



Report of the Director of City Services

Executive Board

Date: 18th October 2006

Subject: Integrated Waste Strategy for Leeds 2005-2035

Electoral Wards Affected: 	Specific Implications For: Equality and Diversity <input type="checkbox"/> Community Cohesion <input type="checkbox"/> Narrowing the Gap <input type="checkbox"/>
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Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

The purpose of this report is to gain approval to the Integrated Waste Strategy for Leeds 2005-2035, the draft of which was approved by Executive Board in December 2005 to go forward for public consultation. An extensive programme of consultation has now been completed, which has demonstrated strong support for proposals, and the Strategy has now been revised to address consultation responses where appropriate.

The Strategy retains its focus on waste prevention, recycling and public education. It sets out a range of key targets for waste minimisation, recycling, recovery and landfill reduction, which will reduce the environmental impact of waste management in Leeds. The Waste Strategy also includes proposals for the development of a range of integrated waste management infrastructure, reflecting the outcomes of a detailed and robust stakeholder options appraisal process. This infrastructure will be required to ensure that Leeds City Council meets national recycling and landfill diversion targets, and that the major financial threat posed to the Authority by the Landfill Allowance Trading Scheme (LATS) is minimised.

The report addresses concerns about environmental impacts and health effects of the infrastructure and outlines the issues and risks associated with securing sites for waste facilities. It also refers to the refuse collection service developments that will be required in order to meet statutory and Waste Strategy recycling targets and to minimise the Authority's exposure to LATS risk.

Issues associated with the various funding and contractual options available to the Council are summarised, and Executive Board are requested to note the final draft of an Expression of Interest for PFI credits to support the delivery of key facilities. Executive Board are also asked to note the range of indicative affordability scenarios for the overall waste solution, and the proposed strategy to maximise and secure external funding.

The report sets out the proposed governance arrangements for the programme of projects required to deliver the waste solution for Leeds, and provides an overview of the risk management controls being applied to this programme of projects.

1.0 Purpose Of This Report

- 1.1 The purpose of this report is to gain approval of the revised Integrated Waste Strategy for Leeds 2005-2035 following the original approval of the Strategy by Executive Board in December 2005 to go forward for public consultation and the subsequent completion of an extensive consultation process. A copy of the revised Waste Strategy, which addresses the feedback from the consultation, is attached at Appendix 1 (further appendices are attached only to Members' copies of the report but are available from the clerk named on the front sheet if required).
- 1.2 Approval is also sought for the associated three-year action plan, which details how the policies within the Strategy will be implemented. This is an annually updated document, against which performance will be reported publicly. A copy of the action plan is attached at Appendix 2
- 1.3 In anticipation of approval of the Strategy the Executive Board is also asked to note the contents of the final draft of Expression of Interest (EoI) for Private Finance Initiative (PFI) funding to support the development of the waste solution infrastructure (subject to amendments based on discussions with the Department for Environment, Food and Rural Affairs, DEFRA). Submission of the EoI was previously agreed by the Executive Board on 14th December 2005. However this has been delayed on the advice of DEFRA, and the opportunity has therefore been taken to bring the full text back to the Board. The EoI is attached at Appendix 3.
- 1.4 Key issues, risks and costs associated with this project are also highlighted for information and discussion.

2.0 Background Information

- 2.1 The currently adopted Integrated Waste Strategy has undergone a scheduled review. This was conducted in the light of increasing Government recycling targets and the introduction of the Landfill Allowance Trading Scheme (LATS). LATS has been introduced by the Government as a means of ensuring compliance with the European Union targets on the reduction of biodegradable waste sent to landfill. Leeds is issued with ever decreasing numbers of LATS permits. Permits can be bought from other local authorities at a price determined by market forces. A penalty of £150 per tonne is payable for each tonne of waste landfilled without a permit. Penalties become a reality if there are insufficient permits nationally to cover the total amount of waste landfilled. It is estimated that Leeds could face cumulative penalties of £217million by 2020 if no action is taken.

