

**REPLY BY THE PRESIDENT OF
THE STATES' TRADING SUPERVISORY BOARD
TO QUESTIONS ASKED PURSUANT TO RULE 14 OF THE
RULES OF PROCEDURE BY DEPUTY JOHN DYKE**

Question 1

Could you kindly give a breakdown of the costs incurred in 2019, 2020 and 2021 in dealing with:-

- a) Food waste
- b) Glass

Answer

- a) The costs incurred by Guernsey Waste between 2019 and 2021 for the processing and treatment of food waste, from both household and commercial sources, were:-

2019: £482,000

2020: £477,000

2021: £655,000

These figures include the third-party processing contract (which is inclusive of export costs); an apportionment of the operating costs of the transfer station, where food waste from households and commercial is delivered and undergoes pre-processing prior to export; and other relevant costs, some of which do not recur annually, such as the maintenance of tankers.

The variation in the annual expenditure in 2021 compared to 2019 reflects a combination of a significant increase tonnages being received, from both commercial and household sources, and a higher apportionment of transfer station operating costs. The latter allocation is notional, and has been adjusted to better reflect the level of activity that relates to food waste processing, based on the experience that has been acquired since operations commenced.

- b) The costs incurred by Guernsey Waste between 2019 and 2021 for the preparation for export and subsequent processing of glass, from both household and commercial sources, were:-

2019: £166,000

2020: £111,000

2021: £292,000

These figures include the third-party processing contract (which is inclusive of export costs); an apportionment of the operating costs of the transfer station, where glass is received and containerised prior to export; and other relevant costs, such as collections from bring banks.

The variation in the annual expenditure in 2021 compared to 2019 is primarily due to a higher apportionment of transfer station operating costs, to better reflect the level of activity that relates to glass processing based on the experience that has been acquired since operations commenced. Other operational or contractual costs also varied, but the impacts of those largely balanced out. (The lower expenditure in 2020 was largely the result of the reduction in bring bank costs, due to the covid closure of sites and subsequent removal of glass only facilities.)

Question 2

When do the relevant third party handling/export contracts expire?

Answer

The current third-party export and processing contracts for food waste and glass expire on 31 December 2023.

Question 3

What proposals have you received to deal with these items in Guernsey?

Answer

Prior to 2017, glass was crushed on-island, for use as an aggregate substitute. However there was limited demand for this product from the local construction industry, resulting in the stockpiling of material. There is no realistic prospect of a facility being established on-island for the reprocessing of glass into new glass, economically, and therefore export is the only option for this material.

When the waste strategy was approved in 2012, it included plans for an on-island facility for treating food waste. However a subsequent tender invitation attracted very little interest, and the proposal was eventually abandoned, mainly due to the high cost to the States of constructing a local plant at that time, and risks associated with managing locally the residues from processing. The States subsequently agreed 'export of pre-processed food waste for off-island treatment via Anaerobic Digestion (or similar process)' as the approved method for management of food waste, in accordance with the Environmental Pollution (Guernsey) Law 2004.

As an operator of waste management services, Guernsey Waste frequently receives approaches from individuals and businesses offering services for processing different waste streams. These normally relate to the supply of equipment, and very occasionally proposals for the operation of on-island waste management. Any such approaches have to be managed in accordance with States Procurement Rules.

In April 2022, Guernsey Waste issued an invitation for expressions of interest from parties that wished to receive the island's food waste when the current export/processing contract expires at the end of 2023. This attracted 13 responses, including a number from local companies or individuals.

Following the expression of interest, a formal pre-qualification questionnaire (PQQ) is expected to be published in September. This is the first stage of the formal tendering process, and will enable interested parties to demonstrate experience of operating food waste processing facilities, and how they would meet the requirements of the contract. Following the receipt of the completed PQQs, Guernsey Waste will draw up a short list of potential operators, who will be invited to submit formal tenders, and expects to award a contract in the first quarter of 2023. Expert, independent advisors have been engaged to help with the process and the assessment and evaluation of tenders.

As this is now a live procurement process, it would be inappropriate for the States' Trading Supervisory Board to give detail relating to any expressions of interest that have been received and which may subsequently form part of a formal tender.

Question 4

With reference to your Paper re Waste Charges dated 27 June 2022, the Table in para 1.9 shows no income from green waste for 2019-2021. Why is this? Do contractors not pay gate fees for green waste?

Answer

The table referred to in the policy letter titled 'Future Waste Charges' details income and expenditure for household waste and recycling services only. There is no direct charge to households for green waste and therefore no income is shown in the table for this waste stream. (The gate fee at Mont Cuet for this material applies only to commercial operators.)

Date of Receipt of the Question: 31 August 2022
Date of Reply: 7 September 2022
