
Report To:	Safe, Sustainable Communities Committee	Date:	31/08/10
Report By:	Corporate Director Regeneration and Environment	Report No:	ECP/ENV/AB10.52
Contact Officer:	Alan Barnes	Contact No:	01475 715910
Subject:	Clyde Valley Waste Initiative – introduction of Business Case		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Committee approval in relation to participation in a multi council exercise to explore the potential for a joint or collaborative approach to the procurement of new municipal waste treatment services for the eight authorities within the Clyde Valley, with the overall objective to realise a more integrated waste management services across the Clyde Valley.
- 1.2 Participating authorities are - East Dunbartonshire Council, East Renfrewshire Council, Glasgow City Council, Inverclyde Council, North Lanarkshire Council, Renfrewshire Council, South Lanarkshire Council, West Dunbartonshire Council

2.0 SUMMARY

- 2.1 It is proposed to develop a Clyde Valley waste business case with support from Zero Waste Scotland (ZWS) and Scottish Futures Trust (SFT) to determine the optimum scale and location of new treatment facilities within the Clyde Valley as well as possible changes to waste collection practices to ensure the optimum balance between collection and treatment activities.
- 2.2 A Business Case Initiative document is attached as Appendix 1.
- 2.3 This business case will be governed by a Working Group comprising senior officers from each authority. Gavin Whitefield (CEO NLC) will take the role of SRO and Kenneth Wilson (HOS NLC) will take the role of Project Director.
- 2.4 Each authority's commitment to the business will require the contribution of either one appropriately skilled full time equivalent officer over a four month period, or £25k towards specialist support costs. Equivalent alternative combination would be considered as set out in Section 5.3.2. of App 1.
- 2.5 It is targeted to have an agreed set of recommendations to take back to each local authority in December 2010, when approval from each local authority will be sought prior to any further actions being implemented.

3.0 RECOMMENDATIONS

- 3.1 That the Committee approves participation in the joint authority working exercise to produce an outline business case for the Clyde Valley future waste initiatives.
- 3.2 That Committee consider the requirement for contribution as set out in section 5.3.2. of appendix 1, and agree to provide 1 officer as requested.

- 3.3 That the Committee remits to the Head of Environmental and Commercial Services to provide regular updates on progress to this committee.

Aubrey Fawcett
Corporate Director
Regeneration and Environment

4.0 BACKGROUND

- 4.1 The key recommendation of the Clyde Valley Shared Services Review (March 2009) was to develop the shared use of new waste treatment facilities and to explore joint arrangements for recycling, including the standardisation of existing or new plant.
- 4.2 Current EU directives will require all authorities to increase current recycling rates and reduce further the amount of waste being sent to landfill.
- 4.3 The Scottish Government's recently launched Zero Waste Plan targets separating food waste and dry recyclates from mixed waste collection from 2013, banning dry recyclates and source segregated food waste from landfill from 2015, imposing a ban on the disposal of biodegradable waste to landfill from 2017, a 5% landfill limit on all wastes by 2025, as well as a 50%, 60% and 70% recycling target by 2013, 2020 and 2025 respectively.
- 4.4 The Scottish Government is also proposing that recycling should be measured on a carbon as well weight basis and the previous 25% cap on EFW be replaced by new regulatory measure which will require the pre-treatment of all wastes before any form of thermal treatment.
- 4.5 These new targets will require all local authorities to reassess their waste collection and treatment plans going forward.
- 4.6 The future cost of providing waste services is forecast to increase significantly in the short term. An increase in landfill tax alone has the potential to double waste disposal from 2014. The requirement to meet enhanced levels of recycling will also have a significant impact on local authority waste collection costs.
- 4.7 It is proposed to develop a Clyde Valley waste business case with support from Zero Waste Scotland (ZWS) and Scottish Futures Trust (SFT) to determine the optimum scale and location of new treatment facilities within the Clyde Valley as well as possible changes to waste collection practices to ensure the optimum balance between collection and treatment activities.
- 4.8 This business case will be governed by a Working Group comprising senior officers from each authority. Gavin Whitefield (CEO NLC) will take the role of SRO and Kenneth Wilson (HOS NLC) will take the role of Project Director.
- 4.9 A multi-authority task force with additional support for ZWS and SFT will be established to delivery this business case. Each authority will contribute either 1 full time officer or £25k to support the production of the business case. Through ZWS, SFT has access to additional funds to secure specialist support as required
- 4.10 It is targeted to have an agreed set of recommendations to take back to each local authority in December 2010, when approval from each local authority will be sought prior to any further actions being implemented.

