



MERSEYSIDE RECYCLING & WASTE AUTHORITY

MRWA - Who we are and what we do.

Merseyside Recycling and Waste Authority (MRWA) is the public facing name of the statutory waste disposal Authority for Merseyside (Merseyside Waste Disposal Authority - MWDA).

1. ESTABLISHMENT

MWDA was established by statute under the provisions of the Local Government Act 1985 and the Waste Regulation and Disposal (Authorities) Order, SI 1985/1884. The effect of this Act was to create a new and separate statutory Waste Disposal Authority for Merseyside.

- MWDA came into being on 1st April 1986 on the demise of the former Metropolitan County of Merseyside. In the case of Merseyside, Greater Manchester, and London that statutory waste disposal function was not vested to the constituent District Councils.
- Instead, the waste disposal functions in Merseyside, Greater Manchester and four areas across London were vested in separate Waste Disposal Authorities created by statute. MWDA is one of these separate statutory Joint Waste Disposal Authorities. Since 2018, the Greater Manchester disposal function has become a Greater Manchester Combined Authority role.

2. GOVERNANCE

The Authority is made up of nine Councillors (the "Members") appointed to MRWA by each of the constituent District Councils in Merseyside.

- The number of Members appointed by each District Council is a determined by statute. MRWA is made up of Members appointed by the constituent District Councils as follows: Liverpool 3, Sefton 2, Wirral 2, Knowsley 1, St Helens 1. These Members sit as the Authority on a statutory basis and meet to take decisions on how to fulfil MWDA's responsibilities.

3. SERVICES AND STATUTORY POWERS

As well as providing services to the constituent District Councils, the Authority also provides waste disposal services to Halton Council. As a unitary Council Halton has statutory powers to dispose of waste – that the other Councils do not have.

- However, Halton has delegated those disposal functions to MRWA to enable it to provide services to the Council under its contracts. A Halton member sits on the MRWA meetings as an observer. MRWA has the statutory duties and powers to carry out its functions. The constituent District Councils are statutory waste collection authorities.
- As a statutory authority a range of local government laws generally apply to MRWA, and so it is subject to the same requirements and constraints as most other local authorities. However, there are notable exceptions to this, for example the waste disposal authority does not have powers in relation to Well Being or General Powers of Competence that other local authorities have.
- MRWA's functions must relate to its role of waste management and MRWA cannot assume powers and duties that go beyond this remit. MRWA does have powers of Compulsory Purchase (land acquisition) and 'Powers of Direction' (directing districts as to the manner in which certain waste deliveries must be made). Neither of these powers has ever been used.
- The requirements to have statutory officers including a Chief Finance Officer (Treasurer), Clerk and Monitoring Officer are the same for MRWA as for other local authorities.

4. THE WASTE LEVY

The MRWA Levy is a tax on Councils for the costs of waste management by the Authority. The Levy Mechanism is established by statute and is agreed by constituent Councils by consensus; a statutory fall-back (default mechanism) exists should there be no unanimous agreement.

The Levy mechanism is established by 'The Joint Waste Disposal Authorities (Levies) (England) Regulations 2006'. The apportionment of the Levy is set out in section 4 of the Regulations.

- 4 (1) (a) sets out that the levy may be apportioned in such proportions as all the constituent Councils may agree, which is how the current Levy mechanism works, by unanimous consent.

- 4 (1) (b) sets out how the Levy should be apportioned if there is no agreement, i.e. the Statutory default.

For clarity, the effect of the legislation is that MRWA has no powers to impose or set a Levy Mechanism, that is a matter for the constituent Districts Councils, who must reach a unanimous agreement on the way forward.