- 2.2 In light of these changes a detailed review of Leeds' position was carried out. This review identified that without direct action the Council would incur between an additional £11.1 million and £34.9 million per year (depending on the cost of LATS allowances) to handle its waste. This would equate to between a 5.2% and 16.4% increase on Council Tax (Band D Property).
- 2.3 Various options including do nothing, do minimum, minimising waste, increasing recycling and building dedicated facilities were explored. The outcome of this exercise was reported in the Executive Board report of 14th December 2005.
- 2.4 The Strategy's ultimate vision is for Leeds to become a 'zero waste' city, where through a range of measures we reduce, re-use, recycle and recover value from all waste, sending no waste landfill. This is a thirty-year strategy that will require significant development work to achieve.
- 2.5 During the review period it was clear that to manage Leeds' waste in the future, dedicated facilities would be required. To determine the nature of these facilities a detailed option appraisal was conducted and the outcome included in the draft Waste Strategy.
- 2.6 The preferred integrated waste management system consists of a materials recycling facility, in-vessel and windrow composting facilities, transfer loading station, the provision of facilities to which householders can take their waste, an energy from waste plant and minimal landfill of residues. Leeds' aim to drive waste management up the waste hierarchy will be delivered through the development of this range of facilities, and provides a more sustainable alternative to landfill for waste that cannot be reduced, reused or recycled. This was identified as the preferred combination following the evaluation of options against an agreed range of criteria. The criteria were:
- Achieves sustainability in relation to social, economic and environmental impacts;
 - Provides long-term and certain markets for outputs;
 - Provides flexibility;
 - Achieves landfill diversion (LATS) targets;
 - Achieves long term statutory and local recycling and composting targets;
 - Minimises impacts associated with land use and allows self-sufficiency;
 - Cost and affordability;
 - Risk;
 - Health and environmental impacts;
 - Market interest;
- 2.7 The draft Strategy was approved for consultation at Executive Board on 14th December 2005. Since then the Strategy has been subject to extensive consultation and has gained widespread support. Further information on the consultation is outlined in section 4
- 2.8 A recent National Audit Office report on waste concluded that, "An emphasis on increasing recycling alone is unlikely to enable the European Union Directive on landfill to be met. The Department (DEFRA) therefore

needs to focus its resources towards helping the 25 waste disposal authorities sending the largest amounts of municipal waste to landfill (*this includes Leeds*) to develop alternative waste treatment facilities, such as Energy from Waste plants, alongside encouraging more households to recycle and compost and initiatives to minimise waste production.”

3.0 Strategy Targets

- 3.1 The Strategy sets out the City’s ultimate aspiration for zero waste, where waste that cannot be prevented is seen as a resource to be exploited through re-use, recycling and recovering value. The Strategy has three key principles – sustainability, partnership and being realistic and responsive – and is structured around nine key themes, each with a range of policies, to support its implementation. The full document is attached at Appendix 1.
- 3.2 The Strategy contains three main targets for Leeds City Council.
- 3.2.1 Waste minimisation and re-use – reducing the historically high growth in waste provides a primary focus for the Strategy. The specific target is to **reduce annual growth in municipal waste in Leeds to 0.5% per household by 2010, and eliminate growth in waste per household by 2020**. This target has been amended since the publication of the draft Strategy, based on improvements in growth trends and in response to consultation responses.
- 3.2.2 Recycling and Composting – these remain key priorities for the Council. A range of service developments will be required in order to meet the Strategy target of **recycling and composting a minimum of 40% of household waste by 2020**. Developments include introducing garden waste collections, increasing the frequency of kerbside recycling collections and the range of materials collected, improving participation and reducing contamination. A range of infrastructure will be required to support these developments as referred to in paragraph 2.6.
- 3.2.3 Recovery – recycling and composting alone would still leave significant quantities of waste being disposed of to landfill. In order to reduce our reliance on this most damaging method of disposal, a treatment option is needed to divert that which cannot be dealt with higher up the waste hierarchy. This will significantly reduce the environmental impact of waste management in Leeds and enable us to meet our targets. Energy from Waste (EfW) is the preferred option within the draft Strategy, which, together with the other initiatives, will deliver the **recovery of value from 90% of household waste by 2020**.
- 3.2.4 One of the issues returning from the consultation on the Waste Strategy is that a contractual requirement to supply minimum tonnages to an EfW facility (a requirement which would be common to any waste processing technology, and is not exclusive to EfW) should not suppress future recycling levels in the event that waste generation were to reduce dramatically or recycling performance exceeded target levels. The Waste Strategy sets out a commitment that there will be no ceiling on recycling where this

