

**Response to Gloucestershire County Council's
Strategic review of the Residual Waste PFI Project**

SWARD is grateful for the opportunity to contribute to the Strategic Review. Being given only a short time within which to respond we have done our best to answer your questions. We would be happy to give further detail or clarification if required.

- **Does Gloucestershire need an alternative to landfill?**

SWARD believes that Gloucestershire must target the diversion of biodegradable waste from landfill. However, landfilling inert or stabilised waste offers the benefit of sequestering carbon, which would be released to atmosphere if some materials were burned, at the same time as preserving those resources for future recovery as technology advances. This approach can play a sensible part in a Zero Waste economy.

- **What are the affordable alternatives to landfill, and can you give examples of where this has worked?**

The County's primary focus must be a Zero Waste approach, which puts far greater emphasis on, and investment into, waste reduction and recycling rather than planning for increases in or assuming continuing high levels of residual waste. Whilst the statutory responsibility for municipal waste collection lies with the districts, the WPA's responsibility for disposal is intimately linked to this process. If our county is to reduce the financial impact of dealing with its residual waste it must put greater investment into reducing the source of residual waste, since reducing waste per tonne is better than recycling per tonne.

To address the top of the waste hierarchy we need a network of resource reuse centres across the county. This has been suggested as a way GCC is considering further developing the HRC sites. SWARD believes that investment in sites where residents can easily take unwanted goods, where social enterprise groups could set up businesses, to refurbish where necessary, and sell items that have further use, would be a way to reduce waste significantly. Resources re-used close to where they arise create minimal environmental impact, providing jobs and generating income within the local community. Examples of EcoParks and reuse centre in the UK can be found by contacting BioRegional¹ who presented at the November Zero Waste meeting at the Houses of Parliament. Already working with the London Reuse Network², Bioregional is setting up reuse centres on The Wirral and in Waltham Forest and Tees Valley³ based on highly successful North American models.

¹ http://ukwin.org.uk/files/pdf/bioregional_presentation_2_november_2010.pdf

² <http://www.lcrn.org.uk/>

³ <http://www.bioregional.com/news-views/news/reiy-centres-101208/>

Secondly, GCC must set the equivalent of a 70% recycling rate to bring the projected 275,000 tonnes of household down to a residual fraction of around 82,000 tonnes per year. If there is a prolonged downturn we would need to recycle slightly less than 70% to achieve 82,000 tonnes of residual waste. Further investment to ensure that food collections are in place throughout the county is urgently required, linked to tendering for AD facilities to compost this close to its arising.

We are advised that the cost of moving from 60% to 70% recycling would be between £80 and £145 per tonne, totalling between £2 million and £4 million pounds per year. In order that councils achieve revenue from recycling collections, it is imperative that collections separate resources at source in order to achieve the highest quality recycle streams to yield the best prices when sold for reprocessing⁴. It is well documented that the UK reprocessing industry is short of good quality recycle and that markets abroad are also less likely to accept commingled recycle.⁵

It is possible for communities to achieve very high recycling targets, sometimes extremely quickly, as has been achieved in Cwm Harry⁶, and Staffordshire Moorlands⁷. In Europe, Novara, a city of 100,000 near Turin achieved 70% diversion in 18 months, Salerno near Naples achieved 70% in just one year and Ursubil in Spain, has gone from 28% to 86% in seven months⁸.

Whatever solutions GCC chooses, SWARD would wish to see contracts far shorter than 25 years. The experiences of Hampshire, Stoke on Trent and Kent councils, who all face problems in shortfalls of waste or higher costs through being locked into long contracts are salutary⁹. Councillor Keith Ferrin, Kent council's environment spokesman, said it had been a 'stupid' decision in hindsight [*to sign the 25 year contract*], but there had been no way to predict changes to the industry. We now have very clear indications that waste is falling, not just because of the recession, as Defra's data shows that household waste generation has been decreasing since 2006/7¹⁰. Total commercial and industrial (C&I) waste generation in England in 2009 has decreased by 29 per cent since the last national survey of business waste in 2002/3.¹¹ In fact, the Tolvik briefing report 2010¹² concludes that if all currently planned facilities for the treatment of Residual Waste in England and Wales were to actually be built, total capacity could exceed residual waste tonnages by 6%. Jeff Cooper, new president of the worldwide International Solid Waste Association (ISWA) also commented earlier this month that The UK may have just avoided over capacity for EfW facilities¹³.

