

**PFI & WASTE MANAGEMENT**  
**(Report by Director of Operational Services)**

**1 INTRODUCTION**

- 1.1 The collections of household waste and recyclables are key services provided by the council and make substantial demands on the capital and revenue budget.
- 1.2 This report introduces three further reports, two of which address specific service developments and the third outlines the potential for a joint public finance initiative (PFI) for the future provision of waste collection and disposal.

**2 SERVICE DEVELOPMENTS**

- 2.1 The service for the collection of dry recyclables, the 'green box' scheme, currently is provided in part by the council's Operations Division and in part by a contractor, Newslitter. The range of materials collected is different between the two service providers and negotiations have been undertaken to seek to harmonise the service on the more comprehensive service provided by the Operations Division.
- 2.2 A report (Recycling Collections) is included on the agenda for this meeting which addresses the harmonisation proposal and the consequential service delivery implications. It concludes that a single service should be delivered by the Operations Division.
- 2.3 Outcomes from the trial of a garden waste service which started in January 2003 are the subject of a further report (Garden Waste – Report on Trial Scheme). The trial has demonstrated that the alternating fortnightly collections of household waste and compostable garden waste are well supported by householders and deliver excellent recycling performance. The report recommends the district-wide roll-out of the service.
- 2.4 The garden waste report also highlights the implications of increased costs for the disposal of dry recyclable materials which currently are taken to the Peterborough materials recycling facility (MRF). These costs, and those relating to the Recycling Collections and Garden Waste reports, are summarised at Annex A.

**3 PFI PROPOSAL**

- 3.1 Cambridgeshire County Council faces a substantial funding shortfall for waste disposal costs in future years. Its current contractual arrangements for landfilling waste expire in 2007 and it has to put in place appropriate contractual arrangements for waste disposal from that date to meet EU and national targets for reducing landfill.
- 3.2 The opportunity exists for district councils to include their collection services within the PFI bid. The first step for the district council would be to associate itself with the submission of an outline business case to establish precisely the funding available. A report (Public Finance Initiative For Waste) is included on the agenda and recommends that the council is part of the outline business case submission, but with no commitment to joint procurement at this time.

#### **4. CONCLUSION**

- 4.1 The Cabinet's attention is drawn to the close links between the various waste reports and are their particular attention is drawn to overall financial implications summarised in Annex A to this report if they accept the recommendations of the individual reports.

#### **Background Papers & Contact Officers**

See separate reports.

## ANNEX A SERVICE DEVELOPMENTS SUMMARY OF FINANCIAL IMPLICATIONS

	REVENUE IMPLICATION (£000's)						CAPITAL (£000'S)	
	03/04	04/05	05/06	06/07	07/08	08/09	03/04	04/05
<b>Garden Waste</b>								
Approved MTP bids	282	226	226	226	226	226	2,782	
Proposed variation based on trial *	-20	178	392	378	378	378	-2,542	3,212
Increased gate fee**		34	51	66	66	66		
<b>Total Budget Requirement</b>	<b>262</b>	<b>438</b>	<b>669</b>	<b>670</b>	<b>670</b>	<b>670</b>	<b>240</b>	<b>3,212</b>
<b>Recycling</b>								
<b>Phase 5 (Eastern Area + part St Neots)</b>								
Approved MTP bid/budget	145	154	154	154	154	154	<b>310</b>	
deduct Phase 4 (flats/rural areas)	-51	-88	-88	-88	-88	-88	-155	
<b>Available budget</b>	<b>94</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>155</b>	
<b>Newsletter Cost (for comparison)</b>	<b>4</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>0</b>	
Operations Division	16	66	66	66	66	66	155	
Increased gate fee **		44	44	44	44	44		
<b>Operations Division Cost</b>	<b>16</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>155</b>	
<b>Other Phases</b>								
Increased gate fee**	29	100	100	100	100	100		
<b>Garden Waste/Recycling Services</b>								
<b>Additional Budget Requirement</b>	<b>-69</b>	<b>356</b>	<b>587</b>	<b>588</b>	<b>588</b>	<b>588</b>	<b>-2,542</b>	<b>3,212</b>

Note. Additional budget requirement assumes decision is taken to provide district-wide green box scheme by Operations Division  
Item marked with single asterisk (\*) included in MTP report circulated to Overview & Scrutiny Panels. Items marked with a double asterisk (\*\*) are not included in the MTP report.