authorities must collect two types of recyclable material individually or commingled from all households by 31 December 2010 (where the cost of doing so is not unreasonably high or where comparable alternative arrangements are available)<sup>8</sup>.

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<sup>6</sup> Why Bother? Environment Agency publication

<sup>7</sup> <http://www.opsi.gov.uk/acts/acts1999/19990027.htm#13>

<sup>8</sup> <http://www.opsi.gov.uk/acts/acts2003/20030029.htm>

A key recommendation in Merseyside's JMWMS is for all Districts to move towards the separate collection of dry recyclables, biodegradable waste and residual waste, using kerbside sort or wheeled bin collection systems by 2010. Inevitably, this multi stream waste collection will require composting / MRF facilities. If not recyclables / residual waste will be diverted to landfill or a potentially expensive third party facility. This situation is not cost efficient, will lower recycling performance, does not demonstrate Best Value and moreover, will incur further penalties under LATS.

It is therefore necessary to have the processing infrastructure built in a timeframe, which meets the legislative requirements. Each of the 5 Districts of Merseyside are currently in the processes of ratifying their own District Action Plans, which will in part dictate the scope of facilities to be provided under the JMWMS.

## 4 The Need

In 2002, the five Merseyside authorities and Merseyside Waste Disposal Authority formed a partnership to cover strategic waste collection and disposal issues. The Merseyside Waste Partnership as it is known, initiated the Joint Municipal Waste Management Strategy under which the Waste DPD steering group was formed to cover waste planning and in particular establish a Waste Development Planning Document.

One element of the WDPD will be the municipal solid waste stream. MWDA has the responsibility for disposing of MSW as well as producing a strategy identifying sites for the processing and disposal of MSW with the co-operation of the five authorities. To date, MWDA have proposed an approach to identify a reduced number of preferred sites for a range of waste management activities which has been commented upon by the Waste DPD Steering Group. Although the planning policy covering the waste strategy will be covered by the WDPD under the Memorandum of Understanding<sup>9</sup>, the responsibility for processing each planning application will remain with the individual Local Planning Authorities.

The MWDA Approved Corporate Plan<sup>10</sup> for 2005/06 aims to produce the Joint WDPD for adoption by all Merseyside Authorities by the end of 2007. However, following discussions between various Districts the agreed timescale to adoption of the Waste DPD is 2010, following an Examination in Public. This timescale has now been formally approved by each of the Districts and included in their Local Development Schemes. In any case, significant legislative and commercial constraints dictate that planning applications for the treatment of MSW must be submitted ahead of the Waste DPD adoption if the procurement process for waste infrastructure is to succeed and targets to be met.

This MWDA Planning Strategy aims to identify the legislative and commercial drivers within the planning framework. In order to assist the delivery of the required facilities, two additional interim policy documents will be produced:

- a) An interim position statement (IPS) on waste planning - to be promoted by Merseyside Waste Partnership and used to ensure planning applications are handled consistently across Merseyside.
- b) The ongoing development of the MWDA planning strategy - aligning the MWDA advancement of sites to the planning framework in the context of other commercial and legislative drivers.

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<sup>9</sup> a voluntary agreement between MWDA and District Councils committing them to closer joint working required to address the challenges of sustainable waste management. This will lead to an Inter Authority Agreement (IAA) a legally binding arrangement that will lead to closer integration of waste collection and disposal.

<sup>10</sup> MWDA Approved Corporate Plan 2005/06.

It is recognised that these documents must be consistent with the WDPD process and the wider planning context and should align themselves with the Corporate Objectives of MWDA<sup>11</sup> and its overall service provision.

#### 4.1 Current Performance & Targets

The current recycling rate (2004/05) in Merseyside stands at 13.4%, well below the national average of 23%. In fact, all five authorities were in the bottom fifth in England in terms of recycling performance for 2004/05. This is shown in detail in the table below.

Table 3: the recycling performance for each Merseyside authority in 2004/05 and their associated rank.

Authority	Rank (of 393) <sup>12</sup>	Overall Recycling Performance %
Sefton	331	14.53
Liverpool	391	7.63
Wirral	389	9.93
Knowsley	385	10.39
St. Helens	316	15.28
Merseyside WDA	352	13.40

Source: [www.letsrecycle.com](http://www.letsrecycle.com)

Table 4 shows recycling performance against targets for MWDA up to 2006/07. The Merseyside Waste Partnership is working to meet these short-term targets by introducing and expanding collection schemes for recycling and composting.

<sup>11</sup> MWDA Best Value Performance Plan 2005/06.

<sup>12</sup> The ranking is based on placement within the 393 authorities in England comprising County Councils, District Councils, Unitary Authorities, Metropolitan Districts, London Boroughs and Joint Waste Management Authorities.



Table 4: short term recycling and landfill performance targets for MWDA compared to actual attained figures.