GCC's own data modelling shows that even with 30 years of continuous waste growth only 154,649 tonnes of residual waste would exist by 2040. Real waste data shows the 2009/10 outturn was 5,602 tonnes less waste than this GCC model. Over the last 6 years council

⁴ WRAP: Choosing the right recycling collection system

⁵ http://www.realrecycling.org.uk/resources/Recycling_collection_hierarchy.pdf
<http://www.endseurope.com/20215>

⁶ <http://www.cwmharrylandtrust.org.uk/about.html>

⁷ http://www.staffsmoorlands.gov.uk/site/scripts/news_article.php?newsID=638

⁸ http://ukwin.org.uk/files/pdf/connett_presentation_part2.pdf

⁹ ENDS Report 420, January 2010, pp 17-18 © 2010 Haymarket Business Media

<http://www.thisisstaffordshire.co.uk/news/Lack-waste-burning-issue-incinerator/article2757205detail/article.html>

<http://www.kentononline.co.uk/kentononline/newsarchive.aspx?articleid=46264>

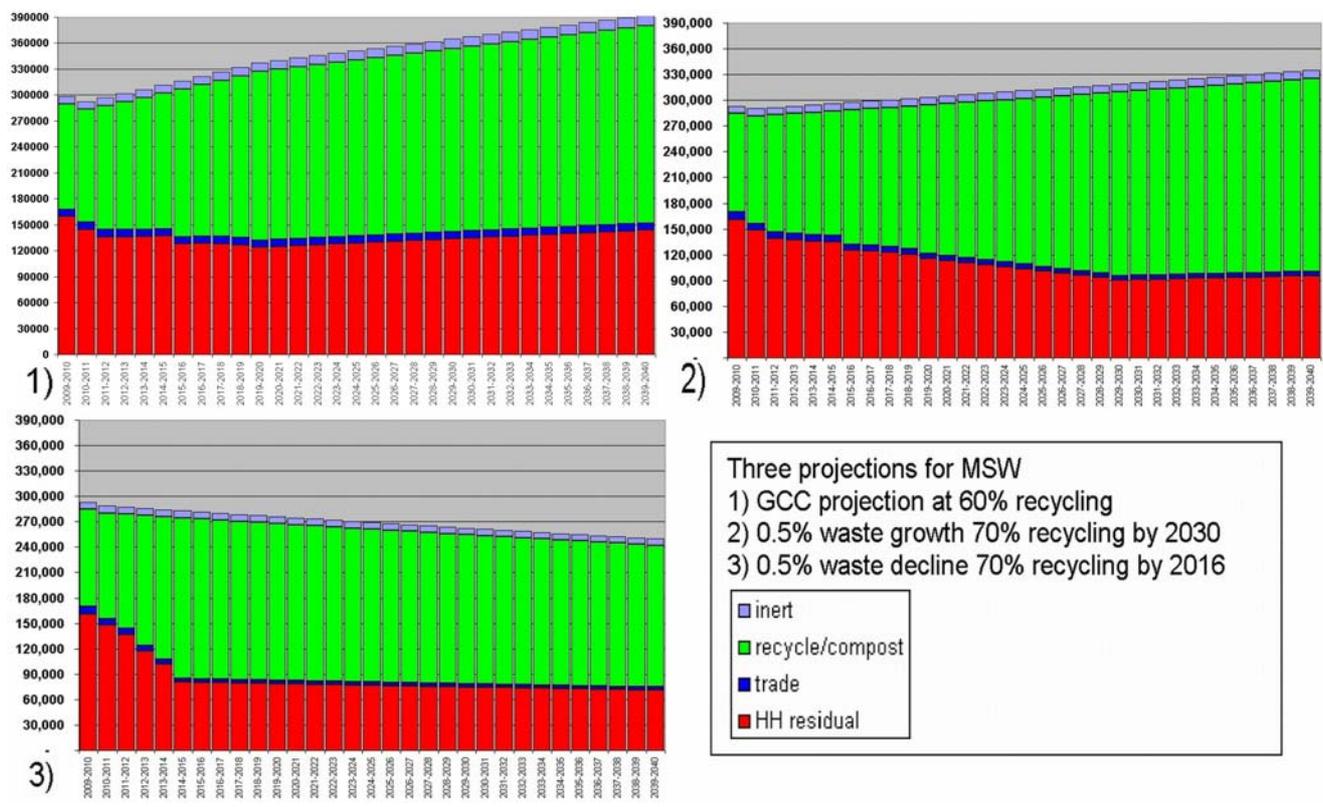
¹⁰ <http://www.defra.gov.uk/evidence/statistics/environment/wastats/bulletin10.htm>

¹¹ <http://www.defra.gov.uk/evidence/statistics/environment/waste/documents/stats-release101216.pdf>

¹² <http://www.tolvik.com/markets-and-data/residual-waste-in-england-and-wales.php>

¹³ http://www.letsrecycle.com/do/ecco.py/view_item?listid=37&listcatid=217&listitemid=56807§ion=waste_management

collected waste has only grown 0.38% overall, an average annual growth rate of 0.06% per year. Waste from new housing has been offset with a fall in waste per household. We have modelled 3 different waste growth rates at each of 3 different recycling profiles.