5.0 HEAD OF SERVICE COMMENT

- 5.1 The Business Case Initiation Document is attached in its final form at Appendix 1, and it is important to note this initiative is supported at the highest level – Zero Waste Scotland and Scottish Future Trust. It is therefore essential that Inverclyde Council is actively engaged in this forum
- 5.2 It is also important to note that the Head of Environmental and Commercial Services participates in a mirror forum of this “8C’s “ group, made up of Heads of Services from other participating councils, East Renfrewshire, Renfrewshire and Inverclyde Councils – 3C’s. Other contributions to the 3C’s are East/West Dunbartonshire plus Argyll and Bute Councils. This forum has been meeting for the last six months and work is ongoing to align various contracts to produce medium to long-term efficiencies. It is important that this work continues and is reflected into the information required by the 8C’s initiative

6.0 FINANCIAL IMPLICATIONS

FINANCE

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
02269	ZWF	10/11	12,500	N/A	N/A

Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments



Clyde Valley Review
Integrated Waste Initiative

Business Case Initiation Document

28 July 2010

Supported by

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1 EXECUTIVE SUMMARY

- The key recommendation of the Clyde Valley Shared Services Review (March 2009) was to develop the shared use of new waste treatment facilities and to explore joint arrangements for recycling, including the standardisation of existing or new plant.
- Current EU directives will require all authorities to increase current recycling rates and reduce further the amount of waste being sent to landfill.
- The Scottish Government's recently launched Zero Waste Plan targets separating food waste and dry recyclates from mixed waste collection from 2013, banning dry recyclates and source segregated food waste from landfill from 2015, imposing a ban on the disposal of biodegradable waste to landfill from 2017, a 5% landfill limit on all wastes by 2025, as well as a 50%, 60% and 70% recycling target by 2013, 2020 and 2025 respectively.
- The Scottish government is also proposing that recycling should be measured on a carbon as well weight basis and the previous 25% cap on EfW be replaced by new regulatory measures which will require the pre-treatment of all wastes before any form of thermal treatment.
- These new targets will require all local authorities to reassess their waste collection and treatment plans going forward.
- The future cost of providing waste services is forecast to increase significantly in the short term. An increase in landfill tax alone has the potential to double waste disposal costs from 2014. The requirement to meet enhanced levels of recycling will also have a significant impact on local authority waste collection costs.
- It is proposed to develop a Clyde Valley waste business case with support from Zero Waste Scotland (ZWS) and Scottish Futures Trust (SFT) to determine the optimum scale and location of new treatment facilities within the Clyde Valley as well as possible changes to waste collection practices to ensure the optimum balance between collection and treatment activities.
- This business case will be governed by a Working Group comprising senior officers from each authority. Gavin Whitefield (CEO NLC) will take the role of SRO and Kenneth Wilson (HoS NLC) will take the role of Project Director.
- A multi-authority task force with additional support for ZWS and SFT will be established to delivery this business case.
- Each authority will contribute either 1 full time officer or £25k to support the production of the business case. Through ZWS, SFT has access to additional funds to secure specialist support as required.
- It is targeted to have an agreed set of recommendations to take back to each local authority in December 2010, when approval from each local authority will be sought prior to any further actions being implemented.

2 Introduction

The primary purpose of this Business Case Initiation Document (“ID”) is to summarise the **objectives** and **approach** that underpins the production of a **Business Case** to explore the potential for a **joint or collaborative** approach to the procurement of new municipal **waste treatment services** for the eight authorities¹ within the **Clyde Valley**, with the overall objective to realise more **integrated waste management services** across the Clyde Valley.

The catalyst for the production of this Business Case was the findings from the Clyde Valley Shared Services Review commissioned by the Clyde Valley Community Planning Partnership in March 2009. This independent review, chaired by Sir John Arbuthnott, had the following remit:

- Review existing shared service initiatives and joint working arrangements;
- Prioritise service areas most likely to deliver improved services and savings;
- Identify opportunities for further development of shared and joint working;
- Identify potential approaches to deliver shared services; and
- Develop a framework to assess the potential for sharing and improvement.

In summary, the main findings of this review in relation to waste management were to agree a Clyde Valley solution to the issue of waste management with the Scottish Government, including:

- the shared use of new waste treatment facilities;
- joint arrangements for recycling, including the standardisation of existing or new plant; and
- Discussing with the Scottish Government on the potential funding of a Clyde Valley wide solution.

The Clyde Valley Review Road Map targets 2013/14 for the implementation of an integrated waste management solution within the Clyde Valley.

¹ East Dunbartonshire Council, East Renfrewshire Council, Glasgow City Council, Inverclyde Council, North Lanarkshire Council, Renfrewshire Council, South Lanarkshire Council, West Dunbartonshire Council.

