

Report of: Interim Head of City Works

Title: Approval to ring-fence, for the use of waste minimisation/recycling, any subsequent DEFRA funding resulting from the Waste Performance and Efficiency Grant

Ward: All

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Key Decision: No

Lead Member: John Tanner

Scrutiny responsibility: Environment

RECOMMENDATIONS

That the Executive Board agrees to:

1. Approve the continuing use of the WPEG and any subsequent grants only for the purpose of waste minimisation/recycling within Oxford City Council.
2. Approve the use of the WPEG and any subsequent grants for any future waste partnership arrangements, giving the executive member for the environment the authorisation to contribute part or the whole of this fund to any Oxfordshire Waste Partnership initiatives.

1. Over the last year DEFRA has announced that they are unlikely to give any further grants for recycling initiatives and will instead be allocating funds to each authority based on a specific version of the formula used in the Environment, Protective and Cultural Services (EPCS) block. This year, Oxford City received just over £52k to spend on recycling/waste initiatives. However it was not a requirement that this fund had to be spent on waste minimalisation/recycling. The current payment is sitting within the City Works' Budget and will be used for recycling initiatives/waste minimalisation. The funding itself is split into capital and revenue, the current split is approximately capital £29k and revenue £23k.

2. The Government announced in December 2004 the creation of a three year targeted grant (the Waste Performance and Efficiency Grant), to provide funding to local authorities to introduce more recycling systems, to undertake long term strategic planning and to promote increased and more effective partnership working in two tier areas such as Oxfordshire.
3. Nationally, the grants will amount to £40 million in 2005/06, £105 million in 2006/07 and £110 million in 2007/08, a total of £255 million over the three years. Oxfordshire's share of this funding will amount to approximately £500,000 in year one, £1.3 million and £1.35 million in years two and three.
4. To encourage joint working, the Government has said that for years two and three it is considering making single allocations of these grants to the relevant partnerships of authorities in two-tier areas. The presumption is that existing partnerships will consider first whether grant awards can be combined and used to support more effective partnership working. The Government has said that they will consult on this proposal during this year.
5. The relevant partnership for Oxfordshire is the Oxfordshire Waste Partnership (OWP) and at its meeting on 7th April 2005 a report on this matter was considered and two proposals were discussed:-
 - a) To provide for a joint fund where it is agreed that any allocations to individual authorities will be pooled, and spending priorities and decisions will be made by the Oxfordshire Waste Partnership. This appears to be the option that DEFRA considers to be the most effective arrangement to promote joint working and efficiencies.
 - b) If grants are made to individual authorities, then these shall be retained by them, but ring fenced for projects which further the aims of joint working. Spending priorities and decisions will be made by the individual authorities.
6. The OWP agreed that it did not appear sensible at the present time to decide between these options, until such time as DEFRA finally announce their views on such matters, and how they will allocate funding in the future. This announcement is not expected until the outcome of the consultation exercise later this year. In the meantime it recommended constituent authorities to agree to "ring fence" the funding for year two and three (2006/07 & 2007/08) until the situation was clarified and more guidance was forthcoming from DEFRA.
7. In the event that the Executive were to decide not to "ring fence" any award then the Council may be subject to criticism for using funding

intended for waste management (and particularly for the promotion of recycling), for other uses.

8. The grant for 2005/06 will be available for developments to the Council's recycling services. Further grants will depend upon DEFRA policy. There should be no other effects or risks arising from the recommendation of this report.

THIS REPORT HAS BEEN SEEN AND APPROVED BY:
Portfolio Holder: Councillor John Tanner
Strategic Director: Sharon Cosgrove
Legal and Democratic Services: Jeremy Thomas
Financial Management: Andy Collett

Background papers: None