continues to represent the best environmental option, and sets out the contingency measures in place to ensure flexibility within a contract for the treatment of residual waste.

- 3.2.5 The estimates of required capacity of an EfW facility would be continually refined throughout the contract specification process based on the latest waste arisings and recycling data, and best practice information on future trends. The tonnages specified in any contract would be expressed as a range or bandwidth, rather than a fixed level, in order to ensure sufficient tolerance in the event of unforeseen trends in levels of residual waste requiring treatment, and the contract would be subject to scheduled reviews at which amendments could be made if required. Furthermore, the Strategy includes a commitment to explore the use of carbon neutral biomass to supplement waste in the event of a requirement to fill spare capacity. It should also be noted that EfW and high recycling co-exist very successfully in the top performing recycling countries in Europe such as Switzerland, Denmark and Holland.
- 3.2.6 One of the Waste Strategy's key principles is to ensure that it is '*realistic and responsive*' to future changes. There are many uncertainties in projecting as far as thirty years ahead, in particular in relation to growth or reductions in waste, new technologies and the markets for materials. The Strategy needs to be flexible and responsive enough to adjust and change in the light of such developments, and the Executive Board will need to look at any such changes before proceeding with the procurement of an EfW facility. Equally, we must have realistic aspirations as to what can be achieved within available resources. This will be achieved by:
- a) ensuring that waste management solutions are affordable and deliver best value;
 - b) responding to changes to Government policy, guidance and targets, as well as the ongoing development of national and European legislation;
 - c) building sufficient flexibility into waste management options chosen to take account of changes to waste trends, technologies and market;
 - d) providing information on changes and assumptions made;
 - e) ensuring that we meet the needs of the community and promote an inclusive approach.

4.0 Environmental and Health Impacts

- 4.1 During the development of the proposed waste solution, the environmental and health effects of the various options have been thoroughly evaluated. The Council has considered a wide range of existing independent research in this area, and commissioned its own study into effects (see Appendix 4).
- 4.2 The emission of greenhouse gases and their effect on global warming is a key consideration in evaluating the environmental performance of waste management options. One of key benefits of the Energy from Waste process is the offsetting of energy generated from more conventional processes (e.g. power stations).

