
Report To: Safe Sustainable Communities Committee

Date: 9th March 2010

**Report By: Corporate Director, Environment and
Community Protection**

**Report No:
ECP/ENV/AB10.38**

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Subject: Waste Management Contract

1.0 PURPOSE

- 1.1 The purpose of this report is to advise committee of the proposed tender renewal of the existing Waste Management Contract

2.0 SUMMARY

- 2.1 The current waste management contract expires in October 2010. Scottish Government targets will influence the future delivery of residual waste management contracts. It is proposed to alter the scope of the current contract to include residual waste recycling to meet the targets set.
- 2.2 In the medium to short term there are opportunities to consider joint working arrangements with neighbouring authorities. Aligning the proposed contract to terminate at the same time as that of our neighbouring authorities will allow a more effective phasing in of any future collaborative waste management options.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee agree to the preparation of a Tender for the provision of a Residual Waste Management Treatment contract, for a period of 2 years with two separate one year extensions,
- 3.2 That reports be brought to future Committees on the development of the discussions between Inverclyde Council and neighbouring authorities in terms of future collaborative waste management options.

Alan G Barnes
Head of Environmental Services

4.0 BACKGROUND

- 4.1 The Glasgow & Clyde Valley Area Waste group have worked together in the past on the subject of waste management, culminating in the submission of the Strategic Outline Case to the Scottish Government in January 2006. Councils including Inverclyde, East Renfrewshire, East and West Dunbartonshire and Renfrewshire, have continued to work with Glasgow City Council to discuss options for the procurement of waste management services.
- 4.2 In November 2009, in a letter to the Chief Executives of these Councils, Glasgow City Council stated their intention to scale down their plans for waste treatment and that this would be carried out in isolation of neighbouring authorities. The Arbuthnott review has recommended that Glasgow City Council and North Lanarkshire Council should take the lead on the procurement of waste management services, with other Councils encouraged to look at sharing services in this area. North Lanarkshire have not indicated the involvement of Inverclyde in their plans to procure waste management services. Glasgow have now confirmed their position to procure these services for their own benefit but they will advise prospective bidders of interest from other Council's.
- 4.3 Inverclyde Council have met officers from East Renfrewshire and Renfrewshire Councils to discuss the options for partnership working to secure waste management services in the future.
- 4.4 An approach has also been made between West Dunbartonshire and the Lomond area of Argyll and Bute Council in order to discuss any potential for joint working.
- 4.5 The current Waste Management Contract is for the haulage and disposal of waste to landfill. This is carried out by Barr Environmental Ltd, and terminates in October 2010 and a new contract arrangement must be in place by then.
- 4.5 It should be noted that the Waste Management contract is only for the residual waste arising within Inverclyde, and not the Material Recycling Facility contract carried out by Greenlight Environmental Ltd, which terminates in 2012.

5.0 PROPOSED WASTE MANAGEMENT CONTRACT

- 5.1 It is proposed that a contract be drafted on an output specification for the treatment of residual waste which will meet the Scottish Governments two key recycling targets of a 40% recycling rate by 2010/11 and 50% recycling rate to be achieved by 2013/14
- 5.2 Indications from a number of prospective suppliers suggests that the meeting these targets taking into account the Council's existing recycling performance is achievable.
- 5.3 The options available at present are
- To tender for a long term residual waste recycling contract which will meet the targets set.
 - To tender for a medium term contract to meet the targets with the option to review the contract during the timescale.
- 5.4 The option to let the contract for a long term period of 5 to 7 years, will effectively mean that Inverclyde Council are tied in to a Contract which will not allow any collaborative working or joint options within that timescale.
- 5.5 The medium term option will allow the Council to explore joint opportunities and to identify larger scale facilities which may benefit the Council in terms of economies of scale. It is considered advantageous to let the contract for a period of 2 years with the option to extend

by two separate periods of one year. The phasing of neighbouring authorities' current waste management contracts will mean that respective end dates for existing contracts are more closely aligned in future.

6.0 FINANCIAL IMPLICATIONS

6.1 It is not possible to identify the future cost of a residual waste recycling contract prior to the completion of the tendering exercise. The current waste disposal charge is £19.80 and landfill tax is £40.00 per tonne. Landfill tax will rise to £48.00 in April 2010 and increase by £8 per tonne annually until 2013 where it will be £72 per tonne.

7.0 CONSULTATION

7.1 Consultation on this report has been held with Finance Services.