- If there is no consensus there can be no change. MRWA may play a role in providing and commenting on proposals but cannot implement any change by acting on its own.
- The Current Levy Mechanism is as agreed by consensus of the constituent District Councils, and can be set out in simple terms as follows:

(Tonnage based costs)

+ (Recycling Credit Costs)

+ (Population based costs)

+ or - (abatement)

= TOTAL COST OF LEVY

- The tonnage-based element of the Levy is where all the costs of tonnes directly delivered by Councils to MRWA facilities (whether residual or recycled waste) are identified and then divided among the Councils according to the most recent agreed tonnages actually delivered by the Councils.
- Where Councils deliver recycling services outside the MRWA contracts (e.g. green waste), they can claim recycling credits as a payment from MRWA; the costs of these recycling credits are added to the cost of the MRWA Levy (creating a circular flow of funds).
- Other costs which cannot be allocated to any single Council, e.g., HWRC costs, Closed Landfill site management, administration of the local authority; are allocated across District Councils on the basis of their populations.
- The abatement enables the effect of over or under-estimates of tonnages provided by Councils for budget purposes to be adjusted for in the next year.

The cost of the current year's Levy, as set out in an appendix to the Budget for 2021-22:

<u>2021/22 LEVY PER DISTRICT</u>	
	Levy 2021/22 £
Knowsley	8,425,838
Liverpool	27,285,102
St Helens	8,749,045
Sefton	15,510,816
Wirral	17,665,512
	77,636,314

The Statutory Default sets out the following:

- Tonnage based costs, whether for disposal or treatment of household waste shall be apportioned on the basis of the tonnage of household waste delivered by each Council in the last complete financial year for which there is data.
- All other costs shall be apportioned between the Councils by reference to the relevant proportion of the Council Tax Base for each Council (in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992.
- The relevant proportion is known as the equivalent of Band D properties for Council Tax purposes. The costs apportioned under this Band D equivalent include, for example, HWRC costs, Closed landfills and the costs of the Authority.

If Councils wish to change the Levy Mechanism they must agree a way forward, by consensus. The change to the Levy Mechanism is not within the Statutory powers of MRWA but can only be achieved by the Councils working together to agree a change unanimously.

5. OVERALL BUDGET 2021-22

Budget heading	£M
Energy from Waste Contract (RRC)	45.1
Waste Management Contract (WMRC)	30.5
Recycling Credits	4.8
Staff	1.6
Other Establishment costs	0.7
Interest charges & net capital accounting	1.3
Rent / Rates	0.8
Behavioural Change (including Waste Composition Analysis, Education, Waste Prevention, Community Fund)	0.7
Closed Landfill and environmental management	0.4
Strategy/data/permits	0.2
Total gross costs	86.1
Total Levy Merseyside Districts	(77.6)
Halton income	(5.7)
Contribution from General Fund	(2.8)
Total Income	(86.1)

6. SERVICES AND CONTRACTS

MRWA provides the following services to Districts and to City Region Residents:

A. Resource Recovery Contact (RRC)

This is a long-term PPP contract which was signed in 2013 between the Authority and Sita Sembcorp UK (since renamed as Merseyside Energy Recovery Ltd – MERL) which is a company formed from Suez (40%), Sembcorp (40%) and Itochu Bank (20%). The company subcontracts with Suez to run the operational aspects of the contract.

- The contract is for the disposal of Merseyside and Halton's residual waste. The contract started in 2013 and runs until 2043. There is an option to extend by up to 5 years. The Energy Recovery Facility is a reverting asset i.e., it belongs to the MRWA and is returned to MRWA at the end of the contract. The contract value is c. £1.2Bn. The annual cost is c. £45M.
- A rail transfer loading station (RTLS) has been provided under the contract in Knowsley. Waste is delivered there either from Transfer Stations on Merseyside or directly by District Council Refuse Collection Vehicles (RCVs).
- The waste is off-loaded into waste reception pits from where it is transferred by crane to a compactor and from there loaded into specialised rail freight containers. The containers are loaded onto a rail freight carriage and then onward transported to the Energy from Waste plant.
- The Energy from Waste plant (EfW) is on the Wilton industrial site at Redcar on Teesside. The rail freight containers are unloaded at the EfW and the waste is transferred into the waste reception hall.
- From there the waste is transferred into the main body of the EfW where it is burned to create Energy (up to 49Megawatts/year). By product bottom ash is used to create products for the building and road maintenance sectors. Metals are recovered for re-use. The EfW is managed effectively to ensure that pollutants from the stack are well below permitted standards.

