



Grant Thornton

Exeter City Council

**Arrangements for meeting Government
requirements on Waste Management and
Climate Change**

28th December 2008

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A ACTION PLAN

1 Introduction and background

In our 2007-08 Audit Plan, we identified a number of risks to the Council, including the challenges presented by changing Government requirements in relation to waste management and climate change.

We have reviewed the arrangements that the Council has in place to meet its changing obligations with regard to these issues, and the extent to which the risks identified are being managed.

Waste management is one of the most visible frontline services provided by local authorities, and, over a number of years, there has been a significant shift from merely removing waste towards better resource management, through recycling and re-use.

Since 1990, National and European legislation has been introduced that requires waste collection authorities to implement a range of policies and practices for re-using, recycling, and recovering energy from a significant proportion of waste collected and sent for disposal.

The issue of climate change is also high on the agenda of many organisations, and the practical effects of climate change are, many argue, already being felt. The Council is in an influential position and should be seen as being at the forefront of local efforts, in its community leadership role, in tackling climate change issues.

Our review has sought to understand the Council's arrangements for identifying the key issues, for meeting the developing waste management and climate change targets and for identifying and managing the associated risks.

2 Waste management

Strategy objectives and actions

The Council has a well-established track record in recycling, having published its first Recycling Plan in 1992, and this has been regularly updated to account for changes in legislation, and for changes in the locality. The Plan is to be reviewed and updated in 2008-09.

The current approach to recycling is encompassed in the Recycling Plan 2006-2011, and this sets out policies aimed at enabling the City to reach, what the Plan describes as, "challenging" recycling and waste reduction targets. We understand that the Council is not actually required to produce a recycling plan because the Council has been rated as "excellent" by the Audit Commission. However, the Council still does so in the interests of good quality service planning.

The Recycling Plan sets out a number of aims and objectives in respect of recycling, including reducing waste production, encouraging recycling and re-use, promotion of good policies and practices and increasing local markets for recyclable materials.

The Plan describes the wide variety of legislation and directives governing waste management, and the range of recycling services, either provided by the Council, or in which it participates. It also recognises the longer term importance of waste minimisation, including within the Council's own day-to-day operations. The Plan also notes the increasing impact of the Landfill directives, which, while directly affecting Devon County as the Waste Disposal Authority, also has implications for the Council and its partners across the County.

The Recycling Plan includes an action plan, in which management actions and target dates for completion are assigned to specific Council objectives. Responsibility for individual actions is assigned to officers. Key Performance Indicators for recycling and waste minimisation are included within the corporate performance monitoring process and is reported quarterly to Senior Management Team, the Executive Team and to Scrutiny Committee (Community). An annual report is also presented to Scrutiny Committee (Resources).

The Plan identifies the range of statutory and local waste management and recycling targets and reaffirms the Council commitment to meeting these. The national minimum target for statutory recycling and composting is 30%, and is expected to remain at this level for some years. However, the local target is 33%. We have identified that the Council is currently achieving a 35.5% recycling rate, compared to the 33% target. However, further development is required in respect of organic waste. Currently, the Council strategy is to encourage home composting and waste reduction. The proposed "Energy from Waste" plant (Devon County Council initiative) will be key to the diversion of organic waste from landfill, though it will be 3 years before the proposed processing unit is operating.

A provisional stretch target of 40% is highlighted for 2010-11, though the Devon-wide target within the Municipal Waste Management Strategy has been revised to 50%, the effect of which is to increase the Council's own recycling target to 41.5% by 2010-11.

Partnership arrangements

The Plan recognises that, as a Waste Collecting Authority, the Council is only a part of the whole waste management process, and therefore it has built, over a number of years, a strong working relationship with other partners, most particularly with Devon County Council, as the Waste Disposal Authority.