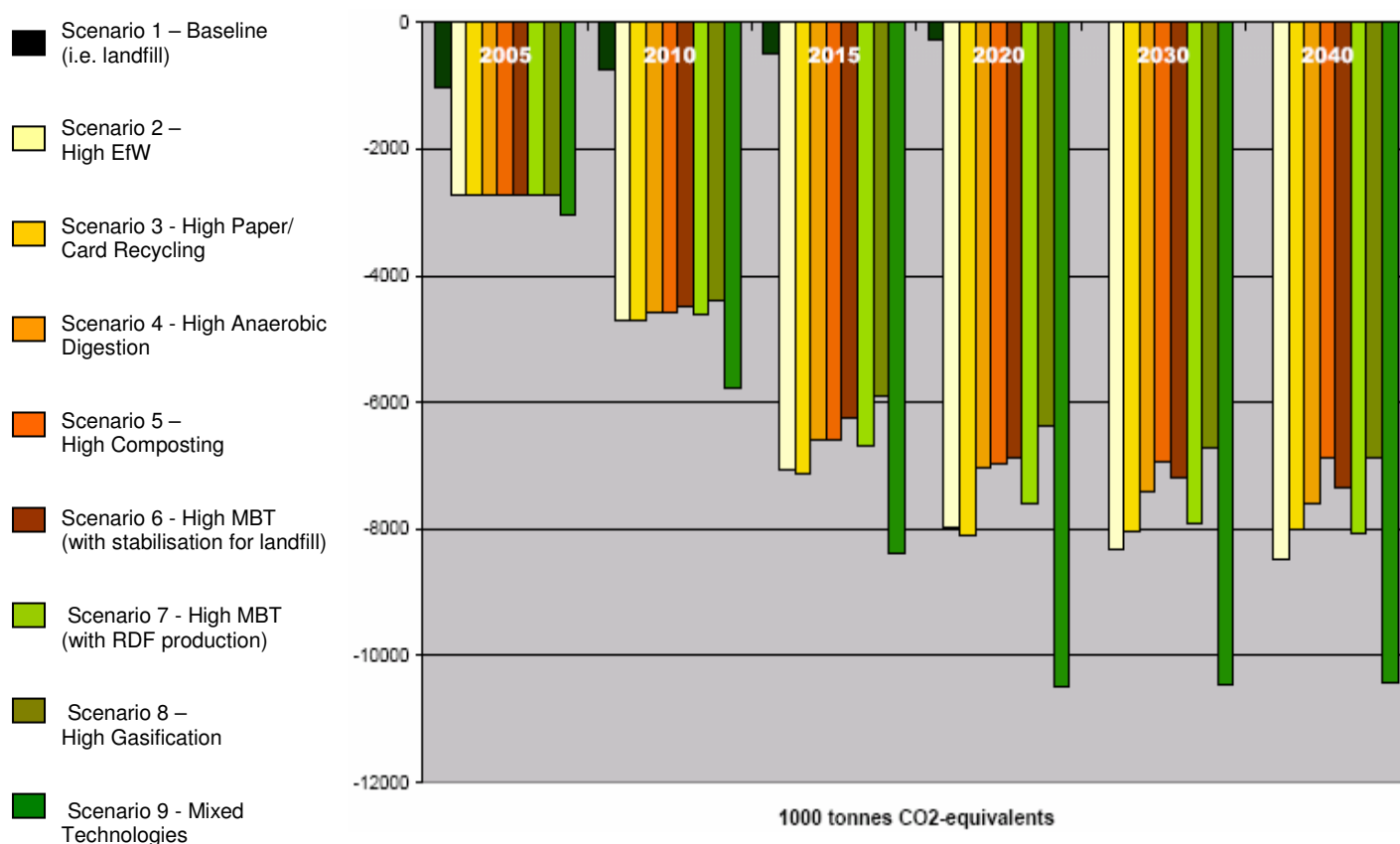
4.3 The latest research in this area can be found in a report commissioned by DEFRA entitled, “Impact of Energy from Waste and Recycling Policy on UK Greenhouse Gas Emissions” (January 2006) (ERM). The full report can be found at Appendix 5. This report provides a life cycle analysis of greenhouse gas emissions associated with a range of technology mixes for dealing with municipal waste in the UK. The residual waste treatment technologies evaluated include:

- Energy from Waste (EfW);
- Anaerobic Digestion (AD);
- Mechanical Biological Treatment (MBT) with stabilisation of the biodegradable element;
- Mechanical Biological Treatment (MBT) with production of Refuse Derived Fuel (RDF);
- Gasification.

4.4 The main findings of the report are summarised in Figure 4.4. All of the scenarios assessed assume certain levels of recycling and composting. Net levels of greenhouse gas emissions are measured in aggregated CO₂ equivalents. Greenhouse emission profiles are dominated by the offset benefits attributed to materials recycling and energy recovery, and net emissions are therefore negative for the majority of scenarios assessed. Each group of bars in Figure 4.4 illustrates the performance of Scenarios 1-9 from left to right for each year shown. Scenario 2 represents the proposal being put forward by the Council.

