



Mr Gary Meyler  
Formula Grant Review Team  
Office of the Deputy Prime Minister  
Zone 5/F6. Eland House  
Bressenden Place  
London  
SW1E 5DU

Dear Mr Meyler,

**SUBJECT: FORMULA GRANT REVIEW - THE CASE FOR A WASTE  
MANAGEMENT SUB-BLOCK**

Thank you for the opportunity to comment on the new proposals for allocation of funds to English local authorities. The comments below come on behalf of the Local Authority Recycling Advisory Committee (LARAC) for whom I am Policy Officer. LARAC is an association of 300+ local authority professionals who co-ordinate and operate waste management services for their respective authorities. Membership is drawn from all types of authority including statutory Waste Collection (WCA), Waste Disposal (WDA) and Unitary Authorities.

As LARAC is an organisation representing the views of local government on waste recycling we will confine our comments to proposals that may affect waste management funding. In particular the question included as point v) in paragraph 141 as to whether there "are any structural changes you would wish to see, such as a separate block for waste management".

The Environmental, Protective and Cultural Services (EPCS) has suffered over a number of years from the incremental increase of new powers and duties placed upon local authorities such that the level of funding currently allocated bears very little resemblance to the work required. Within that time additional powers and costs have been allocated to Waste Collection and Disposal Authorities. In particular the Landfill Tax introduced in April 1997.

It is our belief that currently on average waste management accounts for approximately 20% of the expenditure defined with the EPCS block of the SSA. This percentage is larger than some other areas of funding with specific EPCS SSA sub-blocks e.g. Fire Services. Furthermore work commissioned by the Society of County Treasurers and conducted by Price Waterhouse Coopers has

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shown that the rate of increase in waste disposal expenditure has been in the order of 230% over the period 1991/2-1999/2000. It is well documented that waste costs are set to escalate as the impact of environmental legislation, scarcity of disposal options and environmental taxation increase.

The main objective of a separate waste sub-block would be to allow the identification of the appropriate level of funding at a national level that could then be allocated at the local level. At a national level a separate waste management sub-block would also assist with the review and forward planning of waste management expenditure as authorities' expenditure relative to SSA could be transparently compared. Currently this is not the case.

Singling out of waste management costs through an SSA sub-block would also help bring the issue to the attention of local elected members and decision-makers for whom waste is becoming (or has already become) a significant financial burden. Being able to highlight the specific costs associated with waste management at a local level will also focus the minds of elected members and senior decision-makers on the related infrastructure and planning decisions that are associated with the management of municipal waste within England.

Given these factors LARAC believes that there is a sufficiently robust case to call for the development of a separate sub-block for waste management within the SSA. Given the wide background and nature of LARAC members we are not able to specifically recommend any one of the proposed allocation methods (EPCS1-4) but would urge that the option adopted is as simple as possible to administer and comprehend. Thank you for the opportunity to comment. LARAC would welcome the opportunity to comment further should any subsequent consultation be conducted on the detail of an EPCS waste management sub-block.

Yours Sincerely,

Andy Doran  
Policy Officer, LARAC  
and Surrey County Council