

**Continuing Non-Statutory Service (Proposed Base Budget Reduction Targets) – Template 3**  
**BOP 046**

Service name WASTE PFI BBR 083	Service Description – please see over		
	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>
Forecast before savings	41.609	42.791	45.501
Budgeted savings (cumulative)	-18.018	-18.018	-18.018
Planned net expenditure (Approved <b>2015 net budget</b> )	23.591	24.773	27.483
August 15 monitoring position	2.984		
Demand variations (cumulative)		0.000	0.000
Price variations (cumulative)		1.896	1.315
Undeliverable savings (cumulative)	0.000	0.000	0.000
Loss of grant (cumulative)	0.000	6.000	6.000
<b>Revised Resource Requirement</b>	<b>26.575</b>	<b>32.669</b>	<b>34.798</b>
Additional savings target for approval (cumulative)	0.000	-8.500	-8.500
<b>Revised proposed budget</b>	<b>26.575</b>	<b>24.169</b>	<b>26.298</b>
Proposed risk reserve provision (discrete year)		7.750	4.500
Policy Decisions needed to deliver the budgeted savings	<ol style="list-style-type: none"> <li>1. To reduce processing activities and associated costs within the Farington and Thornton waste recovery parks, where these processes are uneconomic relative to available alternative disposal options.</li> <li>2. In ceasing processing activities any related plant and equipment will be 'mothballed' and maintained to take advantage of future market opportunities.</li> <li>3. Cease composting of co-mingled food and garden waste. Advise waste collection authorities that in future the council will only provide facilities for composting green waste that does not include food.</li> <li>4. Downsize the council's waste company through a transformation and restructuring exercise.</li> <li>5. Cease the Environmental Education service (including adult and community programme) provided by the company</li> <li>6. Cease the waste minimisation and communications services provided by the waste company.</li> <li>7. Undertake market testing and procurement activity to determine potential market opportunities for reconfiguring the entirety of the council's waste services. This will include exploring the release of value from assets including the council's waste recovery parks, transfer stations and long term landfill contracts.</li> </ol> <p>Approval to reduce the revenue budget from 1<sup>st</sup> April 2016 by £8.500m and to use £7.750m reserves in 16/17 and £4.500m reserves in 17/18 to fund the 'transition period' to enable service reconfiguration by 1st April 2018.</p>		

Impact upon service	<ul style="list-style-type: none"> <li>• Potential for reduced recovery of residual waste and increased landfill disposal should alternative cost effective arrangements for residual waste processing not be secured.</li> <li>• Changes to residual waste operations and closure of in vessel composting processes will require procurement of third party contracts.</li> <li>• Closure of in vessel composting processes will require Waste Collection Authorities to cease collection of co-mingled food and garden waste (and collect garden waste only) or establish their own alternative facilities.</li> <li>• Changes to residual waste processes and moth balling / decommissioning will require one-off capital investment from the earmarked reserve.</li> <li>• A significant proportion of the current 340 staff employed by the waste company will face compulsory redundancy. This will result in one off redundancy costs.</li> </ul>
Actions needed to deliver the target savings	<ul style="list-style-type: none"> <li>• Consultation with the council's PFI partner, Blackpool Council, and the district collection authorities, particularly with respect to garden and food waste composting, by 31<sup>st</sup> December 2015.</li> <li>• Commence procurement processes for third party garden waste contract in December 2015.</li> <li>• Following procurement of garden waste contract inform district councils of commencement date for delivering food excluded garden waste. (Target date April 2016)</li> <li>• Complete development of waste company transformation plan by 31<sup>st</sup> March 2016, followed by immediate implementation.</li> <li>• Consultation with waste company, its staff and trade unions by 31<sup>st</sup> December 2015.</li> <li>• Delivery of modifications to residual waste processes and air management systems (capital works) during 2016.</li> <li>• Commence procurement processes for third party residual waste contracts by 31<sup>st</sup> December 2015.</li> <li>• De-commissioning and moth balling of redundant processes by 31<sup>st</sup> March 2017.</li> <li>• Establish project team to explore market opportunities for realisation of assets by 31<sup>st</sup> December 2015.</li> </ul>
Equality Analysis	<a href="#">Click here to view document</a>

### What does this service deliver?

The overarching purpose of this service is to reduce the amount of household waste sent to landfill by increasing the amount of waste that is recycled, composted or otherwise recovered in line with the council's waste management strategy. This is achieved through: Provision of Waste Recovery Parks at Thornton and Farington. The Waste Recovery Parks are responsible for the reception, storage, treatment and transportation of 240,000 tonnes of residual waste, 66,000 tonnes of green waste and 78,000 tonnes of recyclable materials in accordance with performance targets and service requirements. The service also delivers the safe transfer of all products and residues arising from the processing, treatment or handling of waste including the sourcing of all end markets.