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To: Environment & Regeneration Policy Overview Committee –
31 January 2008

Subject: Waste Strategy Issues

Classification: Unrestricted

Summary: This report provides an update on waste disposal issues including procurement of waste infrastructure to deliver the Kent Joint Municipal Waste Management Strategy.

1. Introduction

- 1.1 At a meeting of the Informal Members' Group on budgetary issues on 29 November 2007, it was recommended that "the future risks of a waste disposal strategy which relied on incineration as a significant element" should be referred to the Environment & Regeneration Policy Overview Committee for investigation. This report provides an update on commissioning of the Allington Energy from Waste plant.
- 1.2 Secondly, this report provides information on proposals to invest through the capital programme in waste disposal infrastructure, to underpin delivery of the Kent Joint Municipal Waste Management Strategy and sustain a range of waste diversion routes.

2. Energy from Waste

- 2.1 The current position is that the Allington plant will come back on line by 8 February 2008 on completion of works to the refractory linings. The take-over tests on completion (which were interrupted by the current works) will resume with final endurance tests scheduled to be carried out in the late Spring. Subsequently, the plant will be "delivered" by Lentjes, the constructor, to Kent Enviropower Ltd., and this will prompt the start of the 25 year service period for the disposal of KCC's municipal waste to begin. The sister plant operating in Belgium and other plants in Europe provide a waste disposal solution similar to that at Allington. There have been a series of commissioning works throughout the plant, none of which relate to new technology, and are consistent with the commissioning process.
- 2.2 KCC will recommence delivering waste to the Energy from Waste plant in the next few days. For the avoidance of doubt, the Materials Recovery Facility remains operational. In the meantime, significant gate-fee savings have been made. The short term costs of landfill have not yet exceeded the costs of Energy from Waste. Very early in the 25 year service period, landfill costs are projected to become more expensive, making whole life savings compared to

landfill. The delay in commissioning has been fortuitous for KCC allowing it to make more use of landfill temporarily whilst it remains relatively cheaper, and effectively extending the date when the service period will expire.

- 2.3 Many other waste disposal authorities remain in early stages of procuring waste disposal capacity to achieve the required level of landfill diversion and are facing the prospects of penalties through the landfill allowance trading scheme (LATS) in future years, due to the long lead-in time for waste infrastructure. LATS allowances have held little value in 2007/08 and therefore the delay in KCC accruing allowances through the Energy from Waste plant has not made a financial impact. There is no risk to KCC of a LATS shortfall in the medium term. The position is monitored in line with the agreed LATS Operating Plan and no cause for concern has been identified.
- 2.4 For clarity, there is a variety of diversion methods, and the Energy from Waste solution accounts for less than half of the total municipal waste arisings. An in-vessel composting plant at Blaise Farm is under construction and is due to be completed in 2008/09. Additionally, an improved household waste recycling centre and transfer station is set to be constructed at Pepperhill. It remains important to continue to plan ahead to deal with waste issues, and the next steps are outlined below, sustaining a range of paths for waste diversion.

3. Waste Infrastructure requirements for the future

- 3.1 Work has been carried out over the last few months to produce an initial programme of infrastructure requirements based on a review of waste projections and further waste modelling work. The capacity identified is generic at this stage as it identifies, for instance, the need for additional landfill diversion capacity and models a notional date for procurement but is not necessarily technology specific. Neither does it identify the approach to procurement such as through a gate-fee contract or through a joint venture with a waste industry partner as examples of options. The capacity will be likely to include materials recovery capacity, with improvements to the transfer station and household waste recycling centre networks and a continuing need for residual landfill, subject to the extent of diversion which can be achieved.

- 3.2 The key drivers are as follows:-

- The EU Landfill Directive.
- Continuous improvement: N.I.191 – “reduction in residual waste” (and therefore increasing recycling and composting) likely to be included in Kent’s 35 indicators.
- The Waste Development Framework - so that capacity to deal with municipal waste is properly identified, and to ensure that adequate provision is made.
- The Kent Joint Municipal Waste Management Strategy targets.
- Maintaining existing facilities. Sites such as Tovil are over 20 years old and in need either relocation or complete refurbishment.
- Waste management licensing conditions which necessitate works such as drainage or other environmental/pollution control improvements.
- The Clean Kent campaign is underpinned by the provision of facilities for residents to dispose of household waste.
- Housing growth

- Climate change agenda
- Improving customer care and cost containment remain essential.

4. Funding sought through the Capital Programme

- 4.1 Provision has been made in the capital programme for waste infrastructure works, but the requirements are subject to further development. Members are referred to the report on the Medium Term Plan 2008/09 – 2010/11 on this agenda.

5. Recommendation

It is recommended that Policy and Overview Committee:-

- a) considers the referral regarding energy from waste; and
- b) notes the proposals for future waste infrastructure improvements.

Background papers

- Kent Joint Municipal Waste Management Strategy
- ERM Waste Modelling Reports for East and West Kent

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