Figure 4.4

Municipal Solid Waste Scenarios – Comparative Greenhouse Gas Emissions (Total Direct and Indirect)



Source: ‘Impact of Energy from Waste and Recycling Policy on UK Greenhouse Gas Emissions’, Environmental Resources Management (ERM) (January 2006)

- 4.5 The main conclusion from this report is that Scenario 2 (i.e. combining Energy from Waste with recycling and composting to meet landfill diversion targets) outperforms all other individual residual waste treatment technologies in terms of greenhouse gas emissions. It is also the best performing option overall, with the exception of Scenario 9, which consists of a theoretical combination of Energy from Waste, Mechanical Biological Treatment with production of Refuse Derived Fuel for combustion, and Anaerobic Digestion, in addition to Windrow and In-Vessel Composting. The Council is unaware of there being any local authority precedent for a solution of this complexity, and the recent technical options appraisal suggests that such a solution would present unacceptably high costs and risks in terms of performance and deliverability.
- 4.6 As regards health effects associated with Energy from Waste, a major research study commissioned recently by DEFRA and entitled, "A Review of Health and Environmental Impacts of Waste Management" (May 2004) (Enviros/University of Birmingham) concluded the following, "*The review did not find a link between the current generation of municipal solid waste incinerators and health effects*". The report also concludes that, "*Emissions from incinerators in the UK have changed dramatically, with a 99.8% reduction in emissions since 1990*", since which time a range of increasingly stringent legislative emissions targets have been introduced for a comprehensive range of potential pollutants. The level of performance of these facilities in terms of minimising emissions will inevitably continue to improve. The full report can be seen at Appendix 6.
- 4.7 The evidence base referred to above, including the key reports included within the appendices, was collated and considered in consultation with a range of leading environmental research experts. Professor Paul Williams, B.Sc (London), M.Sc., Ph.D.(Leeds), C.Eng., F.Inst.E., Professor of Environmental Engineering and Head of the Energy and Resources Research Institute at the University of Leeds, has been consulted on the proposals being put forward by the Council. Professor Williams has said:
- 4.8 "*The Energy from Waste (EfW) solution being proposed by Leeds City Council represents a proven method of dealing effectively with residual municipal solid waste in order to meet landfill diversion targets. The technologies currently being put forward as alternatives to EfW generally amount to pre-treatments, and do not represent comprehensive solutions in themselves. In order to avoid a continued heavy reliance on landfill, these processes still generally need to be joined with some form of thermal treatment of waste, and assume markets for outputs of which there is little guarantee.*
- "There is no evidence of a link between modern municipal waste EfW facilities and health effects. As regards the environmental effects of waste management, by far the most important impact reported in scientific research is the effect on global warming of emissions of greenhouse gases from landfill of municipal solid waste (most importantly, methane). The strategy being proposed by the Council will therefore represent a step change in terms of reducing the environmental impact of waste management in Leeds."*

4.9 A strategic environmental assessment (SEA) has also been carried out. This is an assessment of the effects of the strategy on the environment and its purpose is to provide a high level of protection of the environment and contribute to the integration of environmental considerations into the preparation of the strategy with a view to promoting sustainable development. The resulting Environmental Report was subject to consultation alongside the Waste Strategy. This details how the SEA process has influenced and informed the strategy development, and will demonstrate how consultation on the SEA has been incorporated into the process. The full Environmental Report and associated documents will be made available on the Council's website.