B. Waste Management and Recycling Contract (WMRC)

This is a long-term contract, signed in 2009, with Veolia ES Merseyside.

- The contract provides for a network of 16 Household Waste Recycling Centres across the City Region. At the HWRCs members of the public can recycle a very wide range of household goods, trade waste is not generally accepted.

- The Veolia contract also secures 4 waste transfer stations at strategic locations on Merseyside where District Councils can deliver waste for onward transmission. The waste transport is also covered under the contract, so taking waste from the transfer stations to the RTLS for example.
- Under the contract there are 2 Materials Recovery Facilities (MRFs) which separate and process the recycled waste from 4 of the constituent Councils and Halton Council. The 5th Constituent Council (St. Helens Council) makes its own arrangements for recycling its kerbside sorted recycling.
- Under the contract there are also Education facilities providing services to schools and community groups across Merseyside.
- The contract started in 2009 and runs until 2029 There is an option to extend by 5 years. The contract value is c. £740M and the annual cost c. £31M.

7. TONNAGES

The latest actual and projected tonnages dealt with by the contracts are shown below:

MRWA Tonnages 2020-21 (last verified year)	
Source	Tonnes
Energy Recovery (residual waste)	490,181
Recycling	96,048
Other tonnage (HWRCs, Garden Waste etc)	125,110
Food waste	3,159
Total tonnes	714,498

8. INFRASTRUCTURE

- 1 x Energy from Waste Facility (CHP): Wilton, Teesside (49MW)



- 1 Rail Transfer Loading Station: Kirkby, in Knowsley, Merseyside



AUTHORITY

- 2 x Materials Recovery Facilities (MRF's): Gillmoss in Liverpool and Bidston in Wirral



- 4 x Road Transfer Loading Stations: Southport, Gillmoss, Huyton and Bidston
- 14 x Household Waste Recycling Centres (HWRC's): Southport, Formby, Sefton Meadows, South Sefton, Kirkby, Huyton, Ravenhead, Newton, Rainhill, Otterspool, Old Swan, West Kirby, Bidston, Clatterbridge



- 2 x Halton HWRC's operated under contract): Johnson's Lane, Picow Road
- 6 x former closed landfill sites
- 2 x Reuse shops: South Sefton, Old Swan

9. OTHER SERVICES

- a. MRWA is responsible for monitoring and maintaining six Closed Landfill Sites across Merseyside, with responsibilities to ensure they do not pollute the local watercourse with leachates or emit methane gas in significant quantities.

- b. The Authority has a small Community Fund which is allocated to local and regional projects on an annual basis, which contributes to ensuring that at a local level re-use and recycling initiatives are encouraged and promoted.
- c. There is also a Behavioural Change programme that is in place to enable the Authority to work with partners across the City Region to encourage people to ensure waste is moved higher up the waste hierarchy.
- d. The Authority's Strategy team provides business intelligence for the Authority and for wider teams across the City Region. The team leads on waste prevention, minimisation and reuse, and research and development of best practice across the waste sector.
- e. The Strategy Team also provides specialist advice on policy and strategy relating to sustainable resource and waste management to both internal and external stakeholders. They deliver a comprehensive, and planned programme of circular economy activity by hosting the Circular Economy Club (CEC) which supports and enables the Authority's vision, zero waste strategy and the Liverpool City Region Climate Action Plan and wider environmental and industrial policies.
- f. The Strategy Team includes communications and education officers who are responsible for delivering the behavioural change campaigns, managing our social media accounts, and delivering internal and external communications for the Authority. They also work with partners to deliver an education programme covering the journey or waste, circular economy, climate change and recycling.
- g. The Data and Performance Team manages the Authority's Data Systems. The team provides data support to the Executive Management Team focusing on Verification of Contractual Payments, Statutory Waste Data Flow returns and provides Waste Data intelligence for the Authority and wider stakeholders across the City Region.
- h. The Team is integral to the delivery of two key projects commissioned by the Authority, the Waste Composition Analysis, and the Carbon Metric Tool to establish the Authority's baseline carbon footprint.

Our key performance information can also be found on our web site:

www.merseysidewda.gov.uk