3 Background

3.1 Drivers for Change

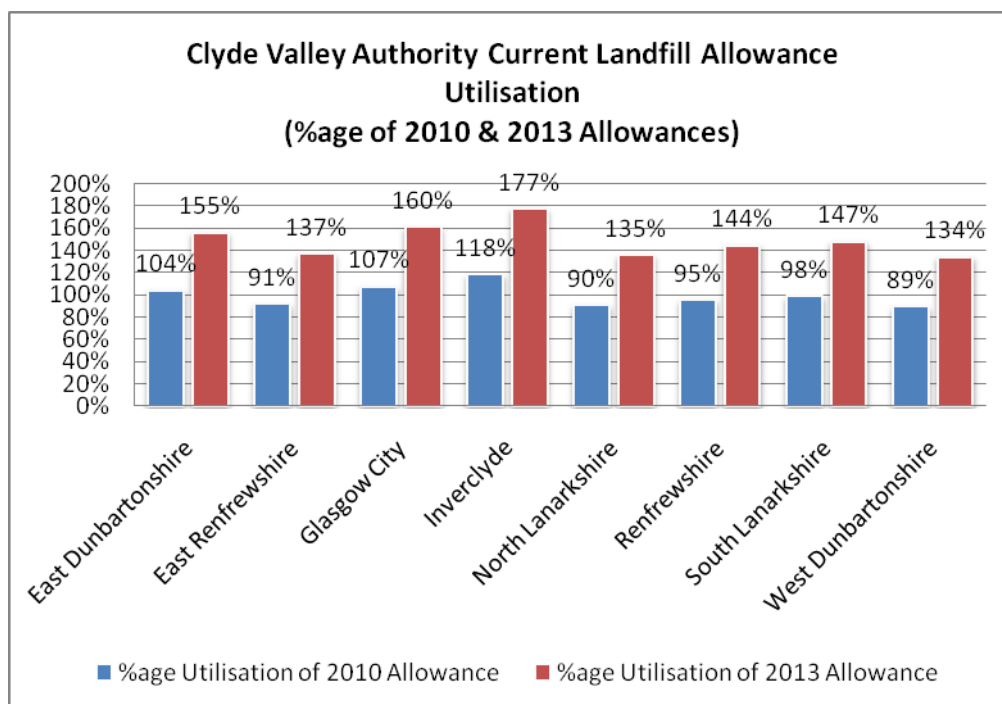
3.1.1 Statutory and Policy Drivers

Each of the eight authorities has a statutory obligation to deliver effective and efficient waste management services within their defined boundaries. At present all eight deliver a comprehensive range of waste management services including household and trade waste collection, civic amenity site operations, recycling bring sites and landfill sites, with a range of treatment and disposal services being procured from the private sector.

Landfill Allowances:- Under the Scottish Government’s Landfill Allowance Scheme (“LAS”), each of the eight authorities has been allocated a set limit on the amount of Biodegradable Municipal Waste (BMW) each can send to landfill each year. Whilst the landfill allowance targets only go up to 2009/10, provisional allocations have been issued by the Scottish Government up to 2020.

The chart below illustrates the utilisation of the 2010 and 2013 BMW landfill allowances for each of the eight authorities.

It should be noted that at present, where any authority exceeds its landfill allowances the Scottish Government has the potential to apply a penalty of up to £150/t. The Scottish Government has stated that it will not seek to apply such penalties within this parliamentary period.



Revised Waste Framework Directive:- The Waste Framework Directive was recently reviewed and adopted by the European Council. The requirements of this revised Waste Framework Directive will

be reflected in the Scottish Government's revised National Waste Plan (now entitled Zero Waste Plan) and in future legislation.

Single Outcome Agreement:- Each of the eight authorities has a Single Outcome Agreement (SOA) which has been agreed with the Scottish Government. The relevant National Outcome focuses on the need to reduce both the local and global environmental impact of consumption and production. At the local level this is generally based on managing waste in a more sustainable way. Key indicators for each of the authorities together with performance against local targets are summarised in the table below.

Glasgow and Clyde Valley Waste Management Baseline Information January - December 2009

Authority	MSW Arisings (Tonnes)	MSW Recycled/Composted (Tonnes)	MSW Landfilled (Tonnes)	BMW Landfilled (Tonnes)	% MSW Recycled	% MSW Landfilled	SOA indicator on BMW landfilled	SOA indicator on recycling
East Dunbartonshire	70,369	24,791	45,578	27,881	35%	65%	On target	On target
East Renfrewshire	51,542	18,461	32,688	20,052	36%	63%	On target	On target
Glasgow City	331,657	67,446	264,211	157,062	20%	80%	On target	Slightly behind
Inverclyde	48,259	14,312	33,946	21,353	30%	70%	On target	Slightly behind
North Lanarkshire	221,470	95,860	125,610	71,158	43%	57%	On target	On target
Renfrewshire	92,800	32,783	60,016	38,499	35%	65%	On target	On target
South Lanarkshire	185,537	72,027	113,510	74,048	39%	61%	On target	On target
West Dunbartonshire	48,467	14,834	33,633	20,807	31%	69%	On target	Slightly behind
Clyde Valley sub-total	1,050,101	340,514	709,192	430,860	32%	68%	n/a	n/a
Scottish Total	3,218,318	1,172,190	1,961,565	1,179,052	36%	61%	n/a	n/a

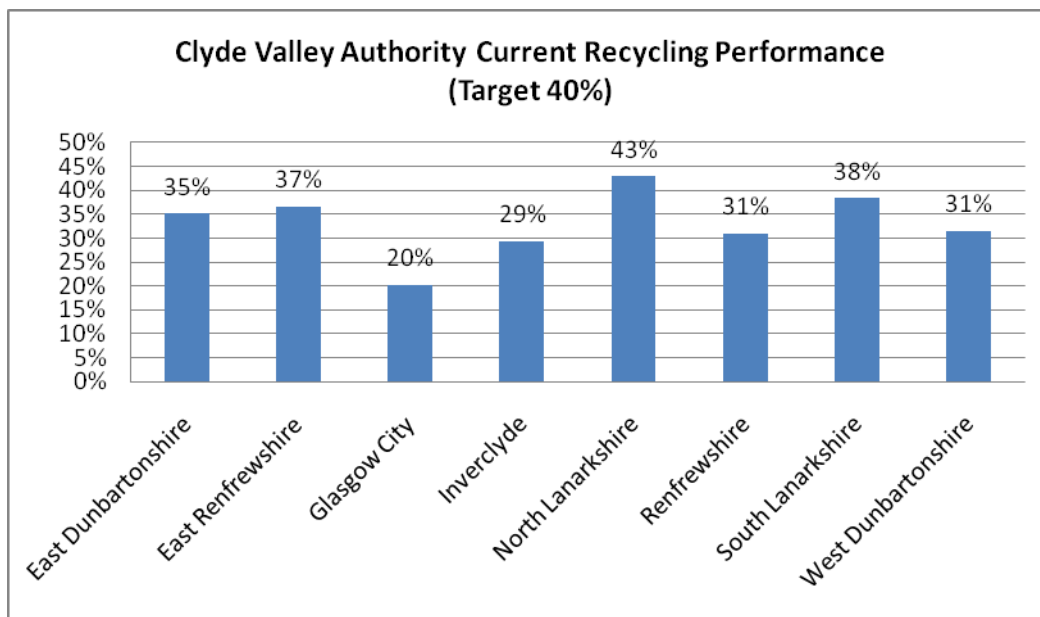
Notes:

MSW = Municipal Solid Waste

BMW = Biodegradable Municipal Waste

393 Tonnes of MSW incinerated in East Renfrewshire Council

The chart below illustrates the current recycling performance of each of the eight authorities against the national target of 40% for 2010.



Revised National Waste Plan (Zero Waste):- The Scottish Government published its Zero Waste Plan on 9 June 2010. A summary of the key requirements is illustrated in the timeline below.

Milestone	Issue	Comment
1/4/13	Dry Recyclate Collection ²	SG ZWP requirement to collect dry recyclate separately from mixed household waste.
1/4/13	Food Waste Collection ³	SG ZWP requirement to collect food waste separately from mixed household waste.
1/4/13	50% Recycling – using the SG Carbon Metric	
2013	BMW Landfill Allowance ⁴	
1/4/15	Dry Recyclate Processing Capacity	SG intention to ban source segregated dry recyclates from landfill.
1/4/15	Food Waste Process Capacity	SG intention to ban source segregated food waste from landfill.
1/4/17	Biodegradable Landfill Ban	SG intention to ban

² The SG's ZWP does not prevent co-mingled collection of dry recyclates.

³ The SG's ZWP does not prevent food and green waste being collected together but this may lead to a lower recycling performance under the proposed carbon metric.

⁴ The SG has intimated that the introduction of the Landfill Bans may result in some parts of the Landfill Allowance Regulations being repealed in Scotland. It is assumed that that trading of allowances and applications of fines will be repealed but the allowances in EU target years will be retained.



		biodegradable waste from landfill.
1/4/20	60% Recycling – using the SG Carbon Metric	
2020	50% Recycling by weight – EU Target	
2020	BMW Landfill Allowance	
2025	Less than 5% MSW to landfill	
2025	70% Recycling – using the SG Carbon Metric	

Other key points to note include:

1. A consultation on landfill bans which will take place in 2010 with regulations expected to be in place by 2011;
2. Recycled material is now defined as all materials recovered at kerbside and through sorting or processing as well as bio-waste inputs to processes such as anaerobic digestion or in vessel composting;
3. Bottom ash from EfW facilities and compost like output from MBT facilities treating mixed waste is unlikely to count towards recycling.
4. The introduction of a carbon metric to complement the tonnage-based target on recycling;
5. The cap on waste arisings submitted to thermal treatment of 25% will be replaced by a range of measures that regulate the type of waste that can be thermally treated;
6. Source segregation and separate collection of certain waste streams will be mandatory; and
7. Biodegradable waste going to landfill will require pre-treatment, for example via e.g mechanical biological treatment.

3.1.2 Financial Drivers

To incentivise the diversion of waste from landfill the UK Government (HM Treasury) introduced the landfill tax regime. Landfill tax is currently set at £48/t and will increase to £80/t from 1 April 2014.

Should the current levels of MSW continue to be sent to landfill by each of the eight authorities, the forecast increase in disposal costs through known increases in landfill tax are summarised in the table below.

Local Authority	MSW to Landfill (2008/09)	Waste Disposal Tax (2008/09)	Waste Disposal Tax (2014/15)	Tax Increase from 2008/9 to 2014/15*
East Dunbartonshire	46,439	£ 1,857,560	£ 3,715,120	£ 1,857,560
East Renfrewshire	32,998	£ 1,319,920	£ 2,639,840	£ 1,319,920
Glasgow City	271,837	£ 10,873,480	£ 21,746,960	£ 10,873,480
Inverclyde	34,651	£ 1,386,040	£ 2,772,080	£ 1,386,040
North Lanarkshire	126,719	£ 5,068,760	£ 10,137,520	£ 5,068,760
Renfrewshire	64,922	£ 2,596,880	£ 5,193,760	£ 2,596,880
South Lanarkshire	116,750	£ 4,670,000	£ 9,340,000	£ 4,670,000
West Dunbartonshire	34,312	£ 1,372,480	£ 2,744,960	£ 1,372,480
Clyde Valley	728,628	£ 29,145,120	£ 58,290,240	£ 29,145,120

* Assuming no change in MSW to landfill.

The above table relates to solely to increases in waste disposal costs due to known increases in landfill tax. Increases in landfill gate fees as well as waste collection costs will place additional costs on the provision of future waste services by the eight authorities.