	2003/04		2004/05		2005/06	2006/07
	Target	Actual	Target	Actual	Target	Target
	%	%	%	%	%	%
Recycling and Composting	12	10.05	15	13.40	22	23.85
% Household waste landfilled	87.33	89.88	84.93	86.54	77.93	76.08

An overview of long-term targets is shown in Table 5. MWDA is working to meet these with the introduction of new waste treatment infrastructure as part of a PFI procurement process.

Table 5: long term performance targets for MWDA based on the Waste Hierarchy, JMWMS for Merseyside June 2005.

	2005	2010	2015	2020	Source
Waste Minimisation	Reduce waste growth to 2% by 2010		Reduce waste growth to 0% by 2020		JMWMS targets
	Reduce waste growth to 1% by 2010		Reduce waste growth to 0% by 2014		NW Regional Waste Strategy
Reuse	Figures to be resolved				-
Recycling & Composting	22%	33%	38%	44%	JMWMS targets
	25%	30%	33%	-	WS2000 national targets
Residual Waste Recovery	0%	15%	46%	46%	JMWMS targets
Landfill	78%	52%	16%	10%	JMWMS targets
	55%	31%	16%	13%	Landfill to meet LATS target

If the procurement process is delayed and planning consent for new infrastructure is not passed ahead of the WDPD process the above targets will not be met. Merseyside will also have the stigma of continued poor performance whilst other authorities may improve if they achieve their timetables.

## 4.2 Contractual Obligations

The waste management functions for MWDA are contracted out to Merseyside Waste Holdings Ltd<sup>13</sup>. Merseyside Waste Holdings manages the disposal of all household waste collected by the five WCAs (under separate contracts). Waste disposal is carried out via its three waste transfer stations and via contracts with third party landfill operators.

Also, via a contract with the Merseyside Waste Disposal Authority the company manages and operates 14 household waste recycling centers throughout Merseyside.

The contracts for Mersey Waste Holdings Limited and are due to expire in 2008.

The contractual obligations for each Merseyside WCA are shown Table 6.

Table 6: Contract details for each Merseyside Waste Collection Authority.

WCA	Contractor	Type	Expiry
Wirral	Onyx	Residual collection	N/A (weekly contract)
	Onyx & DSO	Dry recyclables kerbside	N/A
Knowsley	DSO	Residual collection	No contract
Liverpool	Onyx	Residual collection	October 2006
	Abitibi	Dry recyclables kerbside	June 2008
Sefton	DSO	Residual/ garden/ bulky	No contract
	Abitibi	Dry recyclables/ bring sites	December 2010
St. Helens	DSO	Residual collection	No contract
	Abitibi	Dry recyclables	March 2007 (+2 yr option)

Source: Council Action Plans<sup>14,15,16,17</sup>

<sup>13</sup> MWHL is a Local Authority Waste Disposal Company (LAWDC) established in 1992 and is wholly owned by MWDA.

<sup>14</sup> Metropolitan Borough of Wirral Draft Action Plan, January 2006, Gordon Mackie Associates Ltd.

It would be the intention of MWDA to manage the procurement process to ensure that new contract/s are in place to ensure continuity of waste management operations across Merseyside following on from 30<sup>th</sup> September 2008. The Authority considers that in the event of this timetable slipping, the opportunity to operate the LAWDC as an inward facing company and thus to award a suitable short term contract to ensure that continuity of service provides an adequate safeguard to continuing operations across Merseyside, post September 2008.

Intimately linked to these contractual arrangements are the proposals by authorities to introduce new collection infrastructure, as detailed in Action Plans produced by each authority. These show that each authority is considering introducing alternate weekly collection (AWC) systems with an expansion of current green waste collection or introduction of green / kitchen waste collection. This system may be considered good practice since in 2003/04, 11 of the top 20 performing councils in England used the AWC system<sup>18</sup>. In any case, it demonstrates the need for additional MRF and IVC capacity.

In order to implement the JMWMS for Merseyside, it will be necessary to procure major waste management facilities and long-term service contracts before the Authority's existing waste contracts expire on the 1st October 2008. The existing procurement timetable is shown below.

Table 7: the procurement timetable.

Timetable	Date
OBC submission to DEFRA	April 2006
OBC Approval	July 2006
OJEU advert	August 2006
Information pack and Pre-Qualification Questionnaire (PQQ) initial Submission of Outline Proposals (ISOP) issued	August 2006
PQQ/ISOP returned	October 2006
Issue ITN	December 2006

<sup>15</sup> St. Helens Council Action Plan, January 2006, Gordon Mackie Associates Ltd.

<sup>16</sup> Sefton Council Action Plan, January 2006, Gordon Mackie Associates Ltd.

<sup>17</sup> Liverpool City Council Draft Action Plan, January 2006, Gordon Mackie Associates Ltd.