The Plan highlights the long history of joint working with other authorities in Devon which presently manifests itself in the Devon Authorities Waste Reduction and Recycling Committee (DAWRRC). This is attended by member and officer representatives from each participating authority. We understand that this Devon-wide model has been cited as a model of best practice and it is underpinned by cooperative frameworks across the participating organisations. However, it is not clear to us how much authority the DAWRRC has, and what would happen if individual authorities started to perform poorly on key waste/recycling targets. For example, as we highlight earlier in this report, a Devon-wide stretch target has been agreed, but it is not clear how that would be enforced through DAWRRC. That notwithstanding, the DAWRRC is seen to have great value to the participants.

A Devon-wide waste strategy is in place, underpinned by co-operative frameworks across the participating organisations. There is also a waste management strategy produced by the South West Regional Assembly.

The DAWRRC members authorities are all engaged in the national performance reporting process, in which data from the Waste Data Flow (WDF) system is used to report data to DEFRA. The DAWRRC considers the full set of WDF data as part of its work.

Monitoring and reporting arrangements

We have identified that there is currently quarterly reporting on key performance indicators. Reporting against the BVPI waste and recycling targets is managed through the corporate performance monitoring system (Performance Plus). Performance against specific recycling targets is reported quarterly to members, though more frequent monitoring by the Recycling Manager ensures that any significant fall in performance (excluding seasonal changes) is identified and addressed at an early stage.

The Scrutiny Committee (Community) is the focal point for member involvement in waste management issues. The Head of Environmental Health Services regularly reports on a range of issues relating to waste management. Support for service developments is also sought from the Committee. In particular, the Committee has reviewed progress with the corporate Recycling Plan, including consideration of the 2007-08 Improvement Plan.

During 2007-08, the Committee has considered progress with the Recycling Plan since its inception in 2006, as well as considering improvement issues for 2007-08.

Landfill Allowance Trading Scheme (LATS)

The Council's Recycling Plan recognises the fundamental importance of the EU directives on landfill.

The key driver for municipal waste management in Devon for the next few years is the LATS scheme. LATS places limits on how much biodegradable municipal waste can be land-filled in Devon, setting diminishing amounts for each year until 2020. By 2020 only 35% of the amount of biodegradable waste land-filled in 1995 will be allowed, and for each tonne land-filled over this amount a fine of up to £150 per tonne will be levied.

The LATS allowances and penalties are the responsibility of Devon County Council, as they apply to Devon as a whole. The implementation of the LATS scheme is one of the reasons that the partners across Devon are proposing three new "energy from waste" plants, one of which will be sited in Exeter by 2011, as material that has passed through such a plant will have its entire biodegradable component removed.

We understand that the "energy from waste" initiative is crucial to the Devon authorities in progressing the waste/recycling agenda. However, it is not clear to us that all the risks associated with the proposals have been identified and considered. We therefore re-emphasise the value there may be in ensuring that all the risks associated with LATS are identified, and appropriate arrangements are put in place to manage those risks.

Summary

Overall, we have concluded that the Council has in place an appropriate strategy and objectives/targets, which recognise the changing legislation and consequent changing demands on the Council, and its partners, in respect of recycling and waste reduction. The strategy and objectives/targets are revisited annually, with appropriate member involvement.

The Council could enhance these arrangements further by assessing all the risks associated with waste/recycling and the impact of failing to meet local and national targets. We understand that a risk has been identified in respect of the Materials Reclamation Facility, specifically the implications of it being destroyed, and how the Council would then manage the recyclable waste. We have also noted that, as part of the corporate risk management arrangements, the Council reviewed the risks associated with the recycling site, and, as a result of specific work on staff training and improved management of the site, was, in November 2007, able to reduce the risk from medium to low.

However, there is an opportunity for the Council to be far more thorough in identifying all the strategic and operational risks relating to waste management, including reputational and financial, and to be clear about the arrangements in place to minimise these risks. This will ensure that the corporate and departmental risk registers are more complete.

3. Climate Change

Background

The Council has a Climate Change Strategy 2008-2018, and this supersedes or overlaps with a number of previous strategic documents (Draft Climate Change Strategy 2007-17, Environmental Strategy 2007-2012, Corporate Environmental Strategy 2001-06 and Environmental Strategy for Exeter 2001-07).