4 OBJECTIVES AND APPROACH

4.1 The Objectives

The purpose of this Initiation Document is to establish agreed terms of reference for a Business Case which will assess options available to the eight authorities in the Clyde Valley to access new and existing waste infrastructure and disposal facilities so as to meet the current and emerging statutory, policy and regulatory requirements with regard to waste management in a manner that will secure value for money.

As well as meeting such statutory, policy and regulatory requirements; minimising each of the eight authorities' exposure to increasing collection and disposal costs will be a key priority.

4.2 Business Case Scope and Key Work Packages

4.2.1 Scope

This Business Case will focus on determining the optimum scale and location of waste treatment and disposal facilities for the waste streams currently processed by the eight authorities in the Clyde Valley, including:

1. Dry Recyclates (paper, card glass, metals, etc);
2. Bulky Waste;

3. Waste Electrical and Electronic Equipment (WEEE);
4. Trade Waste;
5. Garden Waste;
6. Food Waste; and
7. Residual Waste.

It will also explore the on-going requirement for each of the eight authorities to access landfill void space and how best to procure access to such services, as well as any appropriate modifications required to the nature and frequency of materials collected by the eight authorities to ensure that a “whole system cost” approach is taken to determining any new infrastructure and service requirements.

The Business Case will also consider alternative delivery and funding options for the required treatment and disposal facilities. However, at this stage, it will not consider any changes to the current ownership and management of the current waste collection activities.

In parallel to this Business Case (under a separate work stream) the eight authorities have established a Waste Collection Forum to share best practice with a view to maximising the efficiency of current waste collection arrangements within the Clyde Valley. This forum will be led by Robert Steenson – Head of Operations, Renfrewshire Council.

4.2.2 Key Work Packages

It is recognised that much work has already been done by each of the eight authorities to assess options and estimate the cost of compliance with the Scottish Government’s emerging Zero Waste Plan. This Business Case will seek to build on these previous work packages and complement them by evaluating options to determine the:

1. Optimum scale and spatial distribution of new waste treatment and disposal infrastructure and opportunities for further aggregation and collaboration taking account of the requirement to reduce the local carbon footprint;
2. Funding options available to deliver access to new waste treatment and disposal infrastructure;
3. Likely cost and affordability implications for the identified infrastructure;
4. Options for managing the procurement of new waste treatment and disposal infrastructure;
5. Options for the efficient management of future waste treatment services post procurement;
6. Solutions that can maximise the benefits to the authorities through the creation and exportation of heat and power from waste treatment facilities; and
7. Recommendations for the way forward.

This Business Case will not seek to determine the infrastructure required to meet the needs of the private sector but will examine ways in which the public sector could work in partnership with private sector. By way of example, through providing “anchor” contracts which will enable the private sector to delivery new facilities that have surplus capacity to receive and treat both public and private sector waste from other sources.

This Business Case will not seek to challenge or change the direction of existing public sector procurements but will take cognisance of current arrangements and major legacy contracts in considering options going forward.

It is proposed that this work will be split into five key parts:

1. **Strategic Background:-** There are many statutory, policy and regulatory instruments that will affect the nature of future waste services in the Clyde Valley. Some of these are currently in the process of being reviewed. This section will seek to establish a clear and agreed interpretation of the emerging statutory, policy and regulatory framework so that there is an agreed and stable set of targets against which future waste treatment and disposal options can be assessed.

As part of this Section, establishing an agreed set of targets with the Scottish Government relating to landfill diversion, recycling and carbon reduction that are aligned to the emerging requirements of the Scottish Government's Zero Waste Plan will be essential.

2. **Data gathering and Base Case.** This will build on the previous work undertaken by the eight authorities and SFT so as to establish an accurate data set on the following for each of the eight authorities:
 - a. existing waste collection arrangements and current costs;
 - b. existing waste disposal arrangements and current costs;
 - c. current landfill diversion performance;
 - d. current recycling performance;
 - e. current carbon performance; and
 - f. known changes to current collection and disposal arrangements.
3. **Economic Appraisals:-** This section will build on recent work undertaken by the eight authorities and the Scottish Government to estimate the cost of meeting the Zero Waste Plan and where necessary carry out further option appraisals to assess the optimum balance between collection, transport and treatment as well as possibilities for further aggregation and collaboration so as to determine possible "reference solutions" within the Clyde Valley for each of the waste streams identified in Section [4.2.1].

Where existing major infrastructure projects are in procurement, it will be assumed that these projects will deliver the reference solution identified in each of business cases on which these projects were based. As these projects progress through the procurement process the reference solutions for the Clyde Valley will take cognisance of the emerging solutions being proposed by the market for these projects.

4. **Commercial and Funding Options.-** Given the reference solutions developed under Section 3, this Section will seek to outline how best to contract and pay for the required treatment and disposal services. It will explore capital and revenue funding solutions as well as other UK and international precedents for funding comparable infrastructure and services. It will also assess the affordability implications at a local authority, regional and

national level and where appropriate, consider the balance sheet implication for any new infrastructure projects.