<sup>18</sup> Alternate Weekly Collection – Guidance for Local Authorities, WRAP, 2005

Timetable	Date
Phase1 (No EIA) planning Permission(s) granted	March 2007
Phase 2 (EIA Included) Planning Permission(s) granted	August 2007
Invite Best and Final Offer (BaFO)	August 2007
Select preferred Bidder	December 2007
Contract Award	May 2008
Contract Commencement	October 2008

## 5 The Required Infrastructure

In order to meet the recycling and landfill diversion targets, an initial Needs Assessment was carried out as part of the work associated with the Waste DPD, on behalf of the MWP by SLR Consulting which identified the need for necessary infrastructure within Merseyside.

The MWDA 'Reference Project' has been determined by detailed modelling of waste arisings and disposal options throughout Merseyside and recommends the following:

- 13 refurbished HWRC sites (existing sites)
- 3 new HWRCs
- 3 new dry recyclable bulking stations
- The existing MRF at Bidston (30,000 tpa on one shift, with a second shift required from 2012 onwards)
- Windrow Composting capacity (82,000 tpa met through existing facilities)
- Two IVC facilities to be operational before contract start in 2008 (Bidston and Gillmoss) with a combined capacity 26,400 tpa
- 3 additional IVC facilities
- 2 MBT/ 2 EfW facilities (to be co-located at 2 strategic locations)
- Existing Residual Waste Transfer Station provision
- Landfill capacity

In summary, approximately 13 new facilities of varying size will be required. Some of these facilities are already in various stages of development, as follows:

- Wirral – existing Bidston Integrated Waste Facility including a MRF, IVC, transfer station, HWRC and education centre – completion due April 2006
- Liverpool – existing Gillmoss IVC – completion due autumn 2006
- Sefton – existing HWRC at South Sefton – completed November 2004
- Liverpool – new HWRC – completion due 2006/07

The lead-in times for larger facilities are significant and may take up to 10 years to be developed. As a result, MWDA recognise that new treatment technology will not

be on line to meet the initial 2010 LATS target (as discussed later in Section 3.2). As a result, significant monetary penalties are already inevitable. It is therefore imperative that required infrastructure is on line as soon as possible in order to minimise these penalties.

## 6 The Issue

*The MWDA/ Waste Partnership approach is that a strategy must be developed to deliver facilities to meet MSW targets in order to meet legislative and commercial targets. The Strategy will require the development of a range of sites that will need to be procured ahead of the WDPD. Therefore, there will not be a WDPD that is sufficiently advanced to have material weight in the planning process at the required time to support the planning authority's decision making process. This represents a significant risk to the MSW procurement process and needs addressing.*

## 7 The Way Forward

- Adoption of an MWDA Planning Strategy to develop the MSW solution in advance of WDPD recognising the extant legislative and commercial drivers
- Production of an MWDA Sites Delivery Programme aligning the MWDA advancement of sites to the planning framework in the context of the commercial and legislative drivers. This will include reference to the MSW Site Selection and Needs Modelling Studies that will form part of the future Waste DPD site selection plan.
- In lieu of the Waste DPD, the Merseyside Waste Partnership (MWP) require an Interim Position Statement (IPS) to help mitigate the risk to the OBC, and enable the consistent assessment of sites that are proposed to service the arisings from the Municipal Waste Stream in the Merseyside area ahead of the emerging Waste DPD. The IPS will be developed and refined as a precursor to the Issues and Options stage of the Waste DPD and will help guide initial early consultation as required under the Planning and Compulsory Purchase Act, 2004.
- The outcome of the above strategy is the derivation of a suite of live documents, which in the first instance will support the MWDA Outline Business case for PFI credits and be implemented as part of the overall MWDA Procurement Programme to support the final selection of sites for strategic waste management facilities. The documents are as follows
  - Draft MWDA Planning Strategy for the Treatment of Municipal Solid Waste.
  - Interim Position Statement (Prepared by the Waste DPD Steering Group).
  - Portfolio of sites taken from the Broad Site Search report (BSS) together with old/ existing landfill sites taken from MWDA data sources, and other sites through other information sources
  - Site Screening Methodology Approved by Waste DPD.
  - Draft Sites Deliverability Assessment
  - Programme for taking forward the planning and final preferred sites acquisition process.



## 8 References

1. Regional Waste Strategy for the North West, September 2004, North West Regional Assembly.
2. The Merseyside Waste Partnership, MWDA Version 2, June 2005.
3. The Landfill Allowances and Trading Scheme (England) (Amendment) Regulations 2005
4. <http://www.defra.gov.uk/environment/waste/localauth/lats/pdf/lats-roadshow-08q&a.pdf>
5. Why Bother? Environment Agency publication
6. MWDA and District Councils Inter Authority Agreement (IAA)
7. MWDA Approved Corporate Plan 2005/06.
8. MWDA Best Value Performance Plan 2005/06
9. Metropolitan Borough of Wirral Draft Action Plan, January 2006,
10. St. Helens Council Action Plan, January 2006
11. Sefton Council Action Plan, January 2006
12. Liverpool City Council Draft Action Plan, January 2006
13. Alternate Weekly Collection – Guidance for Local Authorities, WRAP, 2005