5.0 Consultation

- 5.1 It is estimated that the people of Leeds and other key stakeholders have been provided with over 800,000 opportunities to participate in the consultation on the Strategy conducted between December 2005 and June 2006, and the programme of consultation implemented was one of the most extensive ever carried out by the Authority.
- 5.2 Responses to the consultation demonstrated significant support for the proposals and targets set out within the Waste Strategy, and its commitment to driving waste management up the waste hierarchy.
- 5.3 The resident survey showed significant support for the preferred residual waste treatment option included in the draft Strategy, with 84% of respondents stating that an Energy from Waste facility was the right choice for dealing with the waste that we can't recycle. 4% of respondents were not in favour of this option.
- 5.4 The consultation feedback has now been reviewed in detail, and the Strategy revised in order to address the responses where appropriate. A summary of the consultation responses is attached at Appendix 7. Full details of responses will be published on the Internet.

6.0 Infrastructure Requirements

- 6.1 A range of new integrated infrastructure is required to enable Leeds to meet its recycling, composting and recovery targets. All options involve increased costs. However, not procuring the infrastructure detailed below would result in greater costs to the Authority.
- 6.2 The infrastructure required is as follows:

Facility	Waste Stream
Materials Recycling Facility (MRF)	Mixed, dry recyclables
Green Windrow Composting Facility	Garden waste (from HWSSs)
In-Vessel Composting Facility	Garden waste (from kerbside collections)
Energy from Waste Facility	Residual waste
Waste Transfer Facility	Recyclables and residual waste
Provision of facilities for household waste e.g. household waste sorting sites	Recyclables and residual waste

7.0 Delivery Methods

- 7.1 There are a number of alternative mechanisms that can be used to deliver the necessary infrastructure. These are outlined below and indicative costs are detailed in section 9 of this report. The likely result will be a combination of delivery mechanisms.
- 7.2 PFI (Private Finance Initiative)
The Government provides financial support (PFI credits) to cover repayments on part of the capital cost of a solution. The solution could be totally integrated or not, but the PFI credits will only be awarded for the treatment infrastructure (i.e. EfW) provided under the PFI contract (see PFI section below). Standard PFI contracts have been developed by the Government in consultation with the private sector, and offer good and appropriate risk transfer for local authorities. This option requires a unitary charge payment by the Authority to a third party, with Government grant either supporting all or part of this payment.
- 7.3 PPP (Public Private Partnership)
This arrangement would be identical to a PFI arrangement but without the benefit of PFI credits. It is still possible to use the standard contract documentation associated with PFI. This option is likely to require the Authority to fund a proportion of the capital investment required.
- 7.4 Conventional Contract
This arrangement would involve the procurement of the individual elements of infrastructure and other services being procured separately through long-term contractual arrangements. This solution offers more complex contract management arrangements. It would allow the City to go to the market more quickly, and market soundings indicate that there is an appetite for this option.
- 7.5 JVC (Joint Venture Company)
This arrangement would involve forming a partnership with another organisation where mutual benefits would accrue to all parties. It is likely that the JVC would include a landowner. The waste infrastructure could then be procured through the company using one of the options outlined above.
- 7.6 City Services are in regular discussions with other authorities in the region to identify any possible opportunities for joint working. A number of our neighbouring authorities have either already secured a solution or are in the process of procurement of facilities to meet their own needs. A full partnership approach is unlikely to be feasible and the time needed to reach a formal agreement would unduly delay our implementation. We continue to monitor the situation to identify any benefits that could be gained through the alignment of procurement timetables.
- 7.7 A bid to the Regional Support Fund to fund a Yorkshire and Humber site selection exercise has been prepared. This will identify if regional sites are a sustainable option and if any suitable sites exist in the appropriate areas. Opportunities, benefits and impacts of importing or exporting waste across local authority boundaries will also be considered.

8.0 PFI

- 8.1 Officers attended a meeting with DEFRA on 1st June 2006 to discuss the submission of an EoI for PFI credits. DEFRA have indicated that £30 million of credits have currently been earmarked for Leeds. Subsequent discussions have indicated that this could rise. DEFRA also made it clear that funding would only be provided for the treatment element of the project (i.e. EfW). However, The Council intends to argue for the inclusion of the transfer loading facility on the basis of risk transfer.
- 8.2 The EfW and transfer loading station account for £129 million of the total capital funding required (£119m net present value). Based on the value of PFI credits required (£119m) and the value of credits earmarked (£30m), there is a requirement for an additional contribution (the affordability gap) to be paid by the Council. The full costs to be met by the Council for delivering the full waste solution are outlined in section 9.
- 8.3 In terms of the non-PFI elements of the project, further options appraisal work needs to be undertaken and a business case prepared. Options including prudential borrowing or long term contractual arrangements are being considered together with various contract structures and approaches.