5. **Management and Delivery:-** This section will consider options for the procurement, management and delivery of new services and infrastructure. It will consider the potential to optimise the current client function for waste treatment and disposal within the public sector as well as potential for alternative delivery vehicles and joint ventures where appropriate. It will also examine and suggest possible governance and management arrangements going forward. As well as the above, this section will also consider other barriers/bottlenecks that have the potential delay or disrupt delivery. Such issues could include client and supply chain capacity issues, confidence in emerging technologies, the regulatory system (planning and permitting) and public and political acceptability of treatment solutions, as well as any changes to the delivery of waste services in the future.

4.3 Approach to Date

4.3.1 Clyde Valley Waste Working Group

Background

On the basis of the recommendations presented by Sir John Arbuthnot in the Clyde Valley Review of joint working and shared services published in November 2009, the eight local authorities agreed a number of priority work streams to be taken forward under the first phase programme. At a meeting of the Clyde Valley Community Planning Partnership Joint Leaders' and Chief Executives' Forum in January 2010, North Lanarkshire Council agreed to take the primary lead in relation to Integrated Waste Management work stream, with key support from Glasgow City Council.

Scope and Remit

Each of the eight authorities nominated an appropriate member of their senior management team to join a working group to investigate the potential development of an integrated waste management solution across the Clyde Valley.

The lead authority initially prepared a draft plan recommending that the scope of the project would include:

- the investigation of existing and planned management and treatment of recyclates, residual and other waste materials among Clyde Valley authorities and their public sector partners;
- issues of resources and capacity;
- potential locations for new and/or adapted infrastructure;
- identification of a suitable procurement structure to facilitate the efficient management of residual waste;
- preparation of a robust headline business case demonstrating the potential longer term savings and/or performance improvements to be made from a more efficient joint approach to waste management; and
- consideration of future governance and waste management agendas.

Progress to date

An initial meeting of the working group was scheduled for February to discuss and agree the project summary document for submission to the Clyde Valley Community Planning Partnership Joint Leaders' and Chief Executives' Forum. Members signed up to a proposed programme of work with endorsement from the Scottish Government. It was further agreed that a schedule of meetings with a full progress report including a structure for the planned business case would be prepared by the end of the first quarter.

Key baseline information was collated for each of the authorities to help inform the scale of the project including information on the mix of existing processes, costs of collection and disposal, capital and revenue budgets and manpower resources. Additional information on key procurement proposals for residual waste management infrastructure were also collated in collaboration with the Scottish Futures Trust. The group also agreed to assess the implications arising from progress towards the 2010 recycling performance target of 40% and the finalised Zero Waste Strategy when the information becomes available.

A second meeting of the Clyde Valley Waste Management Working Group took place in May. The group was extended to include representation from the Scottish Futures Trust who will provide additional resources for the development of a headline Business Case for the integrated waste management initiative in the long term.

Partners agreed in principle to the setting up of a short-life task group to develop the Business Case by September supported by the Scottish Futures Trust and Zero Waste Scotland. A Members Sounding Board will be set up at the same time to help progress the work of the task group. The Business Case is scheduled to be finalised for presentation to the Working Group by November.

The first draft of this Strategic Waste Initiative Business Case Initiation document was discussed at a third meeting of the Working Group in June. On approval of the document by the partners, the working group will attempt to secure resources from each of the eight with a view to having a headline business case prepared by the end of November 2010.

4.3.2 Data Collection

To table below provides an estimate of the scale of resources allocated to waste management activities in the Clyde Valley over the next year including a revenue budget of £144m and over 1,400 (FTE) local authority staff. This information will be updated to help inform the option appraisal stage of the Business Case.



Clyde Valley Waste Management Services - Baseline Information				
		Lower	Upper	Clyde Valley
Revenue budget for waste management	2010/11	£6,740,000	£39,834,880	£144,433,966
Capital budget for waste management	2010/11	£86,000	£5,729,000	-
Council staff engaged in collection, disposal & recycling (FTE)	Latest	58	478	1,436
Number of refuse collection vehicles in operation	2010/11	9	112	297
Number of civic amenity sites	2010/11	2	6	31
Number of waste transfer stations	2010/11	0	8	8

Note: Some figures are based on estimates from 2009/10.

Further to this, there is a requirement to take account of the respective procurement plan schedules of the partner authorities and ensure that these form an integral part of the option appraisal process where the evaluation of major new infrastructure proposals are concerned. Details of these including projected dates of service commencement are outlined in the table below.

Clyde Valley Residual Waste Projects - Current Milestones

Milestone	Glasgow City Council	South Lanarkshire	North Lanarkshire	Renfrewshire	Inverclyde*
Issue Tender Documents & request Outline	01-Apr-10	27-May-10	23-Aug-10	01-Sep-11	
Deadline for submission of Outline Solutions	26-May-10	23-Aug-10	29-Oct-10	01-Dec-11	
Request Detailed Solutions	21-Jun-10	18-Oct-10	17-Dec-10	01-Jan-12	
Deadline for submission of Detailed Solutions	15-Sep-10	19-Nov-10	06-May-11	01-Apr-12	
Request Refined Solutions	20-Oct-10				
Deadline for submission of Refined Solutions	03-Dec-10				
Call for Final Tenders	22-Dec-10	24-Dec-10	26-Jul-11		01-Aug-10
Deadline for Submission of Final Tenders	18-Jan-11	21-Jan-11	26-Aug-11		
Successful Participant selected	08-Feb-11	25-Mar-11	18-Nov-11	01-Jul-12	
Contract Award	Mar-11	28-Mar-11	02-Mar-12	01-Dec-12	01-Sep-10
Planning Secured	Sep-11			01-Oct-13	
Construction	18 months			24 months	
New Services Commence	01-Apr-13		01-Sep-14	01-Oct-15	n/a