We would be very pleased to have the opportunity for our consultant to discuss these models in greater depth with you.

SWARD believes that the county should use MBT which produces a stabilised material suitable for landfill. MBT should be considered an interim technology to be used for no more than 10-15 years whilst the county works towards Zero Waste. Tendering should be on the basis of 10 years with an extension of up to 5 years, to avoid being locked into an inflexible situation when waste reduces and recycling rises. MBT is a flexible, hall based system that can respond to changing waste streams and does not need to be run continuously. It is cheaper and quicker to build than other residual treatment options. The 50,000 tonne per year new earth MBT at Coatsbach in Leicestershire had a capital cost of £15m and was built in 9 months. The gate fee is around £80 / tonne and capital costs were funded entirely by the waste company.

The current landfill tax system unfairly penalises MBT residues. There is a need for a re-review of this and a thorough overhaul of the landfill tax system. 'Biostabilised' wastes from MBT facilities should receive the same level of taxation (now £2.50/tonne) as incinerator bottom ash and soils. The same lower rate of tax is applied to the organic layer of soils in landfilling, and to incinerator bottom ash, despite both of these having been shown to have similar biodegradability levels as biostabilised MBT output¹⁴. The landfill tax escalator applied to 'active' wastes means that the differential between the two rates has increased dramatically since 1996. Thus, as shown by various studies, whilst the environmental impact of a modern landfill is of similar magnitude to that of a modern incinerator, and the costs of building and operating an incinerator are much higher than for landfill, incineration is

¹⁴ 'Biostabilisation' of Wastes: Making the Case for a Differential Rate of Landfill Tax. Eunmoia, January 2008

incentivised, whilst other waste treatment is penalised by the landfill tax system.¹⁵ Public Interest Consultants challenged this in their response on behalf of SWARD to HM Treasury's review in 2009¹⁶. There is continuing pressure for a change to this unfair taxation, however even as it stands, landfilling MBT residues of a reduced residual fraction would be affordable.

Rough budget 2014 -2024:

- Extra waste reduction, reuse and recycling to reduce residual to 82,000 tonnes per annum, costing £2 - 4m
- MBT of 60,000 tonnes for stabilised landfill, costing £5 -7m
- Local treatment (or worst case scenario direct landfilling) of remaining waste, costing £2 - 3m

- **How would you make up for the loss of PFI credits to be able to afford the alternatives?**

We do not see a need to 'replace' the PFI money. The money was for a particular project, which is no longer viable, and which we believe would have cost the tax payer far more over the life of the contract than our proposals. When Coventry Council decided to scrap its PFI, the deputy leader of the Conservatives stated:

I welcome the news that the Labour Group now agrees with us that using PFI to build a new waste to energy plant would not be a good deal for local taxpayers. In December last year we made clear that alternatives based on different technologies and financing options should be looked at, then in May decided that the PFI should be scrapped.¹⁷

SWARD believes that if GCC were to implement the steps we have suggested that the overall costs of dealing with the county's waste would be significantly less than the projected costs of the Residual Project.

- **How will your alternative solution enable Gloucestershire to meet current government targets and future policy for waste disposal?**

We believe that our proposals, by tackling waste at all levels of the waste hierarchy, and particularly the higher levels, will not only reduce the amount of residual waste to be dealt with but the costs of treating and disposing of it. The Coalition Government's policy encompasses a Zero Waste approach and is currently looking at an Anaerobic Digestion Framework which our proposals will support.

21 December 2010

¹⁵ Organisation for Economic Co-operation and Development (OECD), Instrument Mixes Addressing Household Waste, Working Group on waste Prevention and recycling, ENV / EPCO/ WGWPR (205)4/FINAL 02 February 2007

¹⁶ Modernisation of landfill tax legislation, Alan Watson C.Eng, Public Interest Consultants, 2009

¹⁷ http://www.kevinjoster.com/view_news.php/200/Waste-PFI-is-Finally-Dumped