9.0 Resource Implications

- 9.1 Continuing to landfill that waste which is not recycled is not a viable option for the long term. The increases in landfill tax of £3 per annum to £35/tonne and possibly beyond, together with the cost of buying permits under the Landfill Allowance Trading Scheme (LATS) to achieve compliance with the EU Landfill Directive, will make this option prohibitively expensive. Landfill tax increases currently cost the Authority around an additional £1 million per annum, and under the LATS scheme the Authority could face cumulative penalties of up to £217million by 2020. The combination of high recycling coupled with processing of residual waste will address this financial pressure in a sustainable way.
- 9.2 Costs were assessed during the option appraisal process and the selected strategy and infrastructure options offered the best value for money.
- 9.3 In addition to the £119 million PFI funding identified in 7.2 the Council also needs to fund a materials recycling facility (MRF), in-vessel and windrow composting facilities and the provision of facilities to which householders can take their waste. The total capital cost of all infrastructure is approximately £150 million.
- 9.4 Indicative additional costs include the cost of capital repayments for PFI and non-PFI infrastructure, running costs and potential refuse service development costs. Current budget contributions are also included. These costs relate to the first year that all the proposed facilities are operational and are based on two different levels of PFI credits awarded. The indicative net figures represent the possible additional costs to the Council that would be incurred if this proposal was to be implemented.
- 9.5 The figures below also include the impact of LATS costs which under a 'Do Nothing' option would require the Authority to purchase LATS allowances or

pay DEFRA penalties (estimated at 120,000 permits in 2012/13); whereas with the EfW option, income from the sale of excess allowances (estimated at 78,000 permits in 2012/13) would be realised. The range of affordability gaps shown below includes LATS allowances at £30 per tonne (current market value) and £150 per tonne (maximum penalty), respectively, as there is significant uncertainty as to the future costs of LATS allowances.

- 9.6 Taking all factors into account and assuming a successful bid for **£119 million** of PFI credits, the annual affordability gap would be **between £3.9 million** (LATS at £30) **and a surplus of £5.5 million** (LATS at £150).
- 9.7 If, on the other hand, the Council were only awarded **£30 million** of PFI credits, the annual affordability gap would be **between £10.5 million** (LATS at £30) **and £1.1 million** (LATS at £150).
- 9.8 If no action were taken by the Council, the annual affordability gap would be between **£15.0 million** (LATS at £30) and **£29.4 million** (LATS at £150) and, in addition, the Authority would not achieve its statutory recycling target.
- 9.9 It should also be noted that the LATS costs associated with the 'Do Nothing' option will steadily increase beyond 2012/13 as LATS targets become tighter and tighter.
- 9.10 Whilst these indicative additional costs are based on securing PFI funding for the EfW and TLS, all funding options for financing the proposed facilities will continue to be explored.

10.0 Site Selection/Planning

- 10.1 There are a number of risks associated with this project, as would be expected of any project of this size. These are being actively managed through a formal project board with the assistance of the corporate project assurance team.
- 10.2 The key risks are associated with the provision of sites for the infrastructure and obtaining planning permission. A comprehensive City-wide site selection exercise to identify sites which could be suitable for major waste facilities has been undertaken. Sites have been assessed against a range of criteria derived from planning guidance provided by national planning policy on sustainable waste management (PPS10), the emerging Yorkshire and Humber Regional Spatial Strategy and the Review of the Leeds UDP.
- 10.3 Ideally, the Council would wish to identify a single site solution for these facilities. However, the reality is that the project is more likely to be delivered through multiple sites, particularly in relation to composting operations. There are limited sites within our control, such as the transfer station at Kirkstall Road, which may be suitable for a MRF.
- 10.4 Further work is now being undertaken, in consultation with Development Department, to test appropriateness and availability. Cross-departmental discussion will be needed where there are competing priorities for sites. Ultimately sites will need to be included in the Waste Development Plan Document (DPD) and potentially in any relevant Area Action Plan.