* Simplified timeline to reflect small scale contract that does not require Pre-Qualification

5 GOVERNANCE, MANAGEMENT & DELIVERY

5.1 General

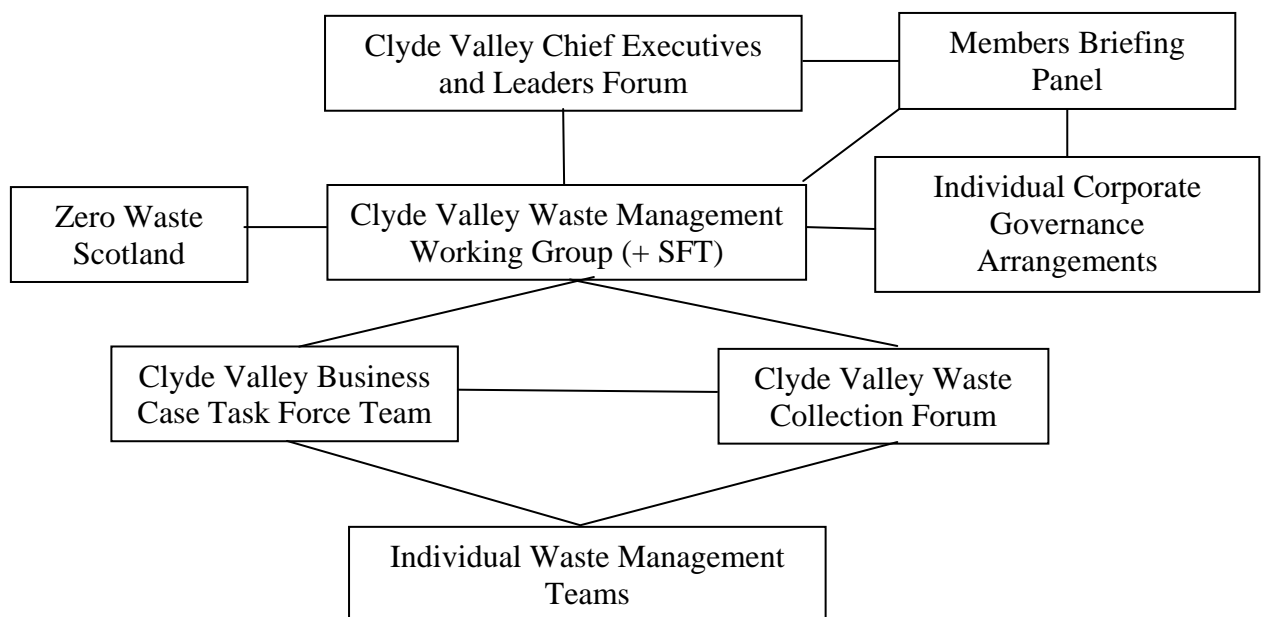
To ensure the support and commitment to this Business Case, a Working Group comprising a senior representative from each authority has been established.

It is recognised that each of the eight authorities may wish to continue with improvements to their current collection arrangements and to continue with existing waste treatment procurement activities. However, to avoid potential abortive costs, loss of opportunity for further aggregation and collaboration, as well as the risk of this business case being out of sync with local developments it will be essential that this Working Group is consulted on any proposed future changes to local waste management activities.

Whilst this Working Group will have the primary responsibility for providing the leadership and direction to the Business Case, the following Reserved Matters will require approval from each authority’s individual governing bodies: 1) Approval of this Business Case Initiation Document; 2) Approval to commit resources and funds to this Business Case; and 3) Recommending future actions on the basis of the findings of the Business.

It is also proposed to establish a Members’ Briefing Panel to ensure elected members are kept apprised of process and to ensure on-going support to the objectives of both the Business Case and the Clyde Valley Waste Collection Forum.

The proposed governance arrangements are illustrated below.



**Clyde Valley Waste Integrated Waste Management Initiative
Governance Arrangements**

5.2 Business Case Governance

The delivery of this Business Case will be governed by a multi-authority Working Group. This Working Group will review the progress of the Business Case and initiatives developed by the Waste Collection Forum. It will also seek to approve the remit of Business Case, recommend how best to take forward the findings from the Business Case and liaise with the Scottish Government and elected members where appropriate. Individual members of the Working Group will be responsible for securing approval from their individual authorities for the Reserved Matters listed above. In addition, the importance of the project in the context of the national waste management agenda will be acknowledged through working in collaboration with the Scottish Government on relevant procurement issues.

The Working Group representatives from each of the eight authorities are as follows:

- Gavin Whitefield – Chief Executive – NLC – Working Group Chair and SRO
- Norrie Anderson – Executive Director, Community Resources – SLC
- Robert Booth – Executive Director of Land and Environmental Services – GCC
- Andrew Corry – Head of Cleansing, Parks and Protective Services – ER
- David Devine – Head of Roads and Neighbourhood Services – EDC
- Ronnie Dinnie – Head of Land and Environment – WDC
- Shona MacDougall – Director of Environmental Services – RC
- John Mundell – Chief Executive – IC

Alastair Young from Scottish Futures Trust shall also be a member of this Working Group, albeit in a non-executive capacity. In addition, Ian Mitchell – Deputy Director, Waste Pollution and Reduction Division, Scottish Government and Iain Gulland – Director, Zero Waste Scotland shall be invited to attend relevant Working Group meetings.

The key roles and responsibilities of this Working Group are summarised below.

- Provide leadership and direction to the Business Case Task Force and the Waste Collection Forum.
- Approve this Business Case Initiation Document.
- Approve the budget, timetable and resource allocation for the production of the Business Case.
- Meet monthly to review and monitor progress, expenditure and key issues.
- Approve any new or varied work packages value greater than [£25k].
- Liaise with the Scottish Government and elected members as necessary.
- Agree the findings of the Business Case and next steps, prior to the submission of the future action plan to individual authorities for approval.

The Working Group will meet formally to approve the terms of reference for the Business Case, mid way through the production of the Business Case and prior to agreeing

recommendations to be taken back to individual authorities on completion of the Business Case. Matters that arise in between meetings can be dealt with remotely via conference call or e-mail.

5.3 Business Case Management

5.3.1 Resources

To manage the development of the Business Case a multi-authority Task Force will be established. This Task Force shall comprise 4 full time local authority officers, supported by additional resource made available by Zero Waste Scotland, SFT and specialist external advice as required.

It is proposed that this Task Force will operate from a dedicated project office provided by North Lanarkshire Council.

For the purpose of this Business Case the Project Director shall be Kenneth Wilson, Head of Land Services, NLC.

The core areas of expertise that this Task Force will require include: project management; waste collection; waste composition; sites and planning; waste policy and regulation; waste treatment technologies; economic assessment/option appraisals; waste contract/commercial issues; and project funding.

The first priority will be to resource these skills from within the eight Clyde Valley authorities. To the extent that these skills are not available from within the eight authorities, SFT will seek to procure the necessary resources either from its current resource pool or from external resources.

During the production of the Business Case lines of communication will be maintained internal between the Task Force and relevant authority departments, including waste, planning, legal and financial services.

5.3.2 Funding

Each authority's commitment to the Business Case will be either one appropriately skilled full time equivalent officer over a four month period or £25k towards specialist support costs. North Lanarkshire's contribution to the project would include the Project Director and a dedicated project office. Equivalent alternative combinations would also be considered, such as an officer committed to the Task Force for half of his/her time and a £12.5k contribution to costs. On the assumption that four local authority officers are allocated to the Task Force, the budget commitment from other local authorities not providing human resource would, in aggregate, be £100k. This fund would be matched by up to a further £100k made available to SFT from the Scottish Government to fund additional specialist support.

5.3.3 Advisers

Any requirement for external advisers will need to be approved by the Working Group. It will be an early priority of the Task Force to establish where specialist external advice is required. Advisers will be procured and appointed by NLC, but terms of engagement will be drafted to ensure a duty of care is owed to all eight authorities.

5.3.4 Progress Monitoring and Reporting

The production of the Business Case will be managed using the principles of the PRINCE2 methodology. Consequently the Project Director will be responsible for ensuring that the Task Force maintain an up to date Issue Log, Risk Register, Timetable/Project Plan, as well as a communication plan.

In addition, the Project Director shall ensure that the Task Force prepares a concise monthly progress report for his approval to enable him to issue a report to members of the Working Group at least 5 working days in advance of each Working Group meeting. This monthly progress report shall be presented to the Working Group by the Project Director and will cover the following issues:

- Progress to date;
- Actions discharged and those outstanding;
- Update on key risks;
- Update on current and forecast expenditure; and
- Matters requiring approval.

5.3.5 Business Case Scrutiny / Validation

Prior to submitting the final Business Case to the Working Group for approval, the Project Director shall ensure that the Business Case is subject to an appropriate Gateway Review in accordance with the OGC Gateway Review process.

5.3.6 Business Case Timetable

The key milestones in the current project programme are shown below:-

- Working Group Approval of this Initiation Document – 16 July 2010;
- Eight Authority Approval of this Initiation Document – September 2010;
- Mobilisation of Business Case Task Force – September 2010 with further preparatory work going on in the interim period;
- Identify and procure specialist external resources – June, July, August 2010;
- Task Force and key contacts kick-off meeting – 30 August 2010;
- Business Case production period – Sept, Oct, Nov 2010.
- Working Group Meetings – 24 Sept and 3 Dec 2010
- Gateway Review – week commencing 15 Nov 2010;



- Final Business Case to Working Group for Approval – 26 Nov 2010.
- Agree future Action Plan to be taken to individual authorities for approval – 3 Dec 2010.

6 NEXT STEPS

The following lists the next steps that need to be taken over the next four to six weeks to progress the Business Case:

- Working Group approval of this Business Case Initiation Document;
- Draft a generic committee/council paper to secure approval for this Business Case;
- Council approval of this Business Case Initiation Document;
- Identify resource commitments from each authority;
- Agree funding contributions from each authority;
- Mobilise project office and key personnel;
- Establish key contacts in each authority and other relevant stakeholders;
- Establish current proposals for changes to collect and disposal regimes;
- Develop further the Business Case Structure and key work packages.