The current strategy is built on a number of key policy themes (energy, transport, waste, community leadership and adapting to the effects of changes in climate) and takes account of input from research undertaken by Exeter University as well as some public consultation.

The Strategy recognises the role of the Local Strategic Partnership and also the dual role of the Council - its role as a community leader in identifying and addressing local climate change issues, and also, as a consumer of resources, its role in reducing its own environmental "footprint".

The Strategy contains detailed analysis of the impact of climate change on the local area. It indicates that 45% of carbon dioxide emissions in Exeter come from the non-domestic sector (compared to 49% nationally), while 34% are derived from domestic consumption (compared with 28% nationally) and 21% from transport (compared to 27% nationally). It also identifies the potential to reduce total emissions in Exeter by around a quarter in 2020, compared with 2004 levels, taking account of future growth.

An action plan, covering the period to Spring 2009, has also been produced. We understand that it is intended that a revised action plan will be produced in 2009, and then every three years. The current action plan has a range of actions over the key policy themes.

As a community leader, the Council sees that it has an influencing role and an enforcing role. It has a number of initiatives in place to support change. For example, it is currently focusing on ensuring that the housing stock, whether owned by the Council or otherwise, maximizes the use of roof and wall insulation, and is encouraging the take-up of grants to ensure this issue is addressed. It has also introduced a climate change levy on its car parking charges, and the additional funding derived is used to fund initiatives suggested by the public. Some of the funding (£50,000) is also being used as grant aid for those caught in the "trap" just above the level of income at which benefits can be claimed.

The current Strategy was considered and approved by Scrutiny Committee (Community) at its meeting of January 2008, at which it also agreed to monitor progress on an annual basis.

The Council has also developed, in conjunction with the Carbon Trust, a 2008 Carbon Management Strategy and Implementation Plan. This resulted from the Council being selected to participate in the 5th phase of the national Local Authority Carbon Management Programme. The Council has earmarked £100,000 over five years for this initiative, the objective being to achieve sustainable savings in energy consumption in the medium to long term.

The Council has established a Climate Changes Steering Group, which is director-led and which includes heads of services. The Group meets monthly and monitors progress of the action plan against all the policy themes. It also monitors progress against all the environmental performance indicators.

However, it is not clear to us that the Council has yet addressed the issue of risk management in regard to the climate change agenda and, as with the issue of waste management, we consider that the Council would benefit from considering this in more detail.

Summary

We are satisfied that the Council has made good progress in establishing sound arrangements for addressing the issues of climate change. It has clear strategies and monitoring arrangements, and has engaged officers and members in the monitoring and review process. It has recognised its role as a community leader and is therefore seeking to influence the habits of individuals and organisations within its boundaries. It is also concerned to initiate measures to reduce its own carbon "footprint".

We consider that the issue of risk management, which we raised in regard to waste, is also relevant here. There is an opportunity for the Council to strengthen its risk management arrangements, in respect of climate change issues, by ensuring that all relevant strategic and operational risks are identified within the Corporate Risk Register, and then ensuring that appropriate arrangements are in place to mitigate those risks.

A ACTION PLAN

Recommendation	Priority	Management Comment	Date for Implementation	Lead Officer
<p>The Council should identify fully the risks associated with its waste/climate change action plans and ensure that mitigating controls are in place for each risk identified.</p>	<p>High</p>	<p>Detailed risk registers will be formulated for each theme, with significant risks identified within the corporate risk register (the latter being subject to monitoring by Scrutiny Committees).</p> <p>Stewardship of the Climate Change risk register will rest with Climate Change Steering Group, whereas the Head of Environmental Health Services will be responsible for the stewardship of the recycling/waste management risk register, which will also be incorporated into the annual report on the Council's Recycling Plan.</p>	<p>March 31st 2009</p>	<p>Head of Environmental Health Services</p>



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