- 10.5 There are very few of suitable sites within Leeds City Council's ownership, and it may therefore be necessary to acquire sites. These costs are not included in the costs outlined above.
- 10.6 Public consultation has shown that one of the key issues for the public is to ensure that an EfW plant does not act as a disincentive to recycling. It is therefore important that we are able to demonstrate a balance between our efforts to recycle and our need to recover energy from waste (see 3.2.4).

11.0 Collection Service Developments

- 11.1 As previously outlined, collection service developments will be required to deliver improvements to our recycling and composting. The additional diversion of biodegradable waste from landfill achieved through improving recycling performance will mitigate the penalties that will potentially be faced prior to completion of an EfW.
- 11.2 Pilot collections of garden waste from routes in each of the five wedges will commence this month. Subject to successful evaluation these can be phased in across the City over a two-year period subject to appropriate budget provision.
- 11.3 In order to move forward it will be necessary to increase the capacity of the bins and/or the frequency of green "SORT" bin collections. A full options appraisal is being undertaken to assess the performance, costs, benefits and risks of potential alternatives. This will be the subject of a further report to the Executive Board.
- 11.4 The refuse collection service developments will cost around £5 million per annum on the basis that garden waste collections and increased green bins collections are implemented city-wide.
- 11.5 Allied to this is an ongoing efficiency review of the in-house service, which may require a market testing exercise in due course.
- 11.6 Increased education and awareness campaigns will be required to support any service developments and to ensure effective use of current services.

12.0 Implications For Council Policy And Governance

- 12.1 The PFI elements of the scheme will be managed by the Public Private Partnerships Unit (PPPU), whilst the other elements of the project will be managed by City Services. It is proposed that all elements of the project report to a Waste Solution Programme Board chaired by the Deputy Chief Executive. Attached at Appendix 8 are the terms of reference for the governance of this programme of work associated with the Strategy.

13.0 Risk Assessment

- 13.1 The options appraisal that determined the preferred infrastructure included an assessment of the risks of delivery.
- 13.2 A full risk assessment has been undertaken on all the associated risks for the preferred option. The risks have been identified, and probability and

consequence assessed against a predetermined scoring matrix. This is regularly reviewed and updated by the formal project board.

13.3 In addition, risks have been ascribed to the specific actions contained within the Strategy Action Plan.

13.4 The delivery of the Council's waste management solution is considered the highest risk on the corporate risk register.

14.0 Conclusions

14.1 By approving the Strategy the Executive Board enables the Council to go forward with implementation of the Strategy action plan. This will allow us to work towards and achieve a major step change in terms of reducing the environmental impact of waste management in Leeds, meeting our targets and mitigating additional costs.

15.0 Recommendations

15.1 The Executive Board is requested to:

15.1.1 Adopt the Integrated Waste Strategy for Leeds 2005-35;

15.1.2 Approve the action plan for implementation for which financial provision will need to be secured following appropriate budget submissions;

15.1.3 Approve the governance arrangements for the programme outlined in the attached terms of reference;

15.1.4 Note the content of the Expression of Interest (EoI) for PFI credits, agree the proposed strategy for securing external funding and delegate approval of the final EoI document to Asset Management Group;

15.1.5 Note that an outline business case for PFI funding will be brought to the Executive Board for approval following approval of the EoI by DEFRA;

15.1.6 Note the indicative financial implications of delivering the overall waste solution for Leeds;

15.1.7 Note the site selection work in progress relating to the location of facilities, including the approach to regional